

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, AUGUST 8, 2016**

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; Brian Kolander, Finance Director; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk.

Others present: Julie Buntjer, Daily Globe: Kenton Meier, Rebecca Kurtz; Rudolf Michl; Cecilia Bofah, Holly Larson; Bob Baerenwold; Carola Schnable and Pat Hendersheidt (7:17 p.m.).

The Pledge of Allegiance was recited.

INTRODUCTIONS

Mayor Kuhle introduced Oberbürgermeister Rudolf Michl from Crailsheim, Germany, who is among a delegation of visitors from Worthington's Sister City. Mr. Michl said he was very happy to be here and provided some background on Crailsheim, and noted interest in the topics before Council as they are the same as they face in Crailsheim: money, building, and housing.

AGENDA CLOSED/APPROVED

The motion was made by Council Member Harmon, seconded by Council Member Janssen and unanimously carried to close/approve the agenda as presented.

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting July 25, 2016
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting August 1, 2016; Planning Commission/Board of Appeals Minutes of July 25, 2016; Worthington Housing and Redevelopment Authority Board Minutes of June 28, 2016; Worthington Area Convention and Visitors Bureau Minutes of June 29, 2016
- City of Worthington Debt Service Policy
- Application for Parade Permit or to Block Street(s) - United Pentecostal Church
- Application for Parade Permit or to Block Street(s) - UCFW Local 1161
- Execution of Contract for Range Lease Agreement Between City of Worthington and MN West Community and Technical College
- Bills payable and totaling \$1,405,511.93 be ordered paid

RESOLUTION NO. 3679 ADOPTED AUTHORIZING ISSUANCE AND AWARDING SALE OF \$3,150,000 GENERAL OBLIGATION BONDS, SERIES 2016A

Steve Robinson, City Administrator, noted a correction reflecting a reduction to the bond sale amount listed in the agenda, to \$3,150,000 based on the bids received earlier in the day that day. Rebecca Kurtz, Ehlers and Associates, was present at the meeting and told Council the City had a rating call prior to the bid, and she congratulated the City on Standard and Poors' reaffirming the City's AA- rating. The City has a rapid amortization with our debt, and the rating was reflected in the bids received today. Four bids were received, and Ehlers was recommending the sale of the Bond be to Baird of Milwaukee, Wisconsin at 2.0056% interest. Even with the lower bond amount, Ms. Kurtz said the City would still receive the \$3,070,000 needed for the project. The City is looking at a debt service amount of about \$250,000, with an annual basis of \$140,000. Funds from the sale would be available August 30th.

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to adopt the following resolution authorizing issuance and awarding sale of \$3,150,000 General Obligation Bond, Series 2016A:

RESOLUTION NO. 3679

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$3,150,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2016A

(Refer to Resolution File for complete copy of Resolution)

Mayor Kuhle introduced and welcomed Carola Schnable, Crailsheim, Germany, who had just arrived at the meeting. Ms. Schnable said she was happy to be at the Council meeting, and that there were not so many in attendance as at their meetings in Crailsheim.

PROPOSED PRIORITIZATION OF ACTIVE LIVING PLAN ELEMENTS APPROVED AND CERTAIN IMPLEMENTATION STEPS AUTHORIZED

At their November 10, 2014 meeting, Council approved a contract with the Southwest Regional Development Commission (SRDC) for preparation of an Active Living Plan (ALP) for Worthington to aid in a more walkable and rideable community. Council adopted the completed ALP at their July 13, 2015 meeting. At that time, the projects and actions in the ALP were not prioritized. Beginning early in of 2016, Holly Larson of the National Park Service and Community Wellness Partners staff have been working with the ALP Steering Committee to develop a prioritization of projects to propose to Council. The project ranking would not necessarily dictate the order they are completed due to financing, necessity to combine with another project, etc. Dwayne Haffield, Director of

Engineering, said Council action was being sought tonight to approve the project rankings and authorize the neighborhood and community meetings for the applicable interim Lake Loop projects.

