

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, MAY 29, 2018**

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: Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon. Honorary Council Member: Ryan Weber. Council Members absent: Larry Janssen (excused).

Staff present: Steve Robinson, City Administrator; Troy Appel, Public Safety Director, Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Police Sgt. Dustin Roemeling and K-9 Frank'ee; Sgt. Roemeling's family; Tammy Makram, Memorial Auditorium Manager.

Others present: Lisa Gerdes and Lilo Herzig; Lindsey Schenck; Justine Wettschreck KWOA; Karl Evers-Hillstrom, the Globe.

The Pledge of Allegiance was recited.

INTRODUCTIONS

Mayor Kuhle welcomed Ryan Weber as the Honorary Council Member for the months of April, May and June.

Mayor Kuhle also welcomed Lilo Herzig, our current exchange student from Crailsheim, Germany. Only 14 when she came to Worthington, Ms. Herzig is the youngest exchange student to come from Crailsheim. Some of the activities she has enjoyed are tennis, speech and prom. Lisa Gerdes, Ms. Herzig's current host mother, said that Lilo graduated from Worthington Senior High with highest honors.

AGENDA CLOSED / APPROVED WITH CHANGES

The following additions were requested:

an addendum under Item K. of an additional closed session *under Minn. Statute 13D.05, Subd. 3(c)(3) - Real Estate Acquisition - Parcel No. 31-3997-050.*

an addendum of Item E.5. *Request for Variance of the City's Disposal of Personal Property Policy.*

addition to the agenda page of an Administrative consent agenda item of *2018 / On-Sale Liquor, Wine, and Club On-Sale License Renewals, and Sunday On-Sale Liquor License Renewals* - the case item was included in the agenda packet but was not listed on the agenda page.

Council Member Oberloh requested the addition of *a conversation about directing staff to*

send a letter of support regarding Grand and Oxford Street as Item E.6.

The motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to close / approve the agenda with the noted change and addition.

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting May 14, 2018 and Special Meeting May 23, 2018
- Minutes of Boards and Commissions - Planning Commission / Board of Appeals Minutes of May 8, 2018; Worthington Public Arts Commission Minutes of April 19, 2018; YMCA Board of Directors Minutes of April 30, 2018; 2018 Board of Appeals / Equalization of Continuation of May 14, 2018; E.O. Olson Trust Board Minutes of April 16, 2018; Worthington Area Convention and Visitors Bureau Minutes of April 25, 2018
- 2018 / On-Sale Liquor, Wine, and Club On-Sale License Renewals, and Sunday On-Sale Liquor License Renewals as presented
- Bills Payable and totaling \$2,176,216.10 be ordered paid

USPCA RECOGNITION AND MEDAL OF THE THIN BLUE LINE

Steve Robinson, City Administrator, requested to take this item out of order so the K-9 team could leave the meeting.

Troy Appel, Public Safety Director, said on March 10, 2018 Sergeant Dustin Roemeling and K-9 Frank'ee worked with the State Patrol and other outside agencies to apprehend high level drug dealers. As a result of the collaborative investigation, two suspects were taken into custody and packages containing 831 pounds of marijuana with a 3.3 million dollar street value, were seized from two separate vehicles. Chief Appel presented Sergeant Roemeling with a Criminalistic Excellence plaque from the United States Police Canine Association for the Narcotics Case of the Quarter. Chief Appel said he was notified just before the meeting that Sergeant Roemeling was also being recognized on a national level and will be featured in the USPCA magazine. In addition, he presented him with the Worthington Police Department Medal of the Thin Blue Line. Council congratulated Sergeant Roemeling and thanked him for his efforts.

SECOND READING PROPOSED ORDINANCE TO REPEAL SALES TAX

Pursuant to published notice, this is the time and date set for the second reading of a proposed ordinance that would repeal Ordinance No. 1021, which was adopted at the December 22, 2008 Council meeting and approved a sales and use tax for the City of Worthington as was authorized by

the Minnesota State Legislature and approved by the voters of the city. It is anticipated that the maximum amount of collections allowed by the City from that local option sales tax will occur sometime in the 2nd quarter of 2018.

