

WORTHINGTON CITY COUNCIL
MAY 26, 2015

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: Scott Nelson, Diane Graber, Larry Janssen, Mike Harmon, Rod Sankey.

Staff present: Steve Robinson, City Administrator; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk; Jeff Faragher, Asst. City Engineer.

Others present: Kristin Kirtz, Daily Globe; Justine Wettschreck, KWOA; John and Gerry Schneiderman; Deb Anderson and Nick Poulus; Cheryl Janssen; Paul Langseth; Wally Onnen; Calvin Rehborg; Jon Harvey; Alfredo and Carolina Melgoza.

The Pledge of Allegiance was recited.

PUBLIC HEARING - SHADY LANE STREET IMPROVEMENT - PROJECT HALTED

Pursuant to published notice, this was the time and date set for a public hearing regarding the Shady Lane Street Improvement project.

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

Dwayne Haffield, Director of Engineering, provided information that was common on both this project and the 2015 street reconstruction projects, noting that Council will decide tonight whether to proceed with the projects. It would be probably over a year from now that staff would be back before Council with proposed assessments. With Shady Lane being petitioned for by over 35% of the owners of the property abutting the improvement, only a simple majority of Council is needed to vote in favor of the project, whereas with Council initiated projects it will require a 4/5's majority vote in favor of the project. If any of the projects are ordered ahead, they would order plans and specifications to be received at a later date, authorize the bidding process, go through construction, and then sometime after that we would call the final assessment hearing. Following the final hearing, residents would have the right to appeal the assessment amounts, then have 30 days to pay the assessment without interest. The eastern portion of Darling Drive will have a 10% reduced life reduction as it was a few years short of the expected 20 year life. Mr. Haffield discussed cases for allowances, and stated the assessment proceeding he just covered applies to both projects.

Shady Lane - this was a petitioned project, which requires petition by owners of 35% of the property abutting the improvement. Estimated assessment rate for bituminous is \$151 and for concrete is \$228. Both pavement types are up for consideration as it is a new street - the bituminous is given a 20 year life and the concrete is given a 35 year life. The project would include curb and gutter and a 36 foot wide street. It is, by definition, a dedicated street. There are only four properties involved. Improvement costs and estimated assessments are as follows:

	Standard Pavement	Concrete
City Share for non-assessable costs	\$25,161.05	\$38,036.90
City Share of Assessable Costs	0.00	0.00
Total City Share	\$25,161.05	\$38,036.90
Assessments receivable	\$60,038.95	\$90,763.10
TOTAL PROJECT COST	\$85,200.00	\$128,800.00

Estimated Assessment Rate: Standard Pavement \$151.12 / ft.
 Concrete Pavement \$228.45 / ft.

Mayor Kuhle asked if there was anyone present who wished to present testimony on the project.

John (and Geraldine) Schneiderman- lived on this property nine years - the oldest residents there. I checked on the County website today, the County Assessor's website, the property on that side and up is not a title holder, not even on the records as being a tax payer. I don't know what the situation is if he's buying on contract or what but I don't think he's qualified to sign a petition. Our assessment is \$24,465.91. Based on 4% interest and a 15 year payback, our cost will be \$2,200 a year, and presumably, that will be for the rest of my life, I'm 73 years old so that will run until I'm 88 if I make it that far. That's really a hardship for us - it more than doubles the taxes we pay now. Doesn't see the need, it's a gravel road, it's very stable, never been a problem. It drains into the storm sewer, which drains right down past our property into a field so it's well drained without going into the lake or some other place. I just don't see a need for it - to spend this kind of money, in addition to the fact that we can't afford it. I did sign on as a petitioner, but I presumed that it was going to be \$7,000 or \$8,000.

Geraldine Schneiderman - the guys came from across the street with the petition and kind of caught us off guard.

John Schneiderman - I spent the last years of my working lifetime as a registered real estate appraiser, not in Worthington but in Sioux Falls and that area. I never once considered that a street in front of a house adding to the value of the house - it has no effect. The \$24,000 wouldn't increase the value of my house or my property. And the other thing is my lot, when I look on the County Assessor's thing, I think my lot's valued at \$33,000 or \$36,000, somewhere in there, this is two-thirds of the price of my lot. Frontage on one street side. We could live very well without that street being there.

