

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, MARCH 26, 2018**

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, Amy Ernst, Mike Harmon. Honorary Council Member: Jason Turner.

Staff present: Steve Robinson, City Administrator; Troy Appel, Public Safety Director, Todd Wietzema, Public Works Director; Dwayne Haffield, Director of Engineering; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Janice Oberloh, City Clerk.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hillstrom, The Globe; Ryan Weber; Steve Van Dokkenburg; Kelly Meyer; Tara Kraft; Reed Leiting; America and Bryan Voss; Kathy Craun.

The Pledge of Allegiance was recited.

HONORARY COUNCIL MEMBER

Mayor Kuhle presented Jason Turner with a certificate for serving as Honorary Council Member for the months of January, February and March, 2017. Mr. Turner thanked Council for the opportunity, and noted they had big seats to fill.

NATIONAL SERVICE DAY PROCLAMATION

Mayor Kuhle read a proclamation recognizing National Service Day, and the volunteers who donate their time.

AGENDA CLOSED APPROVED WITH ADDITIONS

Staff requested the following changes to the agenda:

- Addition of Administration Item E.4. *Request for Financial Commitment for Nobles County Library ISD 518 Community Education Project*
- Addition of Administration Item E.5. *Nominating Committee Recommendations for Committee Appointments*
- Addition of Community/Economic Development item 1. *Blighted Properties*
- Pull Administration Item E.3. *Establish Price for 15 Acres of City-Owned Vacant Land*

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

CONSENT AGENDA APPROVED

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

unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting March 12, 2018
- Minutes of Boards and Commissions - Water and Light Commission Minutes of March 5, 2018 and March 19, 2018; Public Arts Commission Minutes of February 15, 2018; YMCA Board of Directors Minutes of February 28, 2018, Heron Lake Watershed Board Minutes of January 16, 2018
- Municipal Liquor Store Income Statement for the Period January 1, 2018 through February 28, 2018
- 2018 Worthington Soccer League Agreement
- Bills payable and totaling \$2,240,628.30 be ordered paid

ACE OF SW MN (R.S.V.P.) PR4ESENTATION - JOANN BARTOSH

Joann Bartosh, representing ACE of SW MN (R.S.V.P.) said she wanted to thank Council for the National Service Day proclamation and for recognizing the volunteers. Ms. Bartosh provided information on the number of volunteers who worked through her organization and the number of hours they contributed in 2017. The total number of registered A.C.E. volunteers in Nobles County was 17 (Clearinghouse) + 502 (A.C.E.) for a total of 519, who volunteered a total of 47,570 hours. Participating counties include Cottonwood, Lincoln, Lyon, Murray, Nobles, Redwood, and Rock.

BID AWARDED FOR SEAT REPLACEMENT AT MEMORIAL AUDITORIUM

Steve Robinson, City Administrator, said two bids were received for the new seats at Memorial Auditorium, and were rated using the best value procurement method. The bid from Davis Seating of Black River Falls, WI scored higher overall than that of Haldeman-Homme. The Davis seat scored higher in comfort, appearance and construction, and warranty. The Haldeman-Homme seat scored higher in price, however, their bid included stipulations that did not comply with the specifications. Mr. Robinson said the recommended bid was \$35,155 higher than estimated.

Total project budget:

Seat removal and disposal:	\$10,500.00
Removal of existing flooring asbestos disposal, floor preparation:	\$15,875.00
Under seat floor preparation:	8,995.00
Carpet:	\$10,010.00
New seats:	\$133,720.00
Contingency (5%):	<u>\$8,995.00</u>
TOTAL	<u>\$188,055.00</u>

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to award the bid for the Memorial Auditorium seat replacement project to Davis Seating.

**REQUEST FOR FINANCIAL COMMITMENT FOR NOBLES COUNTY LIBRARY ISD
518 COMMUNITY EDUCATION PROJECT**

The Nobles County Commissioners and ISD 518 were requesting a commitment of \$2.0 million from the City, along with a property donation, toward their collaborative project intended to include a new library and Community Education facility. Estimated total project cost is \$31.4 million. The County has submitted a request to the state legislature of a \$15.0 million bonding appropriation, leaving \$16.4 million to be funded locally. The remaining \$14.0 million remaining after the City's contribution would be split between the County and School District based on the space dedicated to each entity. Mayor Kuhle stated that if we're going to have a new library, the City needs to participate in it both financially and with the land.

Council Member Oberloh said he agreed, but he is concerned over the lack of overwhelming enthusiasm on the part of the County Commissioners, only two of them attended the joint meeting, and he's not sure they're on board yet. In a good faith effort, if we dedicate \$2.0 million out of the hospital proceeds, it needs to be a closed-ended offer, and it should not include the property that the City owns at this point. He believes there are at least two County Commissioners that would vote against having the library in Worthington. Mayor Kuhle said he knew one for sure would vote against it if the City didn't participate.

