

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, APRIL 12, 2010**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll. Honorary Council Member: Lon Lien. Aldermen absent: Lyle Ten Haken (excused).

Staff present: Craig Clark, City Administrator; Brian Kolander, Finance Director; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Jim Laffrenzen, Superintendent of Public Works; Chris Dybevick, Police Captain; Janice Oberloh, City Clerk.

Others present: Jamie Pettit, KWOA; Laura Grevis, Daily Globe; Byron Swart, Nobles County; Ken Moser, Darlene Macklin, and various interested parties for the public hearings.

**HONORARY COUNCIL PERSON**

Mayor Oberloh introduced Lon Lien as the Honorary Council Person for the months of March, April, and May 2010.

**RESOLUTION NO. 3427 ADOPTED ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS - 2010 STREET AND ALLEY RECONSTRUCTION IMPROVEMENTS**

Pursuant to published notice, this was the time and date set for a public hearing on the 2010 street and alley reconstruction improvements project.

The motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried to open the hearing.

Dwayne Haffield, Director of Engineering, presented the information and an explanation of how an assessment is arrived at. Mr. Haffield also noted it would require a 4/5's vote by Council to move the project ahead as none of the improvements were initiated by petition. A summary of improvement costs and total estimated assessments for the project is as follows:

*Church Avenue*

City share for non-assessable costs <sup>1</sup>	\$75,293.53	
City share of assessable costs	<u>0.00</u>	
Total City share	\$75,293.53	(77.1%)
Assessments receivable	<u>\$22,406.47</u>	(22.9%)
<b>TOTAL COST</b>	<b>\$97,700.00</b>	

The estimated residential assessment rate is \$25.38/ft

The estimated commercial assessment rate is \$29.68/ft.

<sup>1</sup> City share for non-assessable costs includes \$67,900 for the center 24 feet, \$2,000 for salvaging aggregate base material, \$4,373.48 for lot allowances, \$426.59 for commercial design along residential properties, and \$593.51 for the frontages of public right-of-ways.

*Marine Avenue*

City share for non-assessable costs <sup>1</sup>	\$183,654.88	
City share of assessable costs	<u>\$0.00</u>	
Total city share	\$183,654.88	(74.6%)
Assessments receivable	<u>\$62,545.12</u>	(25.4%)
TOTAL COST	\$246,200.00	

The estimated residential assessment rate is \$31.96/ft  
 The estimated institutional assessment rate is \$32.54/ft

<sup>1</sup> City share for non-assessable costs includes \$145,600 for the center 24 feet, \$4,000 for salvaging aggregate base material, \$7,278.19 for lot allowances, \$376.74 for institutional design along residential properties, \$7,800 for reduced pavement life, and \$18,600 for overlaying the north end of the street.

*Roos Avenue*

City share for non-assessable costs <sup>1</sup>	\$73,011.09	
City share of assessable costs	<u>\$0.00</u>	
Total city share	\$73,011.00	(91.3%)
Assessments receivable	<u>\$6,988.91</u>	(8.7%)
TOTAL COST	\$80,000.00	

The estimated assessment rate is \$9.83/ft

<sup>1</sup> City share for non-assessable costs includes \$68,200 for the center 24 feet, \$1,000 for salvaging aggregate base material, \$2,191.04 for lot allowances, and \$1,620.04 for reduced pavement life.

*Block 12 Alley*

City share for non-assessable costs	(\$0.01)
City share of assessable costs <sup>1</sup>	<u>\$36,740.54</u>

Total city share	\$36,740.53	(70.6%)
Assessments receivable	<u>\$15,259.47</u>	(29.4%)
TOTAL COST	\$52,000.00	

The estimated assessment rate is \$86.52/ft

<sup>1</sup>City Hall and parking lot properties.

*Block 30 Alley*

City share for non-assessable costs <sup>1</sup>	\$1,299.99	
City share of assessable costs	<u>\$0.00</u>	
Total city share	\$1,299.99	(3.7%)
Assessments receivable	<u>\$34,000.01</u>	(96.3%)
TOTAL COST	\$35,300.00	

The estimated assessment rate is \$56.67/ft

<sup>1</sup>City share for non-assessable costs includes that for approach sidewalk work.

