

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, MAY 12, 2014**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Council Members present: Mike Kuhle, Diane Graber, Rod Sankey, Ron Wood, Scott Nelson.

Staff present: Craig Clark, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Jim Eulberg, Public Works Director; Scott Gigrich, Code Enforcement Officer/Housing Inspector; Scott Hain, General Manager Worthington Public Utilities; Janice Oberloh, City Clerk.

Others present: Aaron Hagen, Daily Globe; John Landgaard, ISD 518; Pam Duffy; Krayton Stenzel; Darlene Macklin; Brenda Hurlbut; Carl Nagel; Pat Haberman; Gail Holinka; Kathy Craun.

The Pledge of Allegiance was recited.

**PUBLIC HEARING - NOBLES HOME INITIATIVE APPLICATION AND RESOLUTION
NO. 3544 ADOPTED APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY
PURSUANT TO MINN. STAT. 469.1813**

Pursuant to published notice, this was the time and date set for a public hearing to receive public comment on a proposed abatement for certain property.

The motion was made by Council Member Wood, seconded by Council Member Graber and unanimously carried to open the hearing.

Brad Chapulis, Director of Community/Economic Development, stated that before Council for consideration was the first application received for the Nobles Home Initiative (NHI) program, the guidelines of which Council had approved at their regular meeting on April 28, 2014. V & O Properties was seeking approval of a tax abatement for the construction of a proposed triplex in its West Park Acres development. Each unit would be approximately 1,340 square feet with a two stall attached garage - estimated taxable value is \$182,000, which would generate approximately \$2,000 in annual taxes at the 2014 tax rate. The City's share of the taxes would be approximately \$800. Mr. Chapulis noted the application met the parameters of the NHI guidelines and staff was recommending approval of the application.

Mayor Oberloh asked if there was anyone present who wished to provide testimony. None was received.

The motion was made by Council Member Graber, seconded by Council Member Wood and unanimously carried to close the hearing.

The motion was made by Council Member Wood, seconded by Council Member Kuhle and unanimously carried to adopt the following Resolution approving tax abatement for the V & O

Properties project:

RESOLUTION NO. 3544

A RESOLUTION APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN. STAT. 469.1813

(Refer to Resolution File for complete copy of Resolution)

AGENDA APPROVED / CLOSED WITH ADDITION OF EXHIBITS

Staff noted that Exhibits 1 and 2 as listed in Administration Case Item 3 *Request for Authorization to Remove City Owned Trees* were omitted from the agenda and distributed copies of the exhibits.

The motion was made by Council Member Nelson, seconded by Council Member Wood and unanimously carried to approve/close the agenda with the addition of the Exhibits.

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting April 24, 2014
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting May 8, 2014; Worthington Area Convention & Visitors Bureau Board of Directors Minutes of March 26, 2014; Worthington Housing and Redevelopment Authority Board Minutes of March 25, 2014, Special Meeting March 28, 2014, and Regular Meeting April 9, 2014; Area Collaboration Minutes of April 10, 2014; Center for Active Living Minutes of April 14, 2014; Board of Review / Equalization Minutes of April 28, 2014; Traffic and Safety Committee Minutes of April 30, 2014; Worthington Public Arts Commission Minutes of May 7, 2014; Planning Commission / Board of Appeals Minutes of May 6, 2014
- General Fund Statement of Revenues and Expenditures - Budget and Actual - January 1, 2014 through March 31, 2014
- Bills payable and totaling \$517,596.20 be ordered paid

CHAMBER OF COMMERCE COMMUNITY IMPROVEMENT COMMITTEE UPDATE

Brenda Hurlbut, Community Improvement Committee of the Chamber of Commerce, provided an update to Council on what the Committee had been working on, some current projects and some things they have scheduled for the future. Ms. Hurlbut noted that, due to the watering ban, they would not implement their Flower Power program again this year, but would be promoting cleaning

up of some areas of town. Last year the Committee toured the commercial areas and worked with business owners to make some improvements. They will be touring residential areas this year with the same objective. They will be participating in decorating the downtown area for the holidays again this year, and are currently working on fund raising to purchase American flags for their Flags of Freedom project on Oxford Street. Mayor Oberloh noted that we need people to show up for community clean-ups along the railroad tracks, ditches, etc. Ms. Hurlbut noted they would put it on the agenda for their upcoming meeting.

