

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, APRIL 23, 2012**

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: Lyle Ten Haken, Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll. Honorary Council Member: Kevin Donovan.

Staff present: Craig Clark, City Administrator; Brian Kolander, Finance Director; Dwayne Hafffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Jeff Faragher, Assistant City Engineer; Janice Oberloh, City Clerk.

Others present: Don Klien, Dave Clark and Jim Paris for the Hotel/Event Center project; Gerald and Louise Zahorskey; Margaret Walker; Cheniqua Johnson; Penny Troe; Ana Anthony, Daily Globe.

RECOGNITION OF STUDENTS - BUSINESS PROFESSIONAL ASSOCIATION

Council recognized Cheniqua Johnson, first place winner at the state competition for the Business Professional Association. Sixteen students from Worthington went to state, and Cheniqua and Larry Oeovan won and will go on to Nationals in Chicago later this year. Also recognized was Penny Troe, Advisor for the BPA students here in Worthington.

PUBLIC HEARING FOR 2012 STREET AND ALLEY RECONSTRUCTION IMPROVEMENTS AND RESOLUTION NO. 3493 ADOPTED ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

Pursuant to notice, this was the time and date set for a public hearing on the 2012 Street and Alley Reconstruction Improvements.

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

Dwayne Hafffield, Director of Engineering, provided project summary and how the rate is determined, noting that we are only looking at estimated costs tonight:

Franklin Street and Sherwood Street

City share for non-assessable costs ¹	\$124,006	
City share of assessable costs	<u>\$0</u>	
Total City share	\$124,206	(85.5%)
Assessments receivable	<u>\$21,094</u>	(14.5%)
TOTAL COST	\$145,300	

The estimated assessment rate is \$24.47/ft.

¹City share for non-assessable costs includes \$104,800.00 for the center 24 feet, \$1,350.00 for salvaging aggregate base material, \$17,077 for lot allowances, and \$979 for the frontages of public right-of-way.

Trevor Street

City share for non-assessable costs ¹	\$47,019	
City share of assessable costs	<u>\$0</u>	
Total City share	\$47,019	(83.5%)
Assessments receivable	<u>\$9,281</u>	(16.5%)
TOTAL COST	\$56,300	

The estimated assessment rat is \$25.33/ft.

¹City share for non-assessable costs includes \$40,600.00 for the center 24 feet, \$500 for salvaging aggregate base material, \$5,413 for lot allowances, and \$506 for the frontages of public right-of-way.

Northeasterly Block 28 Alley

City share for non-assessable costs ¹	\$13,450	
City share of assessable costs	<u>\$0</u>	
Total City share	\$13,450	(30.6%)
Assessments receivable	<u>\$30,550</u>	(69.4%)
TOTAL COST	\$44,000	

The estimated assessment rate is \$50.92/ft.

¹ City share for non-assessable costs includes \$7,400 for approach replacement and \$6,050 for tile outlet installation. The cost for the tile outlet from the Southwesterly Alley to Ninth Street is included in the cost of that alley. The cost for tile outlet installation for this alley will increase by approximately \$13,000 if the Southwesterly Alley improvement is not ordered ahead.

Southwesterly Block 28 Alley

City share for non-assessable costs ¹	\$18,500	
City share of assessable costs	<u>\$0</u>	
Total city share	\$18,500	(13.7%)
Assessments receivable	<u>\$29,300</u>	(16.3%)
TOTAL COST	\$47,800	

The estimated assessment rate is \$48.83/ft.

¹City share for non-assessable costs includes \$10,600 for approach replacement and \$7,900 for tile outlet installation.

All Streets and Alleys

City share for non-assessable costs	\$203,176	
City share of assessable costs	<u>\$0</u>	
Total City share	\$203,176	(69.2%)
Assessments receivable	<u>\$90,224</u>	(30.8%)
TOTAL COST	\$293,400	

Mr. Haffield reminded Council that they may order any or all of the street or alley segments proposed in the improvement.

The floor was opened for testimony.

Gerald Zahorskey - When are you starting this project - you said something about next year?

Mr. Haffield - No, it will be this year but we won't have the final assessment hearing until the fall of 2013.

Mr. Zahorskey - so they won't start until then?

