

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, MAY 11, 2015**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Pro Tem Scott Nelson with the following Council Members present: Diane Graber, Larry Janssen, Mike Harmon, Rod Sankey. Absent: Mayor Kuhle (excused).

Staff present: Steve Robinson, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk; Sgt. Brett Wiltrout, Worthington Police Department (7:09 p.m.)

Others present: Kristin Kirtz, Daily Globe; Rick Goodemann, Southwest MN Housing Partnership; Kathleen Kusz, Nobles County Attorney (7:09 p.m.).

The Pledge of Allegiance was recited.

**AGENDA CLOSED / APPROVED WITH CHANGE**

Staff requested a correction to the agenda noting that the Community/Economic Development Memo included a fourth item in the packet (Comprehensive Plan Amendment), however, that item was not listed on the agenda page.

The motion was made by Council Member Harmon, seconded by Council Member Graber and unanimously carried to include Item G.4 - *Comprehensive Plan Amendment* on the agenda page.

**CONSENT AGENDA APPROVED**

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

- City Council Minutes of Regular Meeting April 27, 2015
- Minutes of Boards and Commissions - Park and Recreation Advisory Board Minutes of March 31, 2015; Prairie View Long Range Planning Committee Minutes of March 26, 2015; Public Arts Commission Minutes of April 16, 2015; Airport Advisory Board Minutes of April 21, 2015; Traffic and Safety Committee Minutes of April 28, 2015; Center for Active Living Committee Minutes of April 1, 2015; NEON Committee Minutes of April 9, 2015; Worthington Economic Development Authority Minutes of April 27, 2015; Planning Commission/Board of Appeals Minutes of May 5, 2015
- Application for On-Sale Beer License - Nobles County Speedway, for the 2015 season
- Application to Block Streets - YMCA for their 2015 UV Color Run - as follows:
  - 2nd Avenue from 9<sup>th</sup> Street to 10<sup>th</sup> Street — 7:00 p.m. to 10:30 p.m., and to block 2nd Avenue from 9<sup>th</sup> Street to Lake Street, and South Shore Drive/ 1<sup>st</sup> Avenue SW from Lake Street to Prairie Elementary — 9:00 p.m. to 10:30 p.m.
- Application to Block Streets - Worthington International Festival - as follows:
  - 3rd Avenue and 4th Avenue from 9<sup>th</sup> Street to 10<sup>th</sup> Street, — July 10<sup>th</sup> and 11<sup>th</sup>, 10:00

a.m. to 9:00 p.m.

- Amendment to the Industrial Wastewater Budget and Equipment Revolving Schedule to include \$21,068 for replacement of diffuser socks in two cells
- Set a public meeting for review of the storm water pollution prevention plan (as required under a statewide NPDES permit, to be held at the regular City Council meeting on Monday, June 22, 2015
- Bills payable and totaling \$677,947.64 be ordered paid

**FIRST READING PROPOSED ORDINANCE AMENDING CHAPTER 53, SECTION 53.04 OF THE WORTHINGTON CITY CODE PERTAINING TO THE USE OF THE WATER FROM THE MUNICIPAL WATER SYSTEM**

Council considered a proposed ordinance that would amend Chapter 53, Section 53.04 of the Worthington City Code pertaining to the use of water from the municipal water system, which provides for the sprinkling of lawns and gardens on an odd/even basis. The amendment would also incorporate the time of use restrictions to prior to 10:00 a.m. and after 5:00 p.m., and make some other clarifying revisions. The Water and Light Commission reviewed the proposed language and were recommending that City Council adopt the ordinance as presented.

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

**UPDATE AND PRESENTATION OF PROPOSED 2016 BUDGET FROM NOBLES COUNTY ATTORNEY REGARDING CONTRACT SERVICES PROVIDED TO CITY OF WORTHINGTON**

Kathleen Kusz, Nobles County Attorney, was at the meeting and provided an update to Council regarding her contracted services to the City. Last year they continued the past structure where extra case work was done on an hourly basis with an outside contracted attorney. Case loads have been an issue - she now has three fairly new assistants, and determined it was important to come up with another attorney for the overflow work, which will now be at a flat rate rather than the more expensive hourly rate. Ms. Kusz talked about which cases were handled by the City Attorney and which were handled by her office. The case load number of misdemeanors fell below the recommended maximum case load number of 400 - the lowest it has been since the contract has been in place, and which reflects a downtake in criminal cases nationally. Child protection cases are what take up the majority of their time.