John Harvey - I would be the neighbor to the southeast corner of that. That map that you had up there, that showed where we're being assessed the width of our property difference, and I just bought the house in November, so last fall, so I had no idea about any of this happening - so I didn't sign,

agree or disagree. Had I been asked now I'd disagree because my driveway is on Ash Road, which is, we own a portion of that road because it's a private drive, it's not a city street. I don't get street lights, I don't get plowing, I don't have curb and gutter, where my driveway is, the front of my house faces Ash Road - not Shady Lane. Shady Lane is just a side road on the side of our yard - I have very minimal concern about that road. I don't feel that it needs to be paved - I also don't want to pay \$15,000 over the next 15 years. That almost doubles my property taxes which are already pretty high at \$1600 and another \$1400 on that is ridiculous for the piece of property that we have. Also, I noticed that they're putting in our footage, what we're getting taxed on, the part that's already done. When you get to that corner of the north properties, when you get to the south side of that, it's already got a curb corner, which is done, but they're adding that extra because we own that 10 feet of our road in front of us, which we blacktopped, not me but the previous owner, and the other three owners in that area blacktopped it themselves. So the footage that we're getting taxes on is a little bit uneven really. That's my personal opinion of the way I feel and I wasn't involved, agreeing or disagreeing with this petition that obviously circled - was it a year ago? But I wasn't, I don't want my property taxes to double or more than double.

There was no further testimony.

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

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to not improve Shady Lane.

PUBLIC HEARING AND RESOLUTION NO. 3595 ADOPTED ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS - 2015 STREET RECONSTRUCTION IMPROVEMENTS

Pursuant to published notice, this was the time and date set for a public hearing regarding the 2015 Street Reconstruction Improvements Project.

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

Dwayne Haffield, Director of Engineering, presented information on the improvements by regrading, base reconstruction, necessary curb and gutter reconstruction, and resurfacing of the following streets:

DARLING DRIVE from 186 feet east of the center line of North Burlington Avenue to Grand Avenue extended

HAGGE STREET from Tower Street to Diagonal Road

SCHAAP DRIVE from 1st Avenue Southwest to 1st Avenue Southwest

Because none of the improvements were initiated by petition, a 4/5's vote of the Council membership is required to order the improvements ahead. Council received the project report on the improvements and preliminary assessment roll at their May 11, 2015 meeting. Estimated project costs and assessments are as follows:

Darling Drive

City share for non-assessable costs	\$94,557.03	
City share of assessable costs	0.00	
Total City share	94,557.03	(84.8%)
Assessments receivable	\$16,892.97	(15.2%)
TOTAL COST	\$111,450.00	

Estimated base assessment rate is \$25.68/ft. (westerly portion)

Estimated reduced assessment rate is \$23.11/ft. (easterly segment)

Hagge

City share for non-assessable costs	\$173,997.24	
City share of assessable costs	0.00	
Total City share	\$173,997.24	(88.7%)
Assessments receivable	\$22,252.76	(11.3%)
TOTAL COST	\$196,250.00	

Estimated assessment rate is \$15.06/ft.

Schaap Drive

City share for non-assessable costs	\$176,872.14	
City share of assessable costs	0.00	
Total City share	\$176,872.14	(77.3%)
Assessments receivable	\$51,927.86	(22.7%)
TOTAL COST	\$228,800.00	

Estimated assessment rate is \$27.02/ft

Mr. Haffield noted all three projects are bituminous.

Mayor Kuhle asked if there was anyone present who wished to present testimony on the projects.

Wally Onnen - I've been a homeowner on Schaap Drive 22 years, we built our house out there. That street used to just be half the horseshoe that was blacktopped, it was a street when we moved out there, and I think that street has been replaced twice now and seal coated. (Mr. Haffield responded it had been seal coated and we've had maintenance done by the street department and they've done some patches on it.) We've had two assessments on that street since we've lived there. Curb and gutter - most of the people out there have not been happy with the curb and gutter out there. Have had a couple of people fall on bicycles out there - the puddles turn to slime is what they do, in the summertime. We've had a couple of people fall on bicycles out there. The curb and gutter - we've never been happy with it out there. We were never happy with the quality of the street when they did replace it. I don't know if it's going to be the same contractor who's going to replace it? (DH - I can't tell you who did that, part of it was done by the developer and the surfacing was done by City assessment. I don't recall who did the actual base construction. It would be bid competitively, there's a couple of firms that typically bid Worthington.) We didn't really notice the wear and tear so much on the street until the school busses started going through there - they pick up three or four kids on those two blocks. That's when we really started to first notice the street seemed to be deteriorating - large pot holes, it's been patched numerous times. It's like Dwayne says, like in the springtime, it just like crumbles, it's just crumbling now. I don't think we've gotten the 20-year life out of that street.

There was no further testimony.

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

The motion was made by Council Member Nelson, seconded by Council Member Janssen and unanimously carried to adopt the following resolution approving the 2015 Street Reconstruction Improvements as presented:

RESOLUTION NO. 3595

ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

(Refer to Resolution File for complete copy of Resolution)

AGENDA APPROVED/CLOSED WITH ADDITION

Staff noted an additional 2015 On-Sale Liquor and 2015 On-Sale Wine Renewal application to be included with the others in consent agenda Case Items one and three respectively.