WORTHINGTON PUBLIC ARTS COMMISSION PRESENTATION AND REQUEST FOR DESIGN APPROVAL

Gail Holinka and Kathy Craun, representing the Worthington Public Arts Commission, reviewed the mission of the Commission, their goals and objectives, and past and upcoming projects. Ms. Holinka had recently applied for and received an \$18,200 Arts in Legacy Project grant through the Southwest Minnesota Opportunity Council. Both Ms. Holinka and Ms. Craun said there is a lot of art in our community, and one of their goals was to create a brochure that would indicate the location of the art pieces. Council viewed a presentation of past art projects, and Ms. Holinka noted that some of the projects would be getting a touch up. They are proposing to do a mural that would depict the city celebrations with Butcher's building being the first choice for location, however, that has not been confirmed. If that doesn't work, they've been contacted by the Fire Chief on his interest in having some type of mural in the Fire Hall. Council suggested that the Butcher building may at some point be demolished so perhaps a different location would be more suitable.

Craig Clark, City Administrator, suggested that Council only provide feedback tonight to allow staff time to determine if a mural would be in violation of the City's sign ordinance.

AUTHORIZATION TO INDEPENDENT SCHOOL DISTRICT 518 TO REMOVE PORTION OF CITY OWNED TREES - STOWER DRIVE

John Landgaard, Independent School District (ISD) 518 Superintendent, was present to request Council authorization to remove City-owned trees at their new transportation facility on Stower Drive. Mr. Landgaard said the District had received an opinion from their project engineer that the trees could create a potential structural damage to one of the required retention ponds on the property. In addition, the roots could be cut during the pond installation which could cause the trees to die. Council viewed photos of how the trees also obscured the site line of anyone coming out of the two driveways from the facility, which Mr. Landgaard noted it was also a safety issue. Of the 22 total trees, the District was requesting to remove, at a minimum, the nine cottonwood trees between the two drives, and the site obscuring trees. Mr. Landgaard said the District would be replanting trees down the other lot line once they can be watered.

Council discussed the layout of the ponds and the drainage that runs towards the front of the lot to

the storm sewer. In response to an inquiry by Council, Dwayne Haffield, Director of Engineering, said he respectfully disagreed with the District's engineer - that the tree roots are not attacking the sewer lines.

Following discussion, the motion was made by Council Member Wood to approve removal of one tree on each side of each driveway. Motion died for lack of a second.

The motion was made by Council Member Sankey to remove two trees on the west side of the west drive and one tree on the east side of the west drive, and one tree on the west side of the east drive and one tree on the east side of the east drive. After a closer look at the trees in the photos, Council Member Sankey amended his motion to include two trees on the east side of the west driveway. The motion was seconded by Council Member Wood. Mayor Oberloh noted that discussion did not include who is taking them out at who's expense. Scott Rosenberg, Park Superintendent, said he would estimate removal costs at \$500 - \$800 per tree. Council agreed the City would remove the trees at the City's expense, and the School District would be responsible for removing the stumps. Council Member Sankey amended his motion a second time to include that language and Council Member Wood accepted the amendment. The motion was unanimously carried.

COUNCIL MEMBERS APPOINTED TO REPRESENT CITY OF WORTHINGTON TO NOBLES ECONOMIC OPPORTUNITY NETWORK (NEON)

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to appoint Council Members Sankey and Kuhle as the City representatives to the Nobles Economic Opportunity Network (NEON).

ON-SALE LIQUOR, ON-SALE BEER AND ON-SALE WINE LICENSES APPROVED FOR HY-VEE MARKET CAFÉ

The motion was made by Council Member Wood, seconded by Council Member Nelson and unanimously carried to approve the following licenses for the Hy-Vee Market Café:

- On-Sale Liquor - license period from date of occupancy permit to June 30, 2014
- On-Sale Beer - license period from date of occupancy permit to December 31, 2014
- On-Sale Wine - license period from date of occupancy to June 30, 2014

Issuance of the licenses by the City Clerk is contingent on Hy-Vee Market Café receiving their occupancy certificate from the City's Building Official and passing the State of Minnesota Alcohol and Gambling Enforcement inspection.