Of the proposed 2016 budget, personnel costs are the largest portion of those costs, but Ms. Kusz pointed out that they did not ask the City for an increase last year, nor for the past several years even though they are doing more than one attorney's worth of work. She will be coming back to the Council with a refined budget once it receives County Board approval.

Council thanked Ms. Kusz for her information.

**CONTRACT AWARDED FOR CSAH 35 WATER MAIN EXTENSION PROJECT**

Council considered bids received May 8, 2015 on the CSAH Water Main Extension Project, which involves extension of the water main on CSAH 35 east of CSAH 5. Dwayne Haffield, Director of Engineering, reported that five bids were received as follows:

	<u>Total Bid</u>
Engineer's Estimate	\$132,735.30
Larson Crane Service, Inc.	\$122,311.00
Duininck, Inc.	\$123,812.50
Dave Hulstein Exc., Inc.	\$130,022.50
Cooreman Contracting, Inc.	\$165,549.00
GM Contracting, Inc.	\$177,858.57

Staff was recommending award of the bid to Larson Crane Service, Inc. as the low qualified bidder in the amount of \$122,311.00.

The motion was made by Council Member Graber, seconded by Council Member Janssen and unanimously carried to award the bid for the CSAH 35 Water Main Extension Project to Larson Crane Service, Inc. as the low qualified bidder in the amount of \$122,311.00.

**RESOLUTION NO. 3592 ADOPTED RECEIVING REPORTS AND CALLING FOR HEARING ON PROPOSED IMPROVEMENTS**

Pursuant to Council action at their April 27, 2015 meeting, reports were prepared for the 2015 Street Reconstruction and Shady Lane Street Improvements. The project includes improvements to the following described streets by regrading, base reconstruction, resurfacing, and necessary curb and gutter reconstruction:

- Darling Drive - 186 feet east of the center line of North Burlington Avenue to Grand Avenue Extended
- Hagge Street - Tower Street to Diagonal Road
- Schaap Drive - 1<sup>st</sup> Avenue Southwest to 1<sup>st</sup> Avenue Southwest

The project also includes improvement of the following described street by necessary regrading, base construction, surfacing, and curb and gutter construction:

- Shady Lane - from Orchard Road to Ash Road

The motion was made by Council Member Sankey, seconded by Council Member Harmon and unanimously carried to adopt the following resolution receiving reports and calling for hearing, and to set the time and date for the hearing as 7:00 p.m. on Tuesday, May 26, 2015 at the regular City Council Meeting:

RESOLUTION NO. 3592

RECEIVING REPORTS AND CALLING FOR HEARING ON PROPOSED IMPROVEMENTS

(Refer to Resolution File for complete copy of Resolution)

**PLANS APPROVED FOR EXTENSION OF TAXIWAY C**

At their February 9, 2015 meeting, Council approved an agreement with the firm of Bolton and Menk to provide the design of the proposed extension of airport Taxiway C. The plan includes extending Taxiway C to the north end of runway 18-36 for the purpose of improving airport safety.

Total estimated project cost is \$1,129,000. At this time, funding is planned but not assured, to be from a 90% FAA grant (\$1,016,100) and 5% MnDOT grant (\$56,450), and use of airport reserves for capital improvements for the remaining 5%. The 2015 airport budget includes the project at \$1,320,843 with the use of \$132,084 (10%) in reserves for the local share with no state funding. Staff was requesting Council approval of the plans and to authorize advertisement for bids to be received on June 17, 2015, and considered by Council at their June 22<sup>nd</sup> meeting. Award of the contract would be subject to receipt of an FAA grant.