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

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting May 11, 2015 and Special Meeting May 15, 2015
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting May 18, 2015 and Regular Meeting of May 4, 2015; Heron Lake Watershed Board Minutes of March 17, 2015; Worthington Local Board of Appeal/Equalization Minutes of May 15, 2015
- Municipal Liquor Store Income Statement for the Period January 1, 2015 through April 30, 2015
- 2015 On-Sale Liquor License Renewal Applications:
 - 2015-1 - The Ground Round Grill & Bar, 1290 Ryan's Road
 - 2015-2 - Hickory Lodge Bar & Grill, 2015 N. Humiston Avenue
 - 2015-3 - Worthington Hotel Group, LLC dba Worthington Event Center, 1477 Prairie Dr.
 - 2015-4 - Hy-Vee Market Café, 1235 Oxford Street
 - 2015-5 La Azteca Tiendo Mexicana, Inc., 223 Tenth Street
 - 2015-6 Mini Market Lupita, 1906 Oxford Street
 - 2015-7 Long Branch Saloon, 206 Tenth Street
 - 2015-8 Great Life @ Worthington Country Club, GL Management LLC, 851 West Oxford Street
- 2015 Club On-Sale Liquor License Renewal Applications:
 - 2015-1 - VFW 3958, 1117 Second Avenue
 - 2015-3 - Worthington Eagles Club FOE Aerie 3282, 205 Oxford Street
 - 2015-4 - Elk's Lodge BPOE Lodge 2287, 1105 Second Avenue
 - 2015-5 - Historic Dayton House, 1311 Fourth Avenue
- 2015 On-Sale Wine License Renewal Applications:
 - 2015-1 - The Ground Round Grill & Bar, 1290 Ryan's Road
 - 2015-2 - Hickory Lodge Bar & Grill, 2015 N. Humiston Avenue
 - 2015-3 - BenLee's Café, 212 Tenth Street
 - 2015-4 Hy-Vee Market Café, 1235 Oxford Street
 - 2015-5 La Azteca Tiendo Mexicana, Inc., 223 Tenth Street

2015-6 Mini Market Lupita, 1906 Oxford Street
2015-7 Long Branch Saloon, 206 Tenth Street
2015-8 - El Mexicano #3, Inc., 310 Tenth Street
2015-9 Worthington Comfort Suites, 1447 Prairie Drive
2015-10 Great Life @ Worthington Country Club, GL Management LLC,
851 West Oxford Street

- Suspension of Improvement of South Crailsheim Road by Extension of Sanitary Sewer Project, based on petition
- Bills payable and totaling \$873,121.41 be ordered paid

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

Pursuant to published notice, this was the time and date for the second reading of 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 motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to give a second reading to the proposed ordinance.

SECOND READING PROPOSED ORDINANCE AMENDING TITLE XV, SECTION 155 TABLE 5 OF THE WORTHINGTON CITY CODE (SCHEDULE OF USE REGULATIONS)-CONVALESCENT HOMES

Pursuant to published notice, this was the time and date for the second reading of 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 motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to give a second reading to the proposed ordinance.

**SECOND READING PROPOSED ORDINANCE AMENDING TITLE XV, SECTION 155
TABLE 5 OF THE WORTHINGTON CITY CODE (SCHEDULE OF USE REGULATIONS)
- WAREHOUSE**

Pursuant to published notice, this was the time and date for the second reading of a proposed ordinance amending Title XV, Section 155, Table 5 of the Worthington City Code by revising the Schedule of Uses with a text change amendment which provides 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 motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to give a second reading to the proposed ordinance.

INFORMATIONAL PRESENTATION - HIGH SPEED INTERNET/BROADBAND

Cheryl Janssen, who serves on the NEON Broadband Sub-Committee, provided information to Council regarding the Committee's goal of providing high-speed internet service throughout Nobles County. They received a \$75,000 grant from Blandin for the next two years. The first phase of their project would be to provide "hot spots" within the County that would be free to the public to use. It is hopeful that the "hot spots" will be on line by the end of summer to benefit those school children who do not have access. There is \$38,000 remaining from the grant, and matching funds are necessary to obtain the grant funds. It has not yet been determined what the group will do with the second half of the grant and the matching funds. Requests will go out to the townships for that funding. Nobles County has approved up to \$25,000 for the project.

Council thanked Ms. Janssen for her presentation.

APPLICATION APPROVED FOR NEW ON-SALE LIQUOR LICENSE - VENETIAN STEAKHOUSE, LLC - 1635 OXFORD STREET

Council considered a new on-sale liquor license application from the Venetian Steakhouse, LLC - Deborah Anderson, 1635 Oxford Street. License period will be from May 28, 2015 through June 30, 2015, when renewals are due, and will allow for the on-sale of liquor, wine and beer Monday through Saturday. The application process had been delayed due to non-payment of property taxes by the former property owner, which staff reported have now been paid with the sale of the mall.