Mayor Oberloh opened the floor for testimony:

Randall A. Heeringa, Worthington Monument Works, and Bob Bristow, Demuth Agency and owner of the residential property behind it on Church Avenue, speaking on behalf of themselves and for Twyla Larson of Diamond Vogel: We're going to have issues this year with parking when this is done. He talked to Dwayne and his lot is going to be inaccessible to employees and customers for the period of time that this is torn up. And also across the street there is a major construction project this summer - we're understanding Hy-Vee is going across the street. So we do have some concerns, and Randy have concerns whether the north part of Church needs to be replaced at all at this point. I understand the curve area, the s curve there, that is starting to show some wear but the north part of it that abuts our properties doesn't appear to be that bad.

Randy Heeringa - I've walked this segment with Mr. Haffield, I've walked this segment with Bob, and the concern that we have is primarily the area there that is arrowed (on the diagram) and we don't see a need frankly. As you get down in to that s curve there is very definite degradation of that pavement and we see a need perhaps there. And we would suggest to the Council that they consider patching that s curve segment and then look for the greater degradation of Church Avenue in the future. And then perhaps at that point taking on that street. The timing could not be worse for those of us involved. And not only that, but frankly, we don't see the need.

Council and staff addressed the concerns received, including discussion on traffic flow and parking on Oxford Street during the Hy-Vee project and the Church Avenue repair.

A motion was made by Alderman Wood and seconded by Alderman Woll to move the Church Avenue part of the project to next year. Mr. Haffield suggested that Council continue with the hearing and determine if there were any other segments they did not want to do, then at the end order the improvement of specific streets.

Following discussion, the motion was made by Alderman Kuhle, seconded by Alderman Wood and unanimously carried to close the hearing.

The motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to approve the case item excluding the Church Avenue project by adopting Resolution No. 3427 as follows:

RESOLUTION NO. 3427

ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

(Refer to Resolution File for complete copy of Resolution)

**RESOLUTION NO. 3426 ADOPTED ESTABLISHING HOUSING DEVELOPMENT PROJECT AREA NO. 3 AND ADOPTING THE PROJECT PLAN AND HOUSING PROGRAM THEREFOR, ESTABLISHING THEREIN TAX INCREMENT FINANCING DISTRICT NO. 14 AND ADOPTING THE TAX INCREMENT FINANCING PLAN THEREFOR**

Pursuant to published notice, this was the time and date set for a public hearing for approval of a project plan, tax increment financing plan and housing plan for New Castle Townhomes Tax Increment Financing District (TIF District #14).

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to open the hearing.

Brad Chapulis, Director of Community/Economic Development, presented the information noting the Southwest Minnesota Housing Partnership was requesting the TIF assistance to subsidize the cost of constructing a 30-unit tax credit rental townhome development to be located at the east end of Cecilee Street. The proposed development qualifies for tax increment assistance through the establishment of a Housing TIF District per Minnesota Statutes, and would be permitted to exist for a maximum of 25 years. The request is for creation of a pay as you go Housing TIF District. Reimbursement would occur for 25 years or full reimbursement of the TIF eligible expenditures

(\$554,901), whichever occurs first.

Mayor Oberloh opened the floor for testimony. None was received.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to close the hearing.

The motion was made by Alderman Kuhle, seconded by Alderman Nelson and unanimously carried to approve Resolution No. 3426 approving the project plan and establishing TIF District 14 as follows:

RESOLUTION NO. 3426

RESOLUTION ESTABLISHING HOUSING DEVELOPMENT PROJECT AREA NO. 3 AND ADOPTING THE PROJECT PLAN AND HOUSING PROGRAM THEREFOR, ESTABLISHING THEREIN TAX INCREMENT FINANCING DISTRICT NO. 14 AND ADOPTING THE TAX INCREMENT FINANCING PLAN THEREFOR

(Refer to Resolution File for complete copy of Resolution)

**AGENDA APPROVED**

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the agenda as presented.

