

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, JULY 13, 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. Council Members absent: Honorary Council Member, Jessica Velasco (excused).

Staff present: Steve Robinson, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk, Dan Wycoff, Liquor Store Manager.

Others present: Justine Wettschreck, KWOA; Kristin Kirtz, Daily Globe; Drew Hage, Southwest Regional Development Commission; Andy Berg, Worthington Excavating/Duininck, Inc.; Aaron Hagen, Kenton Meier, Steve Schneider, Barb and Tom Navara, Terri Janssen, and a contingency of others for the presentation of the Active Living Plan.

The Pledge of Allegiance was recited.

**PUBLIC HEARING-NOBLES HOME INITIATIVE APPLICATION AND RESOLUTION
#3602 ADOPTED APPROVING TAX ABATEMENT PURSUANT TO MINN. STAT.
469.1813**

Pursuant to published notice this was the time and date set for a public hearing regarding a Nobles Home Initiative application submitted by Todd Schwebach for property he owns at 2430 Dayton Drive.

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

Brad Chapulis, Director of Community/Economic Development, stated that Mr. Schwebach was seeking approval of tax abatement for a single family dwelling he will be custom building for the Tangens at 2430 Dayton Drive, which includes 1,908 square feet of living space on the main level, an unfinished basement, and a three stall attached garage. Following review of the application, staff has concluded that it meets all of the parameters of the Nobles Home Initiative program, and that the public hearing tonight is a requirement of the program to allow for any public comment on the proposed abatement.

Mayor Kuhle asked if there was anyone present who wished to present testimony on the proposed abatement. None was received.

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

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to adopt the following resolution approving the tax abatement as requested:

RESOLUTION NO. 3602

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 CHANGE

Staff was requesting that item G1. *Presentation and Approval of Active Living Plan* be taken out of order to accommodate earlier presentation.

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to approve/close the agenda, with the change in order for item G.1.

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 June 22, 2015 and Special Meeting June 30, 2015
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting June 22, 2015; Public Arts Commission Minutes of June 18, 2015; Worthington Housing and Redevelopment Authority Board of Directors Minutes of Regular Meeting May 27, 2015; Worthington Economic Development Authority Minutes of June 22, 2015
- Financial Statements - Municipal Liquor Store Income Statement for the Period January 1, 2015 through June 30, 2015; General Fund Statement of Revenues and Expenditures - Budget and Actual - for the period January 1, 2015 through June 30, 2015
- Application for On-Sale Beer License - Nobles County Fair Association for the license period July 14, 2015 through December 31, 2015
- Application for Exemption from Lawful Gambling Permit for Minnesota West Foundation, Michael Van Keulen CEO, to conduct raffles at their fund raising event November 14, 2015, Minnesota West Community and Technical College, 1450 Collegeway
- Approved a Storm Water Utility Credit for Rising Sun Estates of 2.42 acres for Parcels 31-3811-000 and 31-3812-000
- Amended the Storm Water Fund Capital Improvements Budgets to include an additional \$10,000 for unanticipated yard/street problems for two catch basins found to be in need of immediate repair.
- Bills payable and totaling \$928,503.72 be ordered paid

ACTIVE LIVING PLAN APPROVED FOR CITY OF WORTHINGTON

At their November 10, 2014 meeting, Council approved a contract with the Southwest Regional Development Commission (SRDC) for preparation of an Active Living Plan for Worthington to aid in a more walkable and rideable community. Drew Hage, Southwest Regional Development Commission, was at the meeting to present the plan to Council and to ask their prioritization of their goals.

Mr. Hage provided background information and noted that the result was a planning document that included a good amount of community input and wiki-mapping. He also presented information on what an Active Living Plan entails, including economic, health, transportation, and environmental components, and discussed various sections of the city and what could be done to make them more pedestrian friendly. Goals and objectives of the plan is to identify destinations, gaps, areas of concern and to prioritize projects. Mr. Hage said the City would not be competitive for state funding sources unless we have a plan in place. They have identified 20 infrastructure projects and 16 non-infrastructure projects within the city. He will work with the City Engineer looking for projects that will be eligible for funding and will provide recommendations to the City. He encouraged Council to pick one or two projects to work on each year.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to adopt the Active Living Plan.

Mr. Hage thanked Council for their time, and reminded them to turn in their Goal Ranking Worksheet to him if they had not already done that.

BUDGET AMENDMENT REQUEST APPROVED FOR PURCHASE OF PAYMENT CARD INDUSTRY (PCI) COMPLIANT COMPUTER/SCANNING SOFTWARE AT THE WORTHINGTON MUNICIPAL LIQUOR STORE

Staff was requesting a budget amendment of an additional \$3,700 for the purchase of Payment Card Industry (PCI) Compliant Computer/Scanning Software at the Municipal Liquor Store. The current software is approaching the end of its life and there are no future updates scheduled. PCI compliance is required by October of 2015, which the current software provider does not offer. Staff solicited bids and has selected Logivision for a replacement system, at a cost of \$13,700. The 2015 budget includes \$10,000 the replacement, and the additional \$3,700 would come from the unreserved funds.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to approve a budget amendment request for the purchase of Payment Card Industry (PCI) compliant software at the Worthington Municipal Liquor Store.

