

**WORTHINGTON CITY COUNCIL
RESCHEDULED REGULAR MEETING, JUNE 12, 2013**

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, Scott Nelson. Council Members absent: Ron Wood (excused).

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

Others present: Aaron Hagen, Daily Globe; Rich Pederson; Lori Klooster; Wayne Drealan; Scott Schroeder.

The Pledge of Allegiance was recited.

AGENDA ACCEPTED

The motion was made by Council Member Kuhle, seconded by Council Member Nelson and unanimously carried to accept the agenda as presented.

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting May 28, 2013
- Minutes of Boards and Commissions - Worthington Economic Development Authority Minutes of May 28, 2013; Worthington Public Arts Commission Minutes of May 29, 2013; Memorial Auditorium Advisory Board of Directors Minutes of April 2, 2013 and June 4, 2013
- Municipal Liquor Store Income Statement for the Period January 1, 2013 through May 31, 2013
- Application for Exemption from Lawful Gambling Permit for St. Mary's Church to conduct raffles at St. Mary's Catholic School, 1206 Eighth Avenue on Sunday, October 13, 2013
- Application for renewal of on-sale wine license for BenLee's Bros. Café, 212 Tenth Street, for the license period July 1, 2013 through June 30, 2014
- Approved an application to block streets from the Worthington Trojan Marching Band to block Clary Street from Church Avenue to Marine Avenue; Church Avenue from the school parking lot to Clary Street; and Marine Avenue from the school parking lot to Clary Street from 6:00 p.m. to 7:30 p.m. on June 13, 2013
- 2012-2013 Rental Agreement with ISD 518 for the use of the Memorial Auditorium
- Amended the Storm Water Fund Capital Improvements Budgets
- Bills payable and totaling \$805,013.86 be ordered paid

PRESENTATION AND ACCEPTANCE OF 2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Wayne Drealan, of Turbes, Drealan, Kvilhaug, Hoefker & Co., PA, presented the City's 2012 Comprehensive Annual Financial Report. Mr. Drealan noted the City of Worthington maintains consistency and stability in the structure of their financial reporting, and stated they could give a clean unqualified opinion.

Following the presentation and discussion, the motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to accept the 2012 Comprehensive Annual Financial Report.

Council thanked Mr. Drealan for his work and presentation.

FIRST READING PROPOSED ORDINANCE GRANTING FRANCHISE RENEWAL TO KNOLOGY OF THE PLAINS WITHIN THE CITY OF WORTHINGTON

The current franchise agreement with Knology is set to expire on October 26, 2013. Staff presented a proposed ordinance granting a renewal of the franchise agreement from the date of enactment to June 29, 2027. The adjustment to the term synchronizes the franchise agreements of both Mediacom and Knology to the same expiration. The agreement includes several modifications from the previous agreement, but is similar to the Mediacom agreement as is required by state statute. Modifications include:

- Clarify that the instillation of cable within in new subdivisions is at the sole discretion of the City and required for density of 7 homes per ¼ cable mile and within a twelve month period;
- Add dedicated two-way lines for the City of Worthington Fire Hall and Emergency Operations Center at 830 Second Avenue, Center for Health and Wellness at Minnesota West and the Nobles County, Board of Commissioners Room (Third Floor);
- Ensure local law enforcement can utilize an Emergency Alert System over all cable broadcast channels;
- Provide a PEG fee of 2% of annual Gross Revenues;
- Change the payment of the franchise fee from annually to quarterly and within 45 days;

- Increase the penalties for per day violations of provisions of the ordinance;
- Clarify language related to the relocation of the cable utility in the right-of-way;
- Outline procedures for the removal of cable in the right-of-way;
- Increase the system performance standards to deliver a higher quality product to the consumer;
- Include customer services standards to regulate the speed with which Knology responds to telephone complaints and inquires and related service issues;
- Give purview of cable service rates, late fees, and other policies consistent with other laws;
- Provision for the transition to High Definition broadcast;
- A standing letter of credit for disputes related to the enforcement of the franchise;
- Guaranteed access to three local access channels on the cable system should WGTN expand from its current two offerings and
- Other technical and smaller provisions of the agreement.

The motion was made by Council Member Kuhle and seconded by Council Member Nelson to give a first reading to the proposed ordinance granting a franchise renewal to Knology of the Plains within the City of Worthington. Following discussion, the motion was unanimously carried.

CONTRACT AWARDED FOR TENTH STREET AND FIRST AVENUE SW IMPROVEMENTS

The following bid was received for the Tenth Street and First Avenue SW Improvements:

<u>Project</u>	<u>Engineer's Estimate</u>	<u>McLaughlin & Schulz, Inc.</u>
Schedule 1 - First Ave. SW	\$257,829.70	\$262,382.75
Schedule 2 - Tenth Street	<u>\$463,548.75</u>	<u>\$459,613.18</u>
Total Schedules 1 and 2	\$721,378.45	\$721,995.93

Dwayne Haffield, Director of Engineering, noted they did not expect to receive many bids, and as

the bid received was very close to the Engineer's estimate staff was recommending award of the bid to McLaughlin & Schulz, Inc. Staff has worked with the School District and the Chamber of Commerce for the scheduling of the projects.

The motion was made by Council Member Kuhle, seconded by Council Member Graber and unanimously carried to award the contract for the Tenth Street and First Avenue SW Improvements to McLaughlin & Schulz, Inc. as the low qualified bidder in the total bid amount of \$721,995.93.