WATER UPDATE

Scott Hain, General Manager Worthington Public Utilities, presented an update to Council on the continuing drought situation and on-going non-essential water use ban. On Friday afternoon well #26, which they've historically used as an indicator well, was at 11' 3" below its 16 year average, and 5' 2" below the same time last year. Mr. Hain said what is of concern this year is the normal spring recharge has not happened, or is happening later. We typically gain an average of 6 feet from the recharge, and so far we've only gained half of that. In addition, in 2013 we purchased about 19% of our water from the Lincoln-Pipestone system - and we're now purchasing about a third of our water usage from them. We are on an "as needed" basis with Lincoln-Pipestone, with no contract in place with them. Mayor Oberloh noted that while at the capital last week they received an update from Lincoln-Pipestone representatives that they are in jeopardy of shutting Worthington off in event that the new MPCA regulations stay in effect against them - if so, they will have to completely rebuild their Holland plant because of changes in the discharge regulations - they've been given three years to fix it at a cost of over \$3 million, which they don't have in their budget - if this happens they will have to shut Worthington off. Mr. Hain said that overall, the city's water consumption has decreased with recognition of the water situation - the utility sold 6 ½ percent less water in 2013 than in 2012. Mr. Hain said we've spent decades exploring unsuccessfully for new wells.

Craig Clark, City Administrator, added that staff had visited with the City Attorney - targeting increased voluntary efforts is critical now as the next step would be looking at conservation rates, or potentially an emergency declaration under the Mayor's authority - and mandatory reductions.

REMINDER OF CHANGE TO REGULAR MEETING SCHEDULE DUE TO MEMORIAL DAY HOLIDAY

Mayor Oberloh reminded Council that the regular meeting schedule presented at the Annual City Council meeting included that the second regular meeting in May would be held on Tuesday, May 27th as that Monday falls on Memorial Day. The move is pursuant to the City Charter.

RESOLUTION ADOPTED AUTHORIZING MAYOR AND CLERK TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION

At their April 14, 2014 meeting, Council approved a budget amendment to purchase a mower for the airport using state grant funds of \$9,000.00 and ERS reserves of \$4,500.00, contingent on getting final approval of the grant from the MnDOT Office of Aeronautics. Staff was now requesting Council adopt a resolution authorizing the Mayor and Clerk to execute the Minnesota Department of Transportation Grant Agreement for the state funds.

The motion was made by Council Member Wood, seconded by Council Member Graber and unanimously carried to adopt the following resolution:

RESOLUTION

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

It is resolved by the City of Worthington as follows:

1. That the State of Minnesota Agreement No. 05008, "Grant Agreement for Airport Improvement Excluding Land Acquisition," for State Project No. A5301-78 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.

PLANS FOR 2014 SEAL COATING PROJECT APPROVED

Dwayne Haffield, Director of Engineering, stated the 2014 Construction Fund budget includes \$159,000 for contract maintenance, which excludes the \$150,000 specifically budgeted for Oxford Street joint sealing. Staff was proposing to use all of the contract maintenance budget except \$20,000 for seal coating recently bituminous surfaced streets, with the remaining \$20,000 to be used for repairing a culvert wing wall on Oxford Street just east of Diagonal Road.

The following streets are proposed to be seal coated this year:

Alley Block 12 - Third Avenue to Fourth Avenue
Alleys Block 28 NE and SW - Sixth Avenue to Seventh Avenue
Alley Block 30 - Seventh Avenue to Eighth Avenue
Castlewood Drive - Pauline Avenue to a point 610 feet west
Cecilee Street - Pauline Avenue to a point 290 feet west
Collegeway - Thompson Avenue to North Crailsheim Road (CSAH 10)
Douglas Avenue at East Avenue curve
Douglas Avenue - Nobles Street to a point 320 feet north
East Avenue at Offtake Ditch
Eleanor Street - Pauline Avenue to a point 290 feet west
Fox Farm Road - North Crailsheim Road (CSAH 10) to West Shore Drive
Franklin Street - Sherwood Street to East Avenue
Kragness Avenue - Charles Avenue to 800 feet north of Okabena Street
Marine Avenue - Clary Street to 330 feet south of Oxford Street
Morningside Drive - East and West end cul de sacs