The motion was made by Council Member Sankey, seconded by Council Member Harmon and unanimously carried to approve the plans for the Extension of Taxiway C project and to authorize the advertisement for bids to be received on June 17, 2015 and considered by Council at their June 22<sup>nd</sup> meeting.

**AUTHORIZATION TO AWARD QUOTES FOR MEMORIAL AUDITORIUM ROOF STRUCTURE MODIFICATIONS**

Dwayne Haffield, Director of Engineering, stated that the 2015 Memorial Auditorium budget includes \$35,000 for modifying the roof structure over the stage area to meet code requirements with stage rigging place. Design modifications have been completed by I & S and quotes are being solicited by staff. Staff was requesting Council authorization to proceed, including the ability to award the quote with everything included, provided it falls within the budget.

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

unanimously carried to provide staff the freedom to obtain the bids and award as requested.

**STATEWIDE HEALTH IMPROVEMENT PROGRAM (SHIP) GRANTS APPLICATIONS APPROVED**

At their November 10, 2014 meeting, Council approved a contract with the SRDC for preparing an Active Living Plan for the City, with costs of the study to be funded by a Statewide Health Improvement Program (SHIP) grant. However, the grant agreement was not formally addressed. Staff was requesting Council authorization for the Mayor to execute the agreement, which covers 100% of the costs for the SRDC services.

SHIP of Cottonwood, Jackson and Nobles Counties is soliciting applications for mini grants to begin implementation of an Active Living Plan. While the City's Active Living Plan is not complete and not all eligible components of the plan have been finalized or prioritized, installation of pedestrian benches would likely be well received through the remainder of the development process. The proposal is for 15 additional benches to be installed along existing trails, including those in the County right-of-ways. Installation estimates for the installation of the benches and concrete material is \$500 and in-kind services will be \$200 each. The grant requires that the work be completed by September 1, 2015. Council Member Harmon inquired if SHIP would look at trail stop signs. Mr. Haffield responded that signs had not been part of it up to now but it could certainly be brought up.

The motion was made by Council Member Sankey, seconded by Council Member Harmon and unanimously carried to authorize the Mayor to execute the Statewide Health Improvement Program Grant applications.

**RESOLUTION NO. 3593 ADOPTED IN SUPPORT OF SOUTHWEST MINNESOTA HOUSING PARTNERSHIP'S GRAND TERRACE APARTMENTS PROJECT**

The Southwest Minnesota Housing Partnership (SMHP) was seeking City support of its proposed Grand Terrace Apartments housing project, A 60-unit multi-family rental housing complex to be located on Grand Avenue. Because of the difference between current market rents and the cost of construction, the Partnership is seeking financing from various sources. The Partnership was requesting City consideration of the establishment of a Pay-As-You-Go Tax Increment Financing District, and a deferred loan of \$300,000 that is co-terminus with the 1<sup>st</sup> mortgage. Rick Goodemann, representing the Housing Partnership, discussed the project with Council.

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to adopt the following resolution in support of the SMHP's Grand Terrace Apartments project:

RESOLUTION NO. 3593

A RESOLUTION OF THE WORTHINGTON CITY COUNCIL FOR THE SUPPORT AND COMMITMENT OF A HOUSING DEVELOPMENT PROJECT

(Refer to Resolution File for complete copy of Resolution)

**FIRST READING PROPOSED ORDINANCE - TEXT AMENDMENT (ZONING ORDINANCE-SCHEDULE OF USES - CONVALESCENT HOMES)**

The City's Schedule of Land Uses identifies what land uses are permitted, permitted by special use or not permitted within each of the established zoning districts. Convalescent, Nursing and Rest Homes is a land use group that includes the various types of elderly multi-family housing that include some level of health care service. This land use group is permissible by special use in the "R-3", "R-4", and "R-5" Districts, which are typically found closer to or within the urban core of the community. The Zoning Ordinance does allow multi-family residential by special use in the "R-1" and "R-2" Districts along collector minor arterial thoroughfares, as such a development serves as a buffer between the collector minor arterial and the single family development.