PLANS APPROVED FOR 2013 BITUMINOUS OVERLAY PROJECT AND ADVERTISEMENT FOR BIDS AUTHORIZED

The 2013 Bituminous Overlay project includes the following work:

- Fox Farm Road from Crailsheim Road to the west
- East 9th Street from 11th Street to Clary Street
- 13th Street from East 9th Street to 8th Street
- A minor skim overlay on Summit Avenue near Knollwood Drive to correct a center line depression

Total estimated cost of the overlay project, including engineering and contingencies, is the available budgeted amount of \$331,492.

The motion was made by Council Member Nelson, seconded by Council Member Kuhle and unanimously carried to approve the plans for the 2013 Bituminous Overlay project and authorize advertisement for bids to be received at 2:00 p.m. on July 8, 2013 and considered at the Council meeting that evening.

TEMPORARY ACCESS AGREEMENT APPROVED - TRUSHINE TRUCK WASH

TruShine Truck Wash constructed a temporary access drive from the intersection of Cecilee Street and Pauline Avenue to their business at 2405 Trunk Highway 60 for use during the Highway 60 construction project. The access is through a 160 foot segment of unimproved Cecilee Street right-of-way, and City Code requires that work within the right-of-way meet City standards and a permit be issued to ensure work is accomplished according to those standards. The access was not constructed to City standards so no permit has been issued. The access also connects the commercial business to the residential street - not considered as allowable in the design of the street nor in the levying of assessments for its improvement.

Council Member Kuhle pointed out that #5 of the agreement contradicted itself on the type of vehicles that would be allowed to use the access. Mr. Haffield said the intent was to actively prohibit anything other than passenger vehicles - no trucks.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to approve the temporary access agreement with TruShine Truck Wash, with the stipulation that item #5 of the agreement is corrected, to allow passenger vehicles only, prior to the agreement being signed by the City.

FIRST READING PROPOSED ORDINANCE AMENDING PLANNED UNIT DEVELOPMENT (PUD) #5 - LAKE SHORE PARK CONDOS

An application was received for an amendment to the Lake Shore Park Planned Unit Development (PUD #5) that would revise the maximum deck dimensions for the condos along Third Avenue by 12 square feet each. The applicant's deck was destroyed during a vehicle accident, and he would like to replace it with a larger deck.

The Planning Commission considered the PUD amendment at its June 4, 2013 meeting, and were unanimously recommending Council of the PUD amendment.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to give a first reading to the proposed ordinance amending Planned Unit Development (PUD) #5.

Passing of the proposed ordinance will allow two of the other three units to mirror the deck dimension presented by the applicant, however the deck on the fourth unit is already at the required setback.

REQUEST FOR RLF LOAN DEFERMENT EXTENSION APPROVED - LIVING LIFE ADULT DAY CENTER

At their March 25, 2013 meeting, Council approved a three month deferral of loan payments for the Living Life Adult Day Center - Lori Klooster - to provide an opportunity to increase their cash flow by obtaining additional clientele or obtaining additional capital. The deferral was agreed to by all of the lenders. On May 28th, the lenders again met with Living Life for a progress report. Based on the outcome of that meeting, the lenders recognized the progress made in the last 60 days, and concluded that an extension of the deferment for two months was reasonable. The Revolving Loan Fund Committee met on June 10, 2013 to consider the request and were recommending approval of the additional two-month deferment.

The motion was made by Council Member Sankey, seconded by Council Member Kuhle and unanimously carried to approve the extension of the loan payment deferral for an additional two months of June and July, 2013.

CHANGE ORDERS 1 THROUGH 4 APPROVED - EVENT CENTER FF&E

Staff presented four change orders to the furniture, fixtures, and equipment contract for the Worthington Event Center. The changes were necessary to meet the expectations of the services of the facility, and include revisions to original quantities and inclusion of items that were not included in the original specifications. The change orders bring the new contract value up to \$262,014.50 from \$254,065.83, which is still below the established budget.

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to approve Change Orders 1 through 4 for the Worthington Event Center.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Nothing to report.

Council Member Kuhle - Nothing to report.

Council Member Graber - Attended a Memorial Auditorium Advisory Board meeting - the maintenance cost for the Steinway piano is \$1200 and will come out of the Auditorium budget. HVAC bids have been sent out - also, consultant is sending a recommendation for the stage ceiling. They will be purchasing what will probably be a stone sign to identify the Auditorium - funds will come out of the Vance Trust funds - now at \$35,000 from the initial \$86,000. She was unable to attend the Center for Active Living meeting but the minutes were included in the agenda - non-profits are requesting to use the facility - a task force will consider this. The ad is out for the CAL Director position.

Council Member Sankey - Attended a Revolving Loan Fund meeting, discussed the request for deferred payment that was acted on earlier this evening.

Council Member Nelson - Attended an HRA meeting - main topic was the Rising Sun Estates project. There is concern over the bid specs - it's a tight time line. They did un-encumber the HUD funds - almost \$700,000 that can be used for housing without dedication for HUD activities.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, reported that the City had received notice from FEMA that regular hours expended by City employees are not reimbursable - our Congressional delegation has sent a formal letter requesting re-consideration. Mr. Clark provided a reminder of the League of Minnesota Cities Summer Conference June 19-21, and of the CGMC Conference July 24-26.

ADJOURNMENT

The motion was made by Council Member Nelson, seconded by Council Member Kuhle and unanimously carried to adjourn the meeting at 8:22 p.m.

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Janice Oberloh, MCMC
City Clerk