The proposed ordinance would repeal Ordinance No. 1021 as follows:

Effective October 1, 2018 Ordinance No. 1021, codified as Worthington City Code, Chapter 32, Sections 32.30; 32.31; 32.32; 32.33; 32.34; 32.35; 32.36; 32.37; 32.38; 32.39; and 32.40, is repealed in its entirety.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to give a second reading to the proposed ordinance.

SUMMARY OF PERFORMANCE EVALUATION - CITY ADMINISTRATOR

Mayor Kuhle provided a summary of the Performance Evaluation of Administrator Steve Robinson completed during a closed session at the Regular City Council meeting on May 14, 2018. The evaluation was satisfactory and Mr. Robinson was granted a merit increase per the City's wage and compensation plan.

MEMORANDUM OF UNDERSTANDING REGARDING MEMBERSHIP OF HEALTH CARE TRUST ACCOUNT BOARD OF TRUSTEES APPROVED

Steve Robinson, City Administrator, stated that the Health Care Trust Account Board of Trustees was established in 1997 when the City switched to self-insurance, and was created to direct the fiscal activities of the trust. The City ended self-insurance in March of 2014 and enrolled in the Public Employees Insurance Program (PEIP). Funds were held in the trust account to pay current and run out claims - no claims have been submitted or paid in the past year. As of March 31, 2018, the fund balance is \$83,110.23. The Board of Trustees voted to send notice of intent to dissolve the fund to all individuals currently receiving health care benefits from the City. Minn. Stat. 471.617 mandates that all assets must be dedicated for use of health insurance benefits for all individuals currently receiving health benefits. In accordance with previous contractual language, the Board of Trustees may change the makeup of the Board. The Board will include the following:

- City Council Member - Larry Janssen
- Water and Light Commission Member - Gary Hoffman
- City Administrator - Steve Robinson
- Director of Finance - Brian Kolander
- Two members of IUOE #49 - Kirk Feit, Mike Pavelko
- Two Members of LELS #4 - Brandon Peil, Dan Brouillet
- One Member of LELS #274 - Brett Wiltrout

- Two Non-Union Employees - Scott Hain, Starr Standafer

MOU's from the three bargaining units agreeing to the Board makeup were presented for Council approval. The Water and Light Commission approved the IUOE #49 MOU contingent upon approval by the City Council.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to approve the MOU's.

PORTIONS OF PARCEL 31-0182-000 DECLARED AS SURPLUS REAL PROPERTY

Steve Robinson, City Administrator, said 29.50 acres of the City-owned parcel identified as 31-0182-000 was acquired in 1979 for development of a dredge fill site. The City received a \$150,000 grant from the E.O. Olson Trust to purchase and develop the site for dredge deposits, with the stipulation that net proceeds from future sales of the property shall be returned to the Trust. Dredge fill was never deposited on the southerly approximate 15 acre portion of the property. Municipal water is being installed along the north and west sides of those acres, and sanitary sewer was previously installed along the northerly edge of the 15 acres so they may now be developed and considered for sale to the public. Prior to disposal of the property it must be declared as surplus real property. Mr. Robinson said that at the time of sale we will need to determine how the assessments for the improvements will be paid for, adding that the intent was for net proceeds to be returned to the E.O. Olson Trust.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to declare the southern 15 acres of the property (plus or minus) as surplus real property.

REQUEST APPROVED FOR VARIANCE FROM THE CITY'S DISPOSAL OF PERSONAL PROPERTY POLICY

Steve Robinson, City Administrator, said that removal of the lower level seats at Memorial Auditorium will begin Monday, June 4th, and the public will have a brief opportunity to purchase the old seats for \$20 each from 1:00 to 7:00 p.m. on that day, and from 9:00 a.m. to 5:30 p.m. on Tuesday, June 5th. The City's property disposal policy calls for the sale to be by Quotation (two quotes) or Open Market (auction). Mr. Robinson said because of the small number of anticipated requests and the short window for the sale, staff was requesting that Council grant a variance to the Disposal Policy and allow for the sale of the seats for \$20 each on a first come basis.

The motion was made by Council Member Harmon, seconded by Council Member Cummings and unanimously carried to grant the variance form the Disposal Policy to allow for the sale of the old seats from Memorial Auditorium.