Ms. Larson, along with Cecilia Bofah, and Kenton Meier of the steering committee were present at the meeting. Mr. Meier presented the proposed rankings to Council. Mr. Meier said the Committee was looking for Council action to approve the project rankings and provide direction on proceeding with certain infrastructure projects connected with the Causeway/Lake Loop projects. Mr. Meier provided information on the community involvement in developing the plan, noting the City's Traffic and Safety Advisory Board reviewed the plan on April 20, 2015. Information was also included on the benefits of active living, and the goals and objectives of the Plan. Projects were prioritized based on criteria and point system established by the Committee. A plan summary showed the Committee recommendation included 20 Infrastructure projects - Sidewalk/Trail construction, crosswalk improvements, and street or sidewalk reconfiguration; 16 non-infrastructure projects - minor installations like bike racks, signs, etc., crosswalk painting, bike lane painting, educational campaigns, and maintenance changes. Rankings were done based on Pedestrian Class, Safety, Potential, and Demand. There were 25 infrastructure projects identified and ranked, and 15 non-infrastructure projects identified and ranked. In addition, eight lake loop projects were also identified. Mr. Meier presented four potential options for the causeway: 1) one-way vehicles and 2 multi-use shoulders; 2) one-way vehicles, two-way trail; 3) closed to vehicles, two-way multi use trail; 3) closed to vehicles, separated bike and hike trails. Mr. Meier said they were seeking Council approval of the rankings and to move ahead with public meetings regarding the Lake Loop projects. Council Member Janssen said he was opposed to the options presented for the causeway and would not vote for any of them.

The motion was made by Council Member Graber and seconded by Council Member Sankey to approve the prioritization of the Active Living Plan Elements and initiate certain steps, with the following Council Members voting in favor of the motion: Nelson, Graber, Harmon, Sankey; and the following Council Members voting against the motion: Janssen. Motion carried.

SECOND READING PROPOSED ORDINANCE OPTING OUT OF REQUIREMENTS OF MINNESOTA STATUTE § 462.3593 - TEMPORARY FAMILY HEALTH CARE DWELLINGS

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance that would exercise an option for the City to opt out of the requirements of Minn. Stat. § 462.3593 - temporary family health-care dwellings. The law requires local units of government to issue a temporary (6 months) land use permit for placement of temporary family health care dwellings, provided that the said building complies with the standards set by the new Statute, even if the dwelling does not comply with local laws. The Statute does allow for cities to pass an ordinance opting out of the law should the City wish to use their existing laws/policies to regulate these dwellings. It was staff's opinion that the new law conflicts with the City's Zoning and Sewer

User Ordinances, which already regulates dwellings, and would impact the City's ability to enforce its local laws/policies in a fair and equitable manner.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to give a second reading to the proposed ordinance opting out of requirements of Minnesota Statute 462.3593 - Temporary Family Health-Care Dwellings.

NOMINATING COMMITTEE RECOMMENDATIONS

The Nominating Committee met on Tuesday, July 26, 2016 and were making the following recommendations regarding for committee assignments:

Center for Active Living Comm. - Appoint Clair Williams to replace Jeff McNichol who resigned his term, term to expire 12/31/2017

Appoint Marcy LaVelle to replace Twyla Hennning who resigned her term, term to expire 12/31/2017

Appoint Nancy Hofstee to replace Leon Betz who resigned his term, term to expire 12/31/2016

The motion was made by Council Member Sankey, seconded by Council Member Nelson and unanimously carried to approve the Committee appointments as recommended by the Nominating Committee.

RESOLUTION NO. 3680 ADOPTED REAPPORTIONING THE SPECIAL ASSESSMENTS FOR SANITARY SEWER IMPROVEMENT NO. 97

Dwayne Haffield, Director of Engineering, said the property that was just platted as Grand Terrace Addition has special assessments against it, but they were apportioned against the lots that existed before they were replatted as Grand Terrace. He added that it is appropriate that they be reapportioned, and that the records match the current plat. The owners of the property have petitioned for the reapportionment.

The motion was made by Council Member Nelson, seconded by Council Member Harmon and unanimously carried to adopt the following resolution reapportioning the special assessments for Sanitary Sewer Improvement No. 97:

RESOLUTION NO. 3680

REAPPORTIONING THE SPECIAL ASSESSMENTS FOR SANITARY SEWER
IMPROVEMENT NO. 97

(Refer to Resolution File for complete copy of Resolution)

**SUPPLEMENTAL AGREEMENT NO. 1 TO GRAND AVENUE EXTENSION PROJECT
APPROVED**

Staff presented a proposed Supplemental Agreement No. 1 to the Grand Avenue Street Extension project, which includes fairly significant additional work. Dwayne Haffield, Director of Engineering, said the estimated cost for the additional work is \$82,467, or about 9% of the contract value, due to road bed problems we have right now from the rain that started last fall and continued on in to a wet spring - the ground was pretty well saturated. In addition, sewer and water services needed to be installed for the Davis Addition, the lots being created near Darling Drive, and services needed to be installed for the Grand Terrace project. Conditions were not very good - they waited as long as they could for conditions to improve but reached a point where the services had to go in and the street construction had to start. Mr. Haffield said they observed the conditions of the subgrade at the locations of all the services, and determined that they would not be able to do this project without adding some granular material. They cut out two feet from Cecilee up to Darling and added the granular. Even with this extra work we're still looking good for the project estimates that were provided at the improvement hearing.