Mr. Haffield - They will do the construction this year but the schedule for the final hearing and having all the costs tallied would be August or September. Realistically with these projects we won't get them wrapped up to get them into this year's cycle. There will be almost a whole year between the end of construction and when we'll call the hearing for the final assessment. That's done after the fact and based on actual costs incurred. Some restoration will be done as part of the storm sewer project from 2008, curb and gutter, but is not included in the cost of this project. We end up with about \$24.50 as an assessment rate.

With no one present for the remaining project segments, Mr. Haffield concluded his remarks.

Mayor Oberloh asked if there was further testimony - there was none.

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

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to proceed with the reconstruction projects as presented.

AGENDA APPROVED

The motion was made by Alderman Nelson, seconded by Alderman Ten Haken and unanimously carried to approve the agenda as presented.

CONSENT AGENDA APPROVED

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

- City Council Minutes - Special Meeting April 9, 2012; Regular Meeting April 9, 2012; Special Meeting April 16, 2012
- Minutes of Boards and Commissions - Park & Recreation Advisory Board Minutes of April 4, 2012; Water and Light Commission Minutes of April 16, 2012; WREDC Board of Directors Minutes of March 15, 2012; Memorial Auditorium Advisory Board Meeting Minutes of March 7, 2012
- Financial Statements - Municipal Liquor Store Income Statement for the Period of January 1, 2011 through December 31, 2011; General Fund Statement of Revenues and Expenditures - Budget and Actual - for the Period January 1, 2011 through December 31, 2011; Municipal Liquor Store Income Statement for the Period January 1, 2012 through March 31, 2012; General Fund Statement of Revenues and Expenditures - Budget and Actual - for the Period of January 1, 2012 through March 31, 2012
- MN Department of Transportation Lease Agreement allowing the Memorial Auditorium parking lot to be utilized for conducting motorcycle skills testing for the agreement period May 1, 2012 to April 30, 2015
- Set the time and date for a public meeting for review of the Storm Water Pollution Prevention Plan as 7:00 p.m. on Monday, June 11, 2012 as part of the regularly scheduled Council Meeting
- Bills payable and totaling \$789,673.78 be ordered paid

SECOND READING PROPOSED ORDINANCE FOR ESTABLISHMENT OF PUBLIC ARTS COMMISSION

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance amending Title IX of the City Code of Worthington, Nobles County, Minnesota to Establish the Public Arts Commission as follows:

The City Council of the City of Worthington, do ordain:

Section I.

The Worthington City Code Title IX, Chapter 101 shall be added and shall read as follows:

§101.000 PUBLIC ARTS COMMISSION

- (A) Establishment. A Public Arts Commission is hereby established.
- (B) Definition. For the purposes of this Ordinance, Public Art is hereby defined as:
Artwork within the corporate limits of the City of Worthington for physical artwork which is viewable from public spaces, whether on public or private land or buildings, whether owned by an individual, a business entity or the City of Worthington.
- (C) Purpose. The purpose of the Public Arts Commission shall include but not be limited to:
 - (1) Promoting and providing opportunities for public art to enrich the Worthington Community.
 - (2) Establishing voluntary compliance standards and guidelines for public art within the City of Worthington;
 - (3) Determining the process and standards of accepting or declining gifts or installations of public art;
 - (4) Finding and evaluating funding sources for public arts projects;
 - (5) Establishing the procedure and funding sources for the maintenance of public art;
 - (6) Establishing voluntary compliance guidelines for placement of public art;
 - (7) Ensuring that obsolete public art is properly disposed of;
 - (8) Providing forums and hearings to discuss public arts and/or architectural influences of projects and to determine and make recommendations about public arts projects to the City Council; and
 - (9) Reviewing and approving all public art proposals as provided within the guidelines of Title 15, Section 153.04 of the Worthington City Code.
- (D) Composition. The commission shall be comprised of seven members: five of whom shall be at-large members, one shall be a member of the City Council, and one member shall be either an ex-officio high school or college student member. The Council member and student member shall serve one-year terms. The initial terms for the at-large members shall be staggered as follows: (1) one-year term, (2) two-year terms, and (2) three-year terms. Thereafter, the at-large members shall serve 3-year terms. All members of the commission, including those appointed to fill an unexpired term, shall be appointed by the Mayor with Council approval. No member may be reappointed who has served 2 consecutive full terms of 3 years. A quorum of the commission shall consist of four members.
- (E) Duties. The Duties of the Commission shall be:
 - (1) The Public Arts Commission shall act in an advisory capacity to the City Council for the City and shall make recommendations to the City Council on issues regarding public art within the city limits.