Council Member Oberloh said he would be happy to make a motion that we expend \$2.0 million on it but they have to, in good-faith, show that they are starting on a new library project by January 1, 2020. Council Member Harmon asked if Council Member Oberloh would put in his motion that the City's \$2.0 million must go for the library. Council Member Oberloh said he would say a library project that needs to start by January 1, 2020. Council Member Harmon said he would support that motion. Council Member Oberloh added if they want to come back and negotiate on the land at a later date when they decide to do it we can talk about it. Council and staff verified that the blue building was off the table and not included in the offer.

Council Member Ernst agreed with the proposal and that the underwhelming dedication from the County Commissioners is concerning - where is our leader. Honorary Council Member Turner asked if a school fits in with the other recently proposed business for that area - a marina with potentially a restaurant and bar. Council said there would be separation between the two projects. Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, asked what the appraised value of the land was. Mr. Robinson said the appraisal received last year for the land value without the buildings was \$225,000. Council Member Ernst said we can put the money aside, and then put the ball in their court.

Following additional discussion, the motion was unanimously carried.

NOMINATING COMMITTEE RECOMMENDATIONS APPROVED FOR COMMITTEE APPOINTMENTS.

The Nominating Committee met on March 1, 2018 and on March 26, 2018, and were making the following recommendations for committee appointments:

Water and Light Commission

Appoint Kathy Hayenga to replace Aaron Hagen who declined to serve a second three-year term, term to expire March 31, 2021

Public Arts Commission

Appoint Kelly Henkels to replace Jayme Wiertzema who resigned her term, term to expire November 30, 2018

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to approve the appointments as recommended by the Nominating Committee.

RESOLUTION NO. 2018-03-02 ADOPTED ACCEPTING DONATED FUNDS FROM THE WORTHINGTON HIGH SCHOOL

Troy Appel, Public Safety Director, said members of the worthington High School Business Professionals of America Chapter (BPA) participated in a community service project to raise funds to benefit the City of Worthington's Animal Control Program. They sold over 350 mobile phone "popsockets" and raised \$1,050.

The motion was made by Council Member Ernst, seconded by Council Member Janssen and unanimously carried to adopt the following resolution accepting the donation:

RESOLUTION NO. 2018-03-02

A RESOLUTION ACCEPTING THE DONATION OF FUNDS

(Refer to Resolution File for complete copy of Resolution)

CONTRACT FOR WEST GATEWAY DRIVE AREA SEWER AND WATER EXTENSIONS AWARDED

The following bids were received March 22, 2018 for the West Gateway Drive Area Sewer and Water Extensions project:

Engineer's Estimate	\$447,980.40
GM Contracting, Inc.	\$326,650.24
Duinink, Inc.	\$333,330.20
Kuechle Underground, Inc.	\$387,481.00
JR Ferche, Inc.	\$388,858.00
Quam Const. Co., Inc.	\$408,944.00
H&W Contracting,m LLC	\$435,056.07
LCS, Inc.	\$500,385.00

Dwayne Haffield, Director of Engineering, said staff was recommending awarding the bid to GM Contracting, Inc. as the low qualified bidder in the amount of \$326,650.24.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to award the bid for the West Gateway Drive Area Sewer and Water Extensions project to GM Contracting, Inc. as the low qualified bidder in the amount of \$326,650.24.

RESOLUTION NO. 2018-03-03 ADOPTED PERTAINING TO INTENT TO BOND FOR COSTS INCURRED IN MAKING PUBLIC IMPROVEMENT

Staff presented a resolution pertaining to the intent to bond for costs incurred for the following projects and maximum bond amount:

North Crailsheim Road Sewer Extension	\$388,900
North Crailsheim Road Water Extension	\$85,500
Gateway Drive Sewer Extension	\$245,800
Gateway Area Water Extension	\$309,200
County Ditch 12 Flood Mitigation Improvements	\$4,640,000

Dwayne Haffield, Director of Engineering, noted that adopting the resolution does not obligate us to bond but preserves the City's ability to bond. Mr. Haffield also noted that we put in the full amount for the County Ditch 12 project, but would more likely be bonding for \$1.0 million or less.