The Planning Commission and City staff have determined that convalescent, nursing, and rest homes can also serve as a buffer along those corridors. To protect the purpose and intent of the "R-1" and "R-2" Districts but allow for consideration of convalescent housing along the periphery of those districts, staff was presenting a proposed ordinance that would amend Title XV, Section 155, Table 5 of the City Code of Worthington, Nobles County, Minnesota, Schedule of Use Regulations, to allow the Convalescent, Nursing, and Rest Home land use group to be permitted by special use as follows:

Section I

That Worthington City Code, Title XV, Section 155, Table 5 (Schedule of Use Regulations), shall be amended to read as follows:

Table 5: Schedule of Use Regulations  
Subtitle: Residential Use Group

Letter K - Convalescent, Nursing and Rest Homes be amended to allow the land use as a special use permit in the "R-1" - One-Family Detached and "R-2" - One Family Low Density Residential Districts.

The Planning Commission considered this matter at its May 5, 2015 meeting and, after holding a public hearing and discussing the matter, voted unanimously to recommend City Council adoption of the ordinance as presented.

The motion was made by Council Member Graber, seconded by Council Member Harmon and

unanimously carried to give a first reading to the proposed ordinance.

**FIRST READING PROPOSED ORDINANCE - TEXT AMENDMENT (ZONING ORDINANCE - SCHEDULE OF USES - WAREHOUSE)**

Under the City's Schedule of Land Uses, Warehouse is a land use group that includes wholesale warehousing, storage, mini-storage, and motor freight terminals. Warehouse land use group businesses are currently permitted in the "B-3" and "M-2" districts and permitted by special use in the "M-1" District.

Brad Chapulis, Director of Community/Economic Development, told Council that, while considering a special use permit for a mini-storage development in a "M-1" district recently, staff discovered what it believes is a conflict within the zoning ordinance. The "B-3" district is the City's primary regional commercial zoning district - a majority of the commercial areas, including Oxford Street and Humiston Avenue commercial areas are zoned "B-3". The primary purpose of the "B-3" district is to provide development opportunities for commercial office businesses that are dependent on thoroughfare traffic and not suitable in the downtown business district. Warehouse land use group businesses are not reliant on thoroughfare traffic. It is staff's opinion that Warehouse has the potential to be an incompatible land use with adjoining permitted commercial businesses, especially if the warehouse activity is the sole land use on the subject property. Mr. Chapulis said the "B-3" district happens to be our primary commercial development area. Meanwhile, the "M-1" district, whose purpose is to provide locations for non-nuisance type of industrial uses, only permits warehouse by special use.

To protect the intent of the "B-3" and "M-1" districts, the Planning Commission and City staff were proposing to revise the Schedule of Uses with a text change amendment-proposed ordinance - to illustrate that the Warehouse land use group is permitted and permitted by special use in the "M-1" and "B-3" districts respectively, as follows:

Section I.

That Worthington City Code, Title XV, Section 155, Table 5 (Schedule of Use Regulations) shall be amended to read as follows:

Table 5: Schedule of Use Regulations  
Subtitle: Non-Residential Use Group

Letter GG - Warehouse to be amended to allow Warehouse as a special use permit in a "B-3" - General Business District and permitted in the "M-1" - Light Manufacturing District.

The Planning Commission held a public hearing on this matter at their May 5<sup>th</sup> meeting. Following the hearing and some discussion, the Commission voted unanimously to recommend Council adoption of the proposed ordinance as presented.

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

### **COMPREHENSIVE PLAN AMENDMENT APPROVED**

Brad Chapulis, Director of Community/Economic Development, stated that the City's Economic Development Authority is exploring the extension of public infrastructure to open the property for development. Currently zoned "TZ" - Transitional Zone, the land is not properly zoned to encourage urban development. According to Title XV, Section 151 of the City Code, all zoning changes are required to be in compliance with the City's Comprehensive Guide Plan. The Plan identifies the area west of Hwy. 59 as an area to be reserved for future commercial and industrial development as municipal utilities were not available to support development. With the public infrastructure improvements now completed, the EDA is considering opening the subject property up for development, but the property no longer fits the purpose and intent of the reserved designation. Mr. Chapulis said the first step to opening the property for development is to amend the Comprehensive Plan's land use map to reflect the desired land usage categories for the Northeast Quarter of Section 14 of Worthington Township.