Item 2 of the Supplemental Agreement is minor additional work to adjust structure to fit in to the right-of-way.

Item 3 of the agreement extends the time of completion by three weeks. Staff contacted the Southwest Minnesota Housing Partnership for confirmation that the delay does not affect their project, which is now expected to commence after September 19th.

Mr. Haffield pointed out that should Council not approve the supplemental, there was also a payment in the bills payable just approved for the supplemental work that would need to be addressed.

Council Member Janssen questioned whether this would affect the other bidders. Mr. Haffield said it should not - they should not be doing that - the conditions are spelled out that they should be bidding under. These are unit priced contracts so there is X-amount of excavation, X-amount of gravel - that's what they are bidding on. The 9% is still within the supplemental agreement or change order. Council Members Harmon and Janssen again expressed concern that approving this supplement agreement would open up a can of worms. Mr. Haffield said it would absolutely not, this is the way these contracts are supposed to be bid - no one had this in their bid.

Following additional discussion, the motion was made by Council Member Sankey and seconded by Council Member Nelson to approve the supplemental agreement, 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.

**AUTHORIZATION PROVIDED FOR PROCUREMENT OF CONSULTING SERVICES
McMILLAN STREET AND RYAN'S ROAD PROJECT**

Dwayne Haffield, Director of Engineering, said this item goes back to the earlier presentation regarding the Active Living Plan (ALP), of which the number one item was called the Highway 59/Oxford/I-90 Corridor area, and the two pieces of that which are most recognized as a deficiency is Ryan's Road and McMillan Street, particularly McMillan Street. Water main re-construction was done in anticipation of getting roadway work done as soon as possible. It was planned to do the project in-house, but with the return to the normal schedule for utility reconstruction, street reconstruction, normal state-aid overlays and some normal projects, staff found that they were unable to commit the resources to get this project done well and in a timely manner. Therefore, staff was requesting Council approval to seek a consultant to work towards the reconstruction of McMillan Street and the resurfacing of Ryan's Road. In addition, plans are to also get the pedestrian facilities implemented as recommend in the ALP, which will require a lot of hours. Staff will solicit proposals and bring back a recommendation to Council.

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to authorize procurement of consulting services for the McMillan Street and Ryan's Road project.

SPECIAL USE PERMIT APPROVED - 501 OXFORD STREET

Brad Chapulis, Director of Community/Economic Development, said NutriPro Biosystems, Inc. was requesting issuance of a special use permit for property it owns at 501 Oxford Street, which would allow them to install two 20,000 gallon tanks on site for storage of finished feed. Grain mill operations are only permissible through the issuance of a special use permit in the "M-2" - General Manufacturing district, which is the zoning of the subject property, legally described as:

Lot 1 and that part of Lot 7, Auditor's Outlots 1 to 12, inclusive, in the South Half of Section 14, Township 102 North, Range 40 West, City of Worthington, Nobles County, Minnesota, described as follows:

Beginning at the intersection of the East line of Lot 1 of said Auditor's Outlots and a line 481.60 feet North of and parallel with the South line of said Section 14; thence on an assumed bearing of North 19° 12' 39" West, along the East line of said Lot 1, a distance of 160.90 feet to the North line of said Lot 1; thence on a bearing of West, along last said line, 250.00 feet to the West line of said Lot 7; thence on a bearing of North 19° 12' 39" West, along last said line, 294.98 feet to the North line of said Lot 7; thence on a bearing of East, along last said line, 400.00 feet; thence on a bearing of South, 430.50 feet to the point of beginning. Containing 2.34 acres, more or less.