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to adopt the following resolution stating our intent to bond:

RESOLUTION NO. 2018-03-03

RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENT 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)

BLIGHTED PROPERTIES

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, noted the City's Housing Inspector inspected the commercial and residential property at 304 Tenth Street, known as the Thompson Hotel, on August 10, 2017, and found 27 violations of the Worthington Rental Housing Ordinance (5 violation types in 22 units). The property owner was notified of the violations on September 18, 2017 and informed the violations needed to be corrected by November 13, 2017. On March 14, 2018 the Worthington Police Chief and Police Captain informed the Director of Community Development that the property has been found to be in a state of significant blight by officers responding to calls at the property, with bodily fluids in the common areas and rampant pest infestation. On March 22, 2018 the City received correspondence from the property owner that progress had been made towards bringing the property into compliance, but the property was still not in full compliance with the City Code. According to the League of Minnesota Cities, there are three actions the City could take at this point to address the matter:

- Council could choose to give the property owner more time to perform additional repairs to bring the property into full compliance with the City Code. Staff would recommend a firm deadline be agreed upon by both parties and that the final result be full compliance with the Worthington City Code.
- Minnesota State Statutes authorize the City to move forward with a repair by consent to restore the subject property to full compliance with the City Code if the City were to find the subject property to be a hazardous building and were the property owner to give the City consent to perform the repairs. This would be a special assessment to be paid back over five years at an 8% interest rate.
- Minnesota Statutes authorize the City to move forward with a repair by order to restore the subject property to full compliance with the City Code if the City were to find the subject property to be a hazardous building and were issued a court order to do so. This would also result in a special assessment for repayment of the costs incurred by the City during the process.

Mr. Brisson said the first step is to legally establish that it is a hazardous building, which would include public notice and City Council meeting and discussing the matter. At that point we could move forward with repair by consent or repair by order. He was requesting Council authorization to work with the City Attorney to prepare the documentation to consider it as a hazardous building at the April 9, 2018 City Council meeting. City staff would work with the property owner to determine if it would be a repair by consent or a repair by order.

In response to questions from Council regarding the violations, Mr. Brisson said we sent a checklist to the tenants of things that needed to be remedied, and as they are remedied the tenant checks them off the list. Once they've gotten them all the City will go back and reinspect and verify. Several items have been corrected but there are still many that are considered immediate safety concerns. In speaking with a representative of the property owner earlier today, Mr. Brisson said he did not get the feeling they were going to have the resources to fix this in short order - the City probably needs to step in here.

Council Member Cummings said its been seven months, and we've gotten reports that it's getting worse! Council Member Ernst said she would like to see a more strict enforcement so they don't get to this state if disrepair. Mr. Brisson agreed and said they are exploring the rental housing ordinance and are looking to close the loopholes that people have been exploiting. This, though, is something that requires immediate attention. Council Member Oberloh suggested that we need to dedicate our staff time to this and leave those landlords alone who are complying.

Mr. Brisson said what he was looking for is to meet with the property owner, or his representative, to see if we can get their consent because if we can make these repairs and remediations now, the time line is much shorter and it costs a lot less money. He also wants to work with the City Attorney to be prepared. In two weeks we will declare it a hazardous building at a City Council meeting, and present the documents, which will enable us to take the next step, which will hopefully be repair by consent.

Following discussion, the motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to authorize staff to work with the City Attorney to prepare the documents for the next step.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Nothing to report.

Council Member Janssen - Nothing to report.

Council Member Oberloh - No meetings to report on but thanked staff for getting the blighted property issue on the agenda. Also noted the selection of Chloe Bents as the exchange student to Crailsheim, Germany for the 2018-2019 school year.

Council Member Cummings - Memorial Auditorium Advisory Board - the Auditorium is taking public comment on what types of shows they would like to see at the Auditorium. Noted there is a survey out for both employees and employers regarding the daycare issue. Also noted that April 2nd is World Autism Awareness Day - Keegan's Cause, Inc. would like to donate blue bulbs for City Hall to "light it up blue" for that cause.

Council Member Ernst - On March 13th the Planning Commission held a Design Guidelines Committee work session - they discussed guidelines for buildings that were either being renovated or built in the City of Worthington for some type of cohesive look.

Council Member Harmon - Attended the Coalition of Greater Minnesota Conference; on the 16th attended the joint City/County/School District meeting - they talked about the WELL project. On the 19th the Water and Light Commission met. On the 21st the City held a Special City Council meeting, and on the 22nd the City, County and School District met again.

CITY ADMINISTRATOR'S REPORT

On Monday, April 16th is the Salute to Women Banquet at the Round Lake Vineyard at 5:30. He has a conference call tomorrow with a potential developer that has expressed interest in our work force housing grants - he is out of Sioux Falls and is well known - he should be capable developer and they have interest. Wednesday he has a meeting lined up with a movie theater consultant and architect that specializes in movie theaters, along with Todd Frager. They'll continue to look down the path of a new movie theater in town.

ADJOURNMENT

The motion was made by Council Member Ernst, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 7:59 p.m.

Janice Oberloh, MCMC
City Clerk