**CONSENT AGENDA APPROVED**

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting March 22, 2010
- Minutes of Boards and Commissions - Water and Light Commission Minutes of April 5, 2010; Park and Recreation Advisory Board Minutes of April 1, 2010; Planning Commission Minutes of April 6, 2010.
- Municipal Liquor Store Income Statement for the Period January 1, 2010 through February 28, 2010.
- Approve the Annual 2010 Summer Recreation Fees as follows:

<u>Activity</u>	<u>2009 Fee</u>	<u>Increase</u>	<u>2010 Fee</u>
Fun & Adventure	\$35.00	\$1.00	\$36.00
Tennis	\$27.00	\$1.00	\$28.00
Track	\$25.00	\$1.00	\$26.00

Girl's Softball	\$36.00	\$1.00	\$37.00
Rookie Baseball	\$32.00	\$1.00	\$33.00
Junior Baseball	\$37.00	\$1.00	\$38.00
Adult Softball	\$235/Team	\$50.00	\$285/Team
VFW, Legion, Cubs	\$325/Team	\$00.00	\$325/Team
Traveling Girls Sftbll	\$325	\$00.00	\$325
Wgtn Soccer Assn	\$2,000	\$00.00	\$2,000

- Approve the Annual Park Concession/Dock Permit Fees as follows:

<u>Permit Type</u>	<u>2009 Fee</u>	<u>2010 Fee</u>
One day permit (nonprofit)	\$ 45.00	\$ 50.00
One day permit (profit making)	\$ 55.00	\$ 60.00
Annual nonprofit	\$ 60.00	\$ 65.00
Annual profit making	\$155.00	\$160.00
Historical Permit	\$ 50.00	\$ 50.00
Annual mobile (nonprofit)	\$225.00	\$260.00
Annual mobile (profit making)	\$355.00	\$360.00

**Note:** All permits require a \$100 clean up deposit which is refunded if all trash/garbage is removed and disposed of in a proper manner.

Dock Permit	\$ 85.00	\$ 90.00
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- Approve the Biannual Burning Permit.
- Approve and award the Airport Agriculture Haying Lease to Freking Hay-line & Custom at the annual rate of \$1,250.00.
- Bills payable and totaling \$1,142,543.06 be ordered paid.

**REQUEST TO CLOSE STREETS FOR WESTMINSTER PRESBYTERIAN CHURCH  
 OUTDOOR CONCERT APPROVED**

Westminster Presbyterian Church was requesting approval of a street closure from 4:00 p.m. to 9:00 p.m. on Thursday, July 29, 2010, on Turner Street from the alley to Clary Street, for their live outdoor concert being held in conjunction with the finale of their Vacation Bible School. Krista Petersen was present at the meeting to discuss the request with Council. Following discussion, the application for street closure was amended to include the alley behind the church. The required insurance is in place.

Chris Dybeveck, Police Captain, explained that the Police Department has in the past recommended against approval of non-community sponsored events in residential neighborhoods, or that they be moved to a more appropriate location like the fairgrounds. He also explained what steps would be taken if noise complaints were received during the concert. Captain Dybeveck recommended that event organizers go door to door in the area to gain support from possible complainants, and added that he would be willing to work with the Church to make sure their event goes as smooth as

possible.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to approve the application for street closure with the amendment to include the alley.

### **PRIVATE ASSESSING SERVICES**

Council discussed the following three proposals received for private assessing services based on an RFP they approved at their February 22<sup>nd</sup> regular meeting:

Dan Whitman	\$83,781
Gary Spaeth	\$86,854 plus continuing education - \$600 and potentially \$7,525
Mike Sheplee	\$83,600 plus \$5,000 for assessing software

Services would start June 1 following the Board of Review in May. Craig Clark, City Administrator, noted that should Council determine to go with a private assessor, his recommendation would be Sheplee based on the fee proposal. Mr. Sheplee and Byron Swart of the Nobles County Assessor's Office were present at the meeting for questions.

Following discussion, the motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried to table this item to the next regular Council meeting to provide time for Council members to further consider the information.