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to approve the application for an on-sale liquor license for The Venetian, LLC, Deborah Anderson, 1635 Oxford Street.

RESOLUTION ADOPTED APPROVING GRANT APPLICATION FOR FEMA HAZARD MITIGATION FUNDING

Staff submitted a grant application for Council consideration that would provide for up to 75% funding of improvements 1 and 2 of the City's master plan for County Ditch 12 flood mitigation. Improvements would include the replacement of the culvert under Oxford Street and construction of a retention basin near Interstate 90. Estimated cost is \$3.25 million, which may vary slightly as it is being developed. The local share of that estimate will be \$812,500, which will also vary. The storm water utility fund has adequate reserves to fund the local share, and utility revenue bonding may also be used to fund all or a portion of the local share. The project will require acquisition of property for the retention basin near Interstate 90, and Engineering services for design and construction will be required and will need to be procured per applicable standards. Maintenance of the improvements at an estimated cost of \$5,600 annually.

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to adopt the following resolution approving the application and to authorize the Mayor to sign the Letter of Commitment of Funds and the Letter of Maintenance Statement:

RESOLUTION AUTHORIZING EXECUTION OF SUB-GRANT AGREEMENT

Be it resolved that the City of Worthington, Minnesota enter into a sub-grant agreement with the Division of Homeland Security and Emergency Management in the Minnesota Department of Public Safety for the program entitled Hazard Mitigation Assistance Program for Presidential disaster declaration FEMA 4182-DR-MN or FMA FY-2016

Mike Kuhle, Mayor is hereby authorized to execute and sign such sub-grant agreements and any amendments hereto as are necessary to implement the project on

behalf of the City of Worthington, Minnesota

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - was at St. Paul to push for Lewis and Clark funding - not successful but wanted to commend Scott Hain and Steve Robinson for their efforts - it is not a bonding year. Also wanted to thank Troy Larson and Red Arndt for their support.

Council Member Nelson - HRA will meet tomorrow night at the new building site and do a walk through. They have compiled a rental list - they will get Council through it.

Council Member Graber - Memorial Auditorium Advisory Board met - the centralized ticket sales are going much better than when everyone was handling their own sales- there has been discussion of ticket sales required of everyone, even children if the show is for adults as a way to control having children running around during an adult show. They were pleased by the responsiveness of the City crew for the various required maintenance. Brule will be at the Auditorium the Tuesday before Thanksgiving. The 2014 annual auditorium usage was approximately 22,500. To date in 2015 the box office has been open 98 days, they've had an additional 71 rentals, and approximately 12,450 people through since January 1, 2015, not including the dance academy, which is their biggest show. The Public Arts Commission is having an on-going discussion regarding the design of Worthington's half of the Crailsheim bridge project. There will be a mural painted on the back of the Roos building by the CAL - artist Shawn McCann will be doing it and Roos's are donating the paint. They also had another discussion on the role of the Commission and they will have a Council agenda item in August for the budget for their training.

Council Member Janssen - the Safe Roads Coalition met today, they will be doing a "use of seat belts" push, and are looking at having a booth at the fair.

Council Member Harmon - Water and Light Commission met - Randy Thompson was awarded the Community Service Award from Missouri River Energy System. WPU received the APPA Safety Award for the ninth consecutive year for no accidents, and have received it for 13 of the past 16 years. The Commission assigned Gary Hoffman, who is the WPU rep to the WREDC Board, to attend the BioScience Planning session. The Prairie View Golf Advisory Board met, however the two new members didn't show up so no business was transacted. 28 people showed up for the demo-day on foot golf, and there is a group of 60 coming from Sioux Falls to play. Attended the Joint City/County/School Board meeting - talked about the County's purchase of the Armory building - no plans yet on how they will use it. Also, if the pre-kindergarten for four year olds passes it will add 400 to 500 kids to the school system.

Council Member Sankey - had a NEON meeting where Cheryl Janssen also presented her information. The sub-committee meetings for broadband have been too many but it's something that has to be done. The Heron Lake Watershed Board is meeting tonight - started at 8:00.

CITY ADMINISTRATOR'S REPORT

Not much to report - had the St. Paul trip. Interviews were conducted a week ago for the Public

Works Operator position. A job offer was made but the candidate declined - we'll be looking at the rest of the applicants.

Council Member Harmon requested that the stopping of the project on Crailsheim Drive be brought back to Council at the second meeting from now, as he wished to discuss it but it was on the consent agenda and he missed the opportunity. He wants to discuss where we were with the project and what the costs have been, and whether it's something the City could just go ahead and do.

ADJOURNMENT

The motion was made by Council Member Harmon, seconded by Council Member Nelson and unanimously carried to adjourn the meeting at 8:34 p.m.

Janice Oberloh, MCMC
City Clerk