INTERSECTION OF GRAND AVENUE AND OXFORD STREET

Council Member Oberloh said he requested this item to be added because he was approached by a couple of individuals who are party to the development that is to occur on that corner where Hardees were located. They were concerned about some requirements that they can't get cleared up with MnDOT. He spoke to Administrator Steve Robinson, and thought there might be a possibility that if MnDOT pressed that there will be a round-a-bout at there intersection, perhaps the City could take back that section of Oxford Street, from Humiston to 60, and make it a municipal street. The gas station will come if there is a signal light installed but not a round-a-bout. He suggested that staff, with Council' blessing, issue a letter supporting a traffic signal at the intersection because installing a round-a-bout would potentially close the car wash, the tax office and other businesses located there. Mayor Kuhle said he met with a MnDOT official a couple of weeks ago and they are still considering either a traffic signal or a round-a-bout, they haven't decided yet. Dwayne Haffield, Director of Engineering; said that what is being said is that an intersection control evaluation will occur again in about five years, shortly before the 2025 reconstruction, and round-a-bouts are almost always considered as an option. They will consider the cost of land acquisition and its impact, and the traffic benefits. This has been explained to the interested party, and in the mean time they get the access they want until Grand Avenue is improved. Mayor Kuhle cautioned about taking that portion of Oxford Street back. Council Member Oberloh said he wanted us to do whatever we need to get development to occur. He was requesting a resolution of support for a signal light at the intersection if traffic control is found to be warranted.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to have staff issue a resolution of support for a traffic light at the intersection of Grand Avenue and Oxford Street.

RESOLUTION NO. 2018-05-03 ADOPTED DECLARING ADEQUACY OF PETITION AND ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

Dwayne Haffield, Director of Engineering, said the City received a petition from the HRA for surfacing of the segment of East Avenue in front of Rising Sun Estates. Staff was requesting that Council accept the petition and declare it adequate and order preparation of report by passing a resolution.

The motion was made by Council Member Cummings and seconded by Council Member to adopt the resolution declaring adequacy of the petition and ordering preparation of the feasibility report on the proposed improvement. Council Member Ernst asked why we would only pave 580 feet and not the rest of the street. Mr. Haffield said it would be a lot of money and he wouldn't expect support for it from the rest of the property owners, although Council could send it back. Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said the HRA Board

was not in favor of paving the entire street. Mr. Haffield explained that the improvement would be brought with urban development, not full urban standards.

It was unanimously carried to adopt the following resolution:

RESOLUTION NO. 2018-05-03

DECLARING ADEQUACY OF PETITION AND ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

(Refer to Resolution File for complete copy of Resolution)

FIRST READING PROPOSED ORDINANCE TO AMEND SEWER USER REGULATIONS

Staff presented a proposed ordinance that would amend sewer user regulations by dropping the length restriction on services that serve multiple buildings on the same property. Nothing would change in the consistency with the plumbing code. This will help out a business that would need to start monitoring its effluent. Mr. Haffield said we don't really have a definition of when we might order any service to be repaired, so we looked to more of a widely regarded standard of so much leakage per inch diameter of main. If saw through televising a sewer service kicking out a lot of clear water we might meter the flow to define that a service is leaking beyond what is acceptable. The Manager of Utilities and the Waste Water Superintendent is aware of it and have no issues with it, however, it should be approved by the Water and Light Commission prior to the third reading and adoption. Mr. Haffield said if the ordinance is adopted there will be easement vacations coming before Council.

The motion was made by Council Member Harmon, seconded by Council Member Ernst and unanimously carried to give a first reading to the proposed ordinance to amend sewer user regulations.

2018 INDUSTRIAL WASTEWATER TREATMENT FUND (605) BUDGET AMENDED

Dwayne Haffield, Director of Engineering, said we had a couple of large needs for replacing manholes and to upgrade the electric control system on the main lift station. It has been reviewed with JBS. Some things in the budget will be shuffled but it will require the use of reserves designated for capital improvements to take on a couple of the manholes, which will leave the revenue demand out of the fund the same. Estimated cost of the improvements is about \$72,000, resulting in a use of \$39,000 of reserves.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to amend the 2018 Industrial Wastewater Treatment Fund (605) budget as

recommended by staff.