- (2) The Public Arts Commission may develop and implement Policies and Procedures, as necessary, with approval by the City Council, to meet the purpose and objectives of the Commission.
- (3) The Public Arts Commission shall review projects that meet any of the following criteria, in accordance with its written Policies and Procedures.
 - (a) Any art project on City park property, public or private property if such project meets the definition of public art.
 - (b) Gifts of public art offered to the City.
 - (c) Any non-public art project that requires a conditional use permit, variance, franchise agreement, or other action requiring approval of the City Council.
 - (d) Public art, as defined in Section B, that requires maintenance or restoration.
 - (e) City improvement or facility projects that may include public art.
 - (f) Highly-visible private art, when requested by the owner.
 - (g) Other arts-related projects, as directed by the City Council.
- (4) Applications for projects, or requests to be on the meeting agenda, should be submitted to the Public Arts Commission 7 days prior to the date of regularly scheduled Commission meetings. Projects must be submitted on the form specified and include the criteria as stated in the Commission's Policies and Procedures.
- (F) Funding. Funds for construction or maintenance of Public Arts projects shall be held by the City in accounts dedicated for Public Arts use.

Section II.

This Ordinance shall be in full force and effect from and after its passage and publication as required by law.

Craig Clark, City Administrator, noted the following clarifications to the ordinance stemming from the first reading at the regular City Council meeting April 9, 2012:

1. Section 1D - regarding the composition of the commission - it has been clarified that the high school or college student is a non-voting member and ex-officio has been stricken. An ex-officio member is simply recognition that the designee is a representative of a particular office. An ex-officio member is not by design a non-voting member but is either way a formal member of the commission so the number of members at seven would be correct.

2. Section 1E(3) - was further clarified to recognize that the Public Arts Commission is advisory to the City Council and that City Council makes the final approval of any public art project.

The motion was made by Alderman Nelson, seconded by Alderman Woll and unanimously carried to give a second reading to the proposed ordinance.

NOMINATING COMMITTEE RECOMMENDATIONS FOR COMMITTEE APPOINTMENTS APPROVED

The Nominating Committee met on April 20th and were submitting the following committee appointments for Council approval:

Economic Dev. Revolving Loan Fund - Gary Kellen: Term expired 01/12 - eligible for another term and will serve.

Golf Advisory Board - Doug Jensen to replace Darwin Sieve who's term expired 03/12 and was not eligible for another term.

Stan Alm: Term expired 03/12 - eligible for another term but declined to serve.

Park & Recreation Board - Nick Raymo - to replace Phil Benson who's term expired 4/12 and was not eligible for another term.

Ken Janssen to replace Ryan McGaughey who's term expired 04/12 and was not eligible for another term

The motion was made by Alderman Nelson, seconded by Alderman Ten Haken and unanimously carried to approve the appointments as presented.

Alderman Kuhle noted he would like to see someone appointed to the Golf Advisory Board that was not connected to either golf course in town. Alderman Ten Haken questioned when the City would be receiving numbers from Dakota Golf. The Administrator will check to see what can be obtained.

RESOLUTION NO. 3494 ADOPTED DESIGNATING POLLING PLACES FOR ELECTION PRECINCTS AND ESTABLISHING AND COMBINING CERTAIN POLLING PLACES WITHIN THE CITY OF WORTHINGTON

At their March 26, 2012 meeting, Council adopted Resolution No. 3491 amending ward and precinct boundaries within the corporate limits of the city of Worthington, as required following the redistricting process. Based on those newly drawn boundaries, staff was now requesting Council adoption of a resolution designating the polling places for each precinct within the city of Worthington as follows:

- Ward 1 - Precinct 1 - First Baptist Church - 1000 Linda Lane
- Ward 1 - Precinct 2 - First Baptist Church - 1000 Linda Lane
- Ward 1 - Precinct 3 - First Baptist Church - 1000 Linda Lane
- Ward 1 - Precinct 4 - American Reformed Church - 1720 N. Burlington
- Ward 1 - Precinct 5 - American Reformed Church - 1720 N. Burlington