### **2010 SUPPLEMENTAL BUDGET ADJUSTMENTS APPROVED**

Council revisited the list of budget cuts approved at their March 17, 2010 special meeting, which were approved to meet the Governor's possible further reduction of \$474,474 in LGA. The review was based on new information that showed the proposed additional reduction was now at \$199,407 for 2010. Council expressed concern over reducing the cuts when we may not have the final LGA number until May 17<sup>th</sup>. After discussion, the following changes were suggested to the previously approved list of cuts:

- \$1800 for downtown flower baskets was added back into the budget making this cut \$4,500
- Remove the \$15,000 savings for private assessing services as that item was tabled earlier

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to proceed with the budget adjustments as discussed.

### **BOARD OF REVIEW SCHEDULED**

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried

to approve the time and date for the Board of Review as 9:00 a.m. on Monday, May 3<sup>rd</sup>, in the Nobles County Board Room.

**PROFESSIONAL SERVICES FOR REVISION OF STORM WATER MASTER PLAN APPROVED**

Based on a request from staff, SEH submitted a proposal to investigate alternatives to using the property recently acquired by Swift to the extent originally planned for retention, and bring our storm water master plan up to date. Cost of the proposal is \$6,550, which would come from the storm water utility fund reserves.

The motion was made by Alderman Wood, seconded by alderman Kuhle and unanimously carried to accept the proposal from SEH and authorize the Mayor's signature.

**ECONOMIC DEVELOPMENT AD HOC COMMITTEE MEMBERS APPOINTED**

Staff was requesting Council to appoint Dan Greve and Steve Johnson to the Economic Development Ad Hoc Committee to join the 12 members previously appointed by Council at their March 22<sup>nd</sup> regular meeting. Brad Chapulis noted he was still waiting to hear from a possible third addition to bring the Committee up to its full membership of 15.

The motion was made by Alderman Kuhle, seconded by Alderman Wood and unanimously carried to appoint Dan Greve and Steve Johnson to the Economic Development Ad Hoc Committee.

**EVENT CENTER/HOTEL FINANCIAL INCENTIVE DISCUSSION**

Staff was requesting Council discussion on a letter from April 23, 2010ave Callister, Ehlers, Inc. outlining financing options outside the traditional tools that the City may consider if Council would be willing to offer someone interested in moving forward on the project. Mr. Callister noted options may include one or a combination of two or more of the following:

1. Wait until the economy turns around and private financing becomes available.
2. Obtain special legislation to create a tax increment district.
3. Apply for and utilize Recover Zone Facility Bonds.
4. Utilize G.O. Taxable Tax Increment Bonds.
5. Private placement of lease revenue bonds.

After reviewing each option, Council determined that waiting was not an option, but did request additional information on options 2,3 and 5. Brad Chapulis, Director of Community/Economic Development, will obtain further information.



### **COUNCIL COMMITTEE REPORTS**

Mayor Oberloh - nothing to report but wanted to mention that budget discussions like the one held earlier in the meeting were usually done in a special meeting.

Alderman Kuhle - nothing to report.

Alderman Nelson - attended a Heron Lake Watershed Board meeting - they're looking at software that will make the watershed information available on line.

Alderman Wood - had an HRA meeting, they have a fairly large HUD reserve and are looking for investments, maybe to be part of a bigger pool. Would like a special Council meeting to look at our investment policy, we're leaving a lot of money on the table. Also Prairie View Board meeting which was very upbeat..over 160 members at this time.

Alderman Woll - nothing to report.

### **CITY ADMINISTRATOR REPORT**

Craig Clark, City Administrator, noted we will be looking to schedule a special meeting to further discuss the potential sale of the Industrial Wastewater Treatment facility, which will be done under closed session. Mr. Clark also notified Council that the League of Minnesota Cities' annual meeting is scheduled for June 23-25.

### **ADJOURNMENT**

The motion was made by Alderman Woll, seconded by Alderman wood and unanimously carried to adjourn the meeting at 9:32 p.m.

Janice Oberloh  
City Clerk