The Planning Commission considered the proposed Comprehensive Plan amendment at its May 5, 2015 meeting. After considerable discussion, the Commission concluded the planning work completed for the subject area to date compliments the intent of the Comprehensive Plan, and were unanimously recommending Council approval of the amending the Comprehensive Plan's land use map to mirror the land use map in the infrastructure master plan. Mr. Chapulis added that should Council not concur, they could refer the matter back to the Planning Commission for further consideration.

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to approve the Comprehensive Plan Amendment as presented.

### **COUNCIL COMMITTEE REPORTS**

Council Member Graber - Attended a Chamber-Convention and Visitors Bureau meeting - heard a presentation by John Landgaard regarding the school plan including the recommended layout of the addition. The Chamber asked that a reminder be passed along that they pay for half of the fireworks cost and want to be part of any plans for them. They talked about the current Concierge Program the Chamber offers and which direction it should be. The Worthington signs are going up and they are raising money for them. There is a big push for a market starter program, an on-line program that



teaches people to use on-line services to help start up their business. Planning Commission met - they addressed everything Brad talked about tonight. Also attended the National Day of Prayer. Council Member Janssen - Attended an Oxford Redevelopment Committee meeting, they are getting close to presenting their report to Council. Traffic and Safety met and tabled a request to look at the sign ordinance.

Council Member Harmon - Water and Light Commission had their annual meeting on May 4<sup>th</sup> - re-elected Randy Thompson as President, Gary Hoffmann as Vice-President, and Deb Scheidt as Secretary to the Commission. They received a well level update and talked about the water use ordinance discussed here tonight. They also adopted the Minnesota Central Record Retention Schedule. On May 6<sup>th</sup> he attended the Missouri River Energy Services Annual meeting in Sioux Falls - it was interesting - the current hydro-power contracts expire in 2020. They are working on a new dam in Pella, IA. The speaker was interesting. Also attended a Cable 3 meeting and a Center for Active Living meeting.

Council Member Sankey - April 30 attended the Nobles Home Initiative meeting - still a great opportunity folks! Friday, May 1<sup>st</sup> attended the fund raiser for the K-9, and Monday, May 4<sup>th</sup> attended a broadband subcommittee meeting - an additional provider was looking to submit a bid to provide wireless in the county. May 7<sup>th</sup> the Liquor Board reviewed a liquor violation. Attended a meeting in Fulda this morning that had to do with the Heron Lake Watershed.

Council Member / Mayor Pro-Tem Nelson - The HRA is making good progress with their project - the last building will be set May 17<sup>th</sup>, and June 15<sup>th</sup> is the target date to start renting in one of the others. Also provided a reminder of the special City Council meeting scheduled for 8:00 a.m. Friday morning, and the Board of Review scheduled at 9:00 a.m. following the special meeting on Friday. Also noted a sales tax report that Administrator Steve Robinson had put together - noting that we have so far collected \$ 3.57 million of the \$6.3 million we are authorized to collect over a ten year period.

### **CITY ADMINISTRATOR REPORT**

Steve Robinson, City Administrator, reported that April 30<sup>th</sup> he was at the Capitol with members of SRDC to present the legislative priorities of SRDC. On Saturday, May 2<sup>nd</sup> he attended the Lao New Year celebration, last Monday we hosted the Chamber Mixer at the airport, last Wednesday he was back at the Capitol and had an opportunity to meet with various people including Brendan Furness, policy advisor for Governor Dayton, Senator Weber, Senator Skoy and Representative Hamilton. Mr. Robinson also reminded Council that tomorrow at 2:00 p.m. is the ground breaking for BioVerse.

### **ADJOURNMENT**

The motion was made by Council Member Sankey, seconded by Council Member Graber and unanimously carried to adjourn the meeting at 8:28 p.m.

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Janice Oberloh, MCMC  
City Clerk