- Ward 2 - Precinct 1 - YMCA - 1501 Collegeway
- Ward 2 - Precinct 2 - Nobles County Public Works - 960 Diagonal Road
- Ward 2 - Precinct 3 - Nobles County Public Works - 960 Diagonal Road
- Ward 2 - Precinct 4 - Solid Rock Assembly - 1730 Diagonal Road
- Ward 2 - Precinct 5 - Solid Rock Assembly - 1730 Diagonal Road

In addition, Minnesota Statute 204B.14 allows the City Council to combine polling places where precincts are within the same municipality and are contiguous. Combining the polling places will reduce the number of election judges required for the elections, which will result in a cost savings to the City. Staff met with the Nobles County Auditor, the Chief election official for Nobles County, and determined to combine the following polling places:

- Ward 1 - Precinct 2 and Ward 1 - Precinct 3
- Ward 1 - Precinct 4 and Ward 1 - Precinct 5
- Ward 2 - Precinct 2 and Ward 2 - Precinct 3
- Ward 2 - Precinct 4 and Ward 2 - Precinct 5

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to adopt the following resolution designating the polling places and combining polling places:

RESOLUTION NO. 3494

A RESOLUTION T DESIGNATE POLLING PLACES FOR ELECTION PRECINCTS AND TO ESTABLISH AND COMBINE CERTAIN POLLING PLACES WITHIN THE CITY OF WORTHINGTON

(Refer to Resolution File for complete copy of Resolution)

**INDUSTRIAL WASTEWATER TREATMENT FACILITY IMPROVEMENTS PLAN
APPROVED WITH AUTHORIZATION TO ADVERTISE FOR BIDS**

Staff was requesting Council approval of plans and specifications for industrial wastewater treatment facility improvements which had been rebudgeted from 2011. The project includes replacement of the check and plug valves in the raw wastewater lift station and replacement of the raw lift station force main. Replacement of the force main is to also include installation of an additional line to allow for discharging to the aerobic treatment ponds so as to bypass the anaerobic ponds. Replacement of the feed lines used to provide chemicals to the aeration basins has also been identified as necessary due to continuing maintenance problems. The 2012 industrial wastewater treatment budget includes \$200,000 for the project, and the current estimated total project cost including engineering and contingencies is the budgeted amount.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the plans and specifications for the industrial wastewater treatment facility improvements and authorize the advertisement for bids to be received on May 22, 2012 and considered at the May 29th Council meeting.

**PLANS AND SPECIFICATIONS FOR COLLEGEWAY RECONSTRUCTION PROJECT
APPROVED**

Plans for the reconstruction of Collegeway from C.S.A.H. 10 to Thompson Avenue have been completed and approved by MnDOT for Municipal State Aid Street (MSAS) and federal funding. The project consists of complete pavement removal and replacement with curb and gutter replacement being limited to defective sections. It also includes the extension of storm sewer in order to reduce curb flow in the middle portion of the street segment. Total estimated project cost, including engineering and contingency, is \$860,000. The project is eligible for federal funding of \$493,000, with the remainder to be funded with MSAS funding.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to approve the plans for the Collegeway reconstruction project and authorize the advertisement for bids to be received on May 22, 2012 for consideration at the May 29th Council meeting.

Award will be subject to MnDOT approval of the bidders proposed utilization of Disadvantaged Business Enterprises.

AMENDMENT TO PAVEMENT RESTORATION POLICY APPROVED

Dwayne Haffield, Director of Engineering, informed Council that they had recently found a problem with a sewer service constructed in 1998 on 10th Street - two separate defects on a line that is 15 years old, and no warranties are available. According to current city policy, the city started

participating in the cost of surfacing replacement when fiber sewer systems failed on the basis the city allowed them to be installed - they proved to not work well and all failed eventually. Mr. Haffield noted they had seen a lot of parallel with this failure and was asking Council to extend the pavement restoration policy to all services installed in a public improvement /publicly financed improvement that fails within 40 years.

Following discussion, the motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to amend the pavement restoration policy as it has applied to the replacement of fiber sewer service pipes to the repair or replacement of sewer services installed in a public improvement project undertaken by the City within 40 years of their installation.