RELEASE OF INSURANCE PROCEEDS TO PROPERTY OWNER APPROVED

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said that in February of 2009, the City entered into the combination security agreement, note, repayment agreement and lien with Matthew Kallemeyn, providing him with \$13,486 in a forgivable loan to rehabilitate owner occupied real estate. The terms of the loan stated that the owners agree to continue to occupy the property as their principal place of residence during the term of the loan. Assuming the owner continued to occupy the property, located at 606 4th Avenue, Wilmont, Minnesota, through February 20, 2019, the loan would be forgiven in its entirety. The residence was recently damaged by hail and the owner filed an insurance claim to repair the damage. Staff was contacted by a representative from United Prairie Insurance on behalf of the property owner to request the release of the insurance proceeds to repair the home. The home is valued at \$39,000, the total repair cost is \$10,143.79, and the claim amount is \$7,894.80. The City Attorney advised that given the loan is due to terminate in less than one year, it would be reasonable to allow the property owner to use the insurance claim funds to repair his home.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the release of insurance proceeds to the property owner and authorize the Mayor to endorse the check.

RESOLUTION NO. 2018-05-04 ADOPTED APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN. STAT. 469.1813

Dan Krueger submitted a Nobles Home Initiative (NHI) application for tax abatement for the construction of a two unit duplex at South Lake Development. Each of the units will be approximately 1,297 square feet with a 589 square foot garage. The estimated value is \$250,000, which would generate \$2,681 in annual taxes utilizing the 2018 tax rate. The City's share would be approximately \$1,404.

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said staff has reviewed the application and concluded it meets all the parameters of the NHI Guidelines, and was recommending approval of the application.

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to adopt the following resolution approving the tax abatement:

RESOLUTION NO. 2018-05-04

A RESOLUTION APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT

TO MINN. STAT. 469.1813

(Refer to Resolution File for complete copy of Resolution)

THOMPSON HOTEL

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, stated that on April 23, 2018 Council had declared the building located at 1009 Third Avenue as hazardous and issued an order for repair to the property owners, which stated the repairs listed in the report must be commenced no later than June 1, 2018 and completed no later than July 31, 2018. Mr. Brisson said there has been no indication received that repairs have been made or are lined up, and he is not anticipating any. He is working with the City Attorney on a resolution for the City to complete the necessary repairs. He will check with him to see if the resolution could be adopted at a special meeting that would be held on Monday, June 4th.

Mr. Brisson was looking for direction from Council to proceed with working with the City Attorney for a resolution - Council directed staff to proceed.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Nothing to report.

Council Member Janssen - Nothing to report.

Council Member Oberloh - Wanted to thank the Veterans and their families involved in the Memorial Day celebration, and recognize them.

Council Member Cummings - No meetings to report but wanted to congratulate the golf team and Anneke Weg for making it to state.

Council Member Ernst - Nothing to report.

Council Member Harmon - Attended a Water and Light Commission meeting - received an update on the Lewis and Clark project.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, noted that he attended a meeting this with the Secretary of State, along with the Mayor, Jason Brisson, and the Clerk regarding the 2020 census. It is important that we get a complete count as we are very close to losing a congressional seat - we're only 10,000 residents over that line. He also noted that the City currently has five job openings posted, and have received very few applications, which seems to be occurring in other communities too.

CLOSED SESSION UNDER MINN. STATUTE 13D.05 SUBD. 3(C)(3) - REAL ESTATE ACQUISITION - PARCEL NO.'S 20-0182-000, 31-3997-000, AND 31-3997-050

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Mayor Kuhle announced that Council would be going into closed session under Minn. Statute 13D.05, Subd. 3(c)(3) - Real Estate Acquisition - Parcel No.'s 20-0182-000, 31-3997-000, and 31-397-050 and for Parcel No. 31-3997-050.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to close the meeting at 8:07 p.m.

Those not entitled to stay left the meeting.

The meeting was re-opened at 8:46 p.m.

ADJOURNMENT

The motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to adjourn the meeting at 8:47 p.m.

Janice Oberloh, MCMC
City Clerk