NOMINATING COMMITTEE RECOMMENDATION FOR COMMITTEE APPOINTMENT APPROVED

The Nominating Committee met on Monday, June 29, 2015 to address a vacancy on the Police Civil

Service Commission created by the resignation of Paul Karelis from the Commission. The Nominating Committee was making the following recommendation for appointment:

Police Civil Service Commission - Appoint Josh Noble to fill the unexpired term of Paul Karelis, which term will expire December 31, 2017

The motion was made by Council Member Harmon, seconded by Council Member Sankey and unanimously carried to approve the appointment of Josh Noble to the Police Civil Service Commission as recommended by the Nominating Committee.

MEMORIAL AUDITORIUM - ISD 518 RENTAL AGREEMENT APPROVED

The current contract between the City of Worthington and ISD 518 for use of Memorial Auditorium expired June 30, 2015. Staff presented a new two year agreement that reserves the facility for ISD 518's use for a total of 62 days per contract year at a rate of \$30,000.00 per year for each of the two years. Should the usage exceed 62 days per year, the School District will pay a pro-rated amount for the additional days.

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to approve the Memorial Auditorium Rental Agreement between the City of Worthington and ISD 518 for the contract term of July 1, 2015 through June 30, 2017.

RESOLUTION NO. 3603 ADOPTED PERTAINING TO INTENT TO BOND FOR COSTS INCURRED IN MAKING PUBLIC IMPROVEMENT AND ESTABLISHING COMPLIANCE FOR REIMBURSEMENT

Dwayne Haffield, Director of Engineering, noted that Federal regulations require that local government units declare the intent to reimburse themselves for prior costs incurred in making public improvements with proceeds from bonds. It is typical for the City to temporarily finance improvements with construction fund reserves until an adequate amount of costs from various projects have been incurred to warrant the issuance of bonds. Declaring such intent does not obligate us to bond. Staff was recommending that Council pass a resolution pertaining to the following improvements as approved at the May 26, 2015 and June 28, 2015 Council meetings:

<u>Project</u>	<u>Maximum Amount of Bonds Expected to be Issued for Project</u>
• 2015 Bituminous Pavement Improvements: Darling Drive, Hagge Street, Schaap Drive	\$590,000
• Grand Avenue Improvement: Street Extension	\$962,500

- Grand Avenue Improvement: Sidewalk Construction \$207,750

The maximum amount listed is approximately 10% higher than the project estimates presented for the projects.

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to adopt the following resolution declaring intent to bond for certain public improvements and establishing compliance for reimbursement:

RESOLUTION NO. 3603

RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENTS BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3604 ADOPTED APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS - GRAND AVENUE STREET AND SIDEWALK EXTENSION PROJECT

I & S Group completed the plans and specifications for the Grand Avenue street and sidewalk extension as ordered by Council at their June 22, 2015 meeting. Bids would be received on August 7, 2015 and considered at the August 10, 2015 Council meeting.

The motion was made by Council Member Sankey and seconded by Council Member Graber to adopt the following resolution approving plans and specifications and ordering advertisement for bids for the Grand Avenue Street Extension project, with the following Council Members voting in favor of the motion: Nelson, Graber, Harmon, Sankey; and the following Council Members voting against the same: Janssen. Motion carried.

RESOLUTION NO. 3604

APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

(Refer to Resolution File for complete copy of Resolution)

PLANS APPROVED AND ADVERTISEMENT FOR BIDS APPROVED FOR 2015 STATE AID STREET OVERLAYS

The 2015 State Aid Street Overlays project plans have been completed by staff and approved by the

Minnesota Department of Transportation for Municipal State Aid Street (MSAS) funding. The project includes overlaying of the following streets:

Clary Street from Omaha Avenue to Milton Avenue
1st Avenue from 12th Street to 16th Street

The pedestrian ramps on Clary Street will also be improved to meet current American with Disabilities Act standards. Total estimated cost of the project, including engineering and contingencies, is \$195,000. All cost will be paid through MSAS funding.

The motion was made by Council Member Nelson, seconded by Council Member Janssen and unanimously carried to approve the plans for the 2015 State Aid Street Overlays project, and authorize advertisement for bids to be received on August 7, 2015 and considered for award at the August 10, 2015 Council meeting.