Oak Street - CSAH 35 to Circle Drive
Pauline Avenue - Cecilee Street to Eleanor Street
Ray Drive - Ryan's Road to 600 feet south
Roos Avenue - Winifred Street to Diagonal Road
Ryan's Road - Ray Drive to TH 59
Sherwood Street - Nobles Street to Franklin Street
Tower Street - 10th Avenue to Lake Street
Trevor Street - Murray Avenue to East Avenue

Staff was also asking for authorization to advertise for bids for the project to be received on June 9, 2014 and considered at the Council meeting that evening.

The motion was made by Council Member Graber, seconded by Council Member Wood and unanimously carried to approve the plans for the 2014 Seal Coating Project and to authorize staff to advertise for bids to be received June 9, 2014 and considered at the next City Council meeting.

PLANS FOR OXFORD STREET JOINT SEALING PROJECT APPROVED

The 2014 Construction Fund budget includes \$150,000 for Oxford Street joint sealing between Diagonal Road and McMillan Street. The joint sealant in the roadway has deteriorated allowing incompressible material like stones and gravel to migrate into the joints, which prevents the individual panels from expanding and contracting with temperature variations without damage to the edges or panel dislocation. The intersections of Diagonal Road and McMillan Street are not included in the project. Total estimated cost of the sealing work is \$130,000. Staff was requesting Council approval of the project and authorization to advertise for bids to be received June 9, 2014 and considered at the Council meeting that evening.

The motion was made by Council Member Graber, seconded by Council Member Wood and unanimously carried to approve the plans for the Oxford Street Joint Sealing project and authorize staff to advertise for bids to be received June 9, 2014 and considered at the Council meeting that evening.

INTERIM USE PERMIT APPROVED - PAT HABERMAN

Pat Haberman was requesting issuance of an interim use permit for property he leases from the City of Worthington. If approved, the applicant intends to establish a commercial corn maze. The property is located on the south side of 27th Street approximately 1,431 feet west of Highway 59, and is legally described as:

The north 685 feet of the west 1,011 feet of the NE 1/4 of Section 14, Township 102N, Range 40W, Nobles County, Minnesota.

The Planning Commission considered the interim use permit at its May 6, 2014 meeting, and after holding a public hearing and discussing the application, voted unanimously to recommend approval of the interim use permit subject to the following conditions:

1. The applicant dedicates a minimum of 10,000 square feet for off-street parking;
2. The applicant is responsible for clean up of any materials (mud, corn husks, etc...) attributable to the proposed use which ends up in the 27th Street right of way;
3. The applicant provide appropriate portable bathroom facilities;
4. The permit will terminate upon the termination or expiration of the applicant's lease, whichever occurs first; and
5. Any additional conditions that the Commission/City Council deem necessary for the issuance of the special use permit.

The motion was made by Council Member Graber, seconded by Council Member Kuhle and unanimously carried to approve the interim use permit for Pat Haberman to establish a corn maze on the subject property, subject to the conditions as stated.

SPECIAL USE PERMIT APPROVED - KIDS-R-IT

Kids-R-It Daycare was seeking the issuance of a special use permit for property it owns at 1118 Johnson Avenue that would allow them to construct a 4,290 square foot addition to its existing facility. Child care facilities are only permissible through the issuance of a special use permit in the "R-3" - Low Density Preservation Residential District, which is the zoning classification for the subject property. The property is legally described as:

Lots 1, 2, 3, and 4, Block 2, Johnson's Sub-Division of East Part of Block 10 Moulton's Re-Survey and Sub-Division of Clary's Addition, City of Worthington, Nobles County, Minnesota.