GRANT AGREEMENT APPROVED FOR AIRPORT CHEMICAL LOADING PAD AND STORAGE BUILDING

At its March 26, 2012 meeting, Council awarded a contract for construction of a chemical loading pad and storage building subject to receipt of a grant from the MnDOT Office of Aviation. The City has now received the grant and staff was requesting that Council execute the grant agreement.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to adopt the following resolution authorizing execution of the grant agreement:

RESOLUTION

AUTHORIZATION TO EXECUTE
MINNESOTA DEPARTMENT OF TRANSPORTATION
GRANT AGREEMENT FOR AIRPORT IMPROVEMENT

It is resolved by the City of Worthington as follows:

1. That the state of Minnesota Agreement No. 01056, "Grant Agreement for Airport Improvement," for State Project No. A5301-75 at the Worthington Municipal Airport is accepted.
2. That the Mayor and Clerk are authorized to execute this Agreement and any amendments on behalf of the City of Worthington.

RESOLUTION NO 3495 ADOPTED CALLING FOR PUBLIC HEARING AND ESTABLISHMENT OF TIF DISTRICT #15 (HOTEL / EVENT CENTER PROJECT)

In November 2011 City Council entered into an Memorandum of Understanding (MOU) with Lexington Hotel Development Group. Among other items, the MOU outlined the financial incentives the company would need to construct the hotel including tax increment financing. The

Company was now requesting that the City proceed with the creation of an Economic Development TIF District, which calls for a public hearing. Staff was recommending that the hearing be set for 7:00 p.m. on June 11, 2012 at the regularly scheduled Council meeting.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adopt the following resolution calling for a public hearing on the proposed TIF district:

RESOLUTION NO. 3495

RESOLUTION CALLING FOR A PUBLIC HEARING BY THE CITY COUNCIL ON THE PROPOSED MODIFICATION OF THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 5 AND THE PROPOSED ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 15 (HOTEL/EVENTS CENTER) THEREIN AND THE PROPOSED ADOPTION OF A TAX INCREMENT FINANCING PLAN THEREFOR.

(Refer to Resolution File for complete copy of Resolution)

EVENT CENTER PROJECT UPDATE

Representatives from the proposed Event Center project team and Lexington Group were present at the meeting and provided an update to Council on the progress of the hotel / event center project. Present were Dave Clark, architect on both projects; Don Klein, Lexington Group (hotel owner); Jim Paris, Consolidated Construction (representing the Construction Management Team).

The plan started with an 11,000 sq. ft. structure, but the group was proposing a 12,900 sq. ft. structure that would accommodate 438 “round table seating” or 600 “standing”, at an estimated cost of \$3,588,845, which is over the budgeted amount of \$3,500,000. Council discussed concerns they had received regarding adequate size accommodation. Jim Paris said bringing the seated capacity up to 600 would cost an additional 3/4 of a million dollars. However, Mr. Paris also noted that the seated capacity could be brought up to 500 by adding an additional ten feet at an approximate cost of \$150,000. Council was agreeable to that number as it didn’t add much to the overhead costs. The facility will be constructed with planning for future expansion.

Craig Clark, City Administrator, reported the local option sales tax collection is about \$710,000 annually and would handle the \$3.9 million cost, but that we would need to take a look at future capital replacements/improvements, etc.

Brad Chapulis, Director of Community/Economic Development, noted that there would need to be a “spade in the ground” for the hotel portion of the project by June 30th to qualify for the TIF.

AUTHORIZATION TO PROCEED WITH SITE WORK DESIGN FOR EVENT CENTER

Brad Chapulis, Director of Community/Economic Development, told Council the project team for the event center is requesting permission from Council to proceed with the site work design on the proposed facility, to maintain the financial synergies with the hotel, which is scheduled to start construction by June 30th. Cost for the design work is \$6,250, and is included in the City's contract with the architect.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to authorize proceeding with the site work design for the event center.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - nothing to report.
Alderman Ten Haken - nothing to report.
Alderman Kuhle - nothing to report.
Alderman Nelson - nothing to report.
Alderman Wood - nothing to report.
Alderman Woll - nothing to report.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, reminded Council of the upcoming League of Minnesota Cities Annual Summer conference, and that early bird registration ends April 30th.

Mayor Oberloh reminded Council that Board of Review is scheduled for April 30th in the Nobles County Board Room- Aldermen Nelson, Ten Haken, Woll, and Kuhle will attend.

ADJOURNMENT

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to adjourn the meeting at 9:06 p.m.

Janice Oberloh, MCMC
City Clerk