CONTRACT AWARDED FOR ONE OF FOUR SCHEDULES OF 2015 BITUMINOUS PAVEMENT IMPROVEMENTS PROJECT

Dwayne Haffield, Director of Engineering, stated that only a single bid was received on July 8th for the 2015 Bituminous Pavement Improvements project as follows:

	<u>Engineer's Estimate</u>	<u>Duininck, Inc.</u>
Schedule 1- Overlays	\$295,747.20	\$284,790.25
Schedule 2 - Darling Drive Reconstruction	\$105,678.10	\$155,763.85
Schedule 3 - Hagge Street Reconstruction	\$161,998.80	\$218,568.45
Schedule 4 - Schaap Drive Reconstruction	<u>\$170,274.30</u>	<u>\$240,422.15</u>
Total Schedules 1-4	\$733,698.40	\$899,544.70

Mr. Haffield said his recommendation was to move ahead and award for Schedule 1, but not Schedules 2 through 4. They could look at other projects over the next few months and try to come back to Council with a different option, noting that it would need to be prior to February of 2016 to avoid starting over with the process. Mayor Kuhle said his recommendation to Council was to request bids again prior to the deadline before the contractors schedules are full. Mr. Haffield said they could do that, but noted that Schaap Drive really needs to be redone. Andy Berg, Duininck, Inc. was present and stated that the early completion date of the Darling Drive and Hagge Street projects helped to drive up the costs, along with increased aggregate prices, scheduling issues, and having to handle the material twice.

Following discussion, the motion was made by Council Member Sankey, seconded by Council

Member Nelson and unanimously carried to award the bid for Schedule 1 only to Duininck, Inc. as the low qualified bidder in the amount of \$284,790.25.

WORKFORCE HOUSING PROGRAM APPLICATION APPROVED - WESLEY AND KATHERINE KOUBA, 2211 CASTLEWOOD DRIVE

An application was received from Wesley and Katherine Kouba for a forgivable loan through the City's Workforce Housing program, for the \$10,080.19 of infrastructure assessments levied against the newly constructed house they are purchasing at 2211 Castlewood Drive. Brad Chapulis, Director of Community/Economic Development, said staff has determined that the applicants meet the eligibility criteria and are eligible for the loan. Based on program policy, the forgivable loan would be structured for 5 years and at an interest rate of 5% - after 5 years the loan is fully forgiven. Should the applicants move or sell the house during the loan period, they would be responsible for the outstanding balance of the loan.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to approve the application from Wesley and Katherine Kouba for a forgivable loan through the City's Workforce Housing program, in the amount of \$10,080.19.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Attended the LMC Conference, and the SRDC annual meeting - they started the PACE program last year for updating business lighting to LED - awarded the project of the year as Blue Line in Worthington with the replacement of all their lighting. Also wanted to make it very clear in this community that when WCCO listed Worthington as a sanctuary city it couldn't have been further from the truth. Neither the former Chief of Police or former Mayor agreed to that - there will be a press release in the Globe tomorrow addressing the issue - Thanks to Steve Robinson, City Administrator, and Troy Appel, Public Safety Director, for addressing the issue with the media.

Council Member Nelson - As of last Thursday there are 8 renters in the Rising Sun Estates units, there is some pavement in - there are 10 units with signed leases, 18 more units are ready for inspection, bringing the number ready to rent to 36. One other building is close to being ready, and August 1st is the target date to have them all available.

Council Member Graber - Attended the LMC Conference - excellent speakers. The presentation on Green Step cities was interesting, we have some projects that would qualify. The Art Commission met June 30th at the Event Center and talked about the sculpture location. The Lake Okabena Fundraiser event was great fun - lots of people attended. The Planning Commission is reviewing the infrastructure and master plan, and talked about the possible annexation of the County Road 57 area. The Planning Committee at the Chamber is planning some fund raising for the new city entrance signs. There is a group of attorneys who are working together to sue cities who are not ADA compliant.

Council Member Janssen - Attended a NEON meeting July 9th - they talked about the Lewis and Clark project, buffer strips and transportation. Attended a Safety Committee meeting - they will

have a roll cage at the fair.

Council Member Harmon - Also attended the LMC Conference - found the pre-conference classes to be more informative than the regular conference. Water and Light met July 6th - MRES will be re-writing their agreements with the member entities. The well level was 2" into the precautionary level - they voted to not go into the next step of restrictions as residential usage is down but commercial is up 6% and industrial is up 8%. Lincoln Pipestone shut us down 300,000 gallons but we are back up now. Met at the CAL this morning - the programs are well attended and there are currently 164 paid members. Pickle ball courts was the major topic - they want the City to resurface the Centennial tennis courts for that use.

Council Member Sankey - Attended the LMC Conference - solar panels was an interesting subject. Could be a future project, payback may be 25 years - there are still grants available. Would like Worthington to look at the Green Step program - 83 cities are involved in it. Workforce housing is a big problem all around the state. The Oxford Street group met July 1st - they will have their final meeting on July 29th and will have some public meetings for input and then make a presentation to Council. Attended the SRDC meeting - the speaker was inspirational - talked about regionalism.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, said regarding the WCCO article about Worthington being listed as a sanctuary city, a press release was given to Justine. He spoke to Craig Clark in Austin and he was just as surprised. Attended the LMC Conference, talked about liquor stores - we're still pretty lucky as some small cities have been squeezed out by the big discount stores. Met with Kevin Lindsey, Commissioner of Human Rights who was in town visiting, and Troy Appel on June 29th, then with Mona Doleman, the Commissioner of Public Safety, regarding where would we get reinforcements if something bad should happen - very informative and responsive. Met last week with those interested in a regional dispatch center - probably several years away and it would be a big investment.

ADJOURNMENT

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 8:25 p.m.

Janice Oberloh, MCMC
City Clerk