The Planning Commission considered the application at its May 6, 2014 meeting, and after holding a public hearing voted unanimously to recommend Council approval of the special use permit subject to the following conditions:

1. The required parking stalls are hard surfaced, striped and properly maintained;
2. The applicant establish and maintain an exterior trash enclosure as required by City Code;
3. The applicant complies with all applicable conditions to the special use permits previously issued, which are recorded at the Nobles County Recorders Office as Document #255754 & #275532; and
4. All site improvements are completed as were illustrated/determined.

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

unanimously carried to approve the special use permit for Kids-R-It, subject to the conditions as stated.

REQUEST FOR SITE PREPARATION ASSISTANCE APPROVED - APPBIZ MOBILE, LLC

Staff received a request from AppBiz Mobile, LLC for site preparation assistance for their proposed 4,350 square foot commercial facility to be constructed at 1324 Ray Drive to assist with costs affiliated with soil remediation of unsuitable soils. The applicant has a quote of \$68,691 for the excavation of the unsuitable soils and placement of granular backfill necessary to support the proposed structure. Legal description of the subject property is as follows:

Block 1, Lot 1, McDonald's Addition, City of Worthington, Nobles County, Minnesota.

Total project cost is approximately \$817,000, and following completion of the project, will have an estimated taxable value of \$511,000 and generate an estimated in \$15,700 in real estate taxes.

Staff assessed the application using the established Site Preparation Guidelines and noted that they do limit the amount of assistance the City may consider to \$56,171, which is less than the amount requested. Brad Chapulis, Director of Community/Economic Development, also indicated that any motion for approval should include the maximum amount of assistance at a not to exceed amount, and any contingencies to its approval, and that Council should determine that the requirement for a detailed budget illustrating that without the assistance the project would not be economically feasible has been met (Guideline #5). Staff also suggested that the assistance be limited to the costs affiliated with the eligible improvements (demolition) at an amount not to exceed \$56,171 and be subject to the applicant providing proof of competitive bidding.

The motion was made by Council Member Kuhle, seconded by Council Member Wood and unanimously carried to consider financial assistance up to \$56,171 along with guideline #5 that's satisfactorily addressed.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Busy lobbying with Luverne, Lincoln Pipestone and Rock Rural Water members for Lewis and Clark - their meeting in St. Paul was very timely - no negative comments about the project - it was being talked about by everyone. Senator Stumpf invited three of them into the Committee to talk about Lewis and Clark for about 45 minutes.

Council Member Kuhle - Southwest Regional Development Commission met last Thursday - they presented their budget and work plan - City Clerk can distribute copies to Council. Attended the NEON meeting, good presentation by Nobles County ambulance, fire, enforcement personnel. Talked about initial issues for the new committee such as purchasing supplies, IT and broadband.

Council Member Graber - She and Dwayne Haffield attended a workshop type meeting today for

trail plan steering - DNR and MnDOT reps were there too - reviewed local plans and discussed structure of the new plan for the trails. Attended a Center for Active Living meeting today, heard a report for the most part but they also hosted the USO flag signing there today - also had someone there to check ventilation system, and the Committee also reviewed the Center's activities. Memorial Auditorium is business as usual - the stone sign discussion continues, and they found a location to recommend for placement of the cannon from Chautauqua Park once the restoration is complete. They discussed the re-rigging project - the ceiling needs reinforcement with or without the re-rigging so they are trying to get a modification to the grant.

Council Member Sankey - Also attended the NEON meeting - very productive. NEON stands for Nobles Economic Opportunity Network.

Council Member Wood - The Buffalo Ridge Transit System group wants to get it out that they have a circular flow of transit now - Slayton, Pipestone, Luverne and us - you can go in either direction. This summer they will have promotions to get people to events in other towns - the state is trying to regionalize transit. Ridership is not great but they've only been doing it a few months and have to get the word out.

Council Member Nelson - Attended an HRA meeting - discussed their 48-unit project - the land issues are coming together. The project is moving forward - they're still looking at a summer build.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, reported that the City trash pick-up schedule provides that items can be set out on May 28th and the pick-up will start on Monday, June 2, 2014 and continue for the week.

ADJOURNMENT

The motion was made by Council Member Wood, seconded by Council Member Kuhle and unanimously carried to adjourn the meeting at 9:03 p.m.

Janice Oberloh, MCMC
City Clerk