TOGETHER WITH

That part of a tract 100 feet by 2805 feet in the Southwest Quarter (SW ¼) of Section Fourteen (14), Township One Hundred Two (102), Range Forty (40) West of Auditor's Outlots One (1), Seven (7) and Eight (8) and East of Tracts I and J, formerly railroad right-of-way, recorded in that certain Conveyance of Forfeited Lands recorded as Document Number 248828 in the office of the Nobles County Recorder, described and bounded as follows: All of said tract bounded in the North by the South boundary of Stower Street, and bounded on the South by the North boundary of Oxford Street, subject to all easements and restrictions of record. EXCEPTING THEREFROM the South 230 feet thereof.

TOGETHER WITH

Commencing at the intersection of the easterly right of way line of a former railroad as recorded in Doc. No. 248828 and the north line of Oxford Street, being 67 feet north of the south line of said Section 14; thence on an assumed bearing of North 19 degrees 12 minutes 39 seconds West, along said easterly right of way line, a distance of 95.31 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence continuing North 19 degrees 12 minutes 39 seconds West, along said easterly right of way line, a distance of 81.99 feet; thence South 68 degrees 51 minutes 15 seconds West a distance of 8.43 feet to an iron monument; thence South 21 degrees 08 minutes 45 seconds East a distance of 79.76 feet to an iron monument; thence North 90 degrees 00 minutes 00 seconds East a distance of 6.07 feet to the point of beginning, subject to easements now of record.

EXCEPTING THEREFROM

That part of Lot 1 of the Auditor's Outlots 1 to 12, inclusive, according to the recorded plat thereof and that part of Oxford Street Right-of-Way Plat and that part of the former railroad right-of-way all being in the South Half of the Southwest Quarter of Section 14, Township 102 North, Range 40 West, City of Worthington, Nobles County, Minnesota, described as follows:

Beginning at the intersection of the easterly right-of-way line of a former railroad, as recorded in Doc. No. 248828 and the north line of Oxford Street, being 67 feet north of the south line of said Section 14; thence on an assumed bearing of North 19 degrees 12 minutes 39 seconds West, along said easterly right-of-way line, a distance of 95.31 feet to an iron monument; thence South 90 degrees 00 minutes 00 seconds West a distance of 6.07 feet to an iron monument; thence North 21 degrees 08 minutes 45 seconds West a distance of 79.76 feet to an iron monument; thence North 68 degrees 51 minutes 15 seconds East a distance of 8.43 feet to the easterly right-of-way line of said former railroad; thence North 19 degrees 12 minutes 39 seconds West, along said easterly right-of-way line, a distance of 66.26 feet to an iron monument; thence continuing North 19 degrees 12 minutes 39 seconds West, along said easterly right-of-way line, a distance of 39.67 feet to an iron monument; thence North 90 degrees 00 minutes 00 seconds East a distance of 199.79 feet to an iron monument; thence South 19 degrees 12 minutes 39 seconds East a distance of 198.78 feet to an iron monument; thence South 0 degrees 00 minutes 00 seconds West a distance of 79.64 feet to an iron monument located on the north line of Oxford Street Right-Of-Way Plat, according to the recorded plat thereof; thence North 89 degrees 55 minutes 21 seconds West, along said north line, a distance of 71.77 feet to a 2 inch diameter aluminum capped monument; thence South 89 degrees 53 minutes 02 seconds West a distance of 100.23 feet to the point of beginning.

EXCEPTING THEREFROM

That part of Lot 7 of the Auditor's Outlots 1 to 12, inclusive in the South half of the Southwest Quarter of Section 14, Township 102 North, Range 40 West, City of Worthington, Nobles County, Minnesota, described as follows:

Commencing at the Northwest corner of said Lot 7 of Auditor's Outlots 1 to 12, inclusive, according to the recorded plat thereof; thence on an assuming bearing of North 90 degrees 00 minutes 00 seconds East, along the north line of Lot 7, also being the north line of a tract as recorded in Document No. 219705, a distance of 100.62 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence continuing North 90 degrees 00 minutes 00 seconds East, along said north line, a distance of 300.00 feet to the Northeast corner of said tract; thence South 0 degrees 00 minutes 00 seconds West, along the east line of said tract, a distance of 200.00 feet to an iron monument; thence South 90 degrees 00 minutes 00 seconds West a distance of 200.00 feet to an iron monument; thence North 26 degrees 33 minutes 54 seconds West a distance of 223.61 feet to the point of beginning.

The Planning Commission considered the request at their August 2, 2016 meeting, and after holding a public hearing, voted unanimously to recommend Council approval of the special use permit.

The motion was made by Council Member Harmon and seconded by Council Member Nelson to approve the special use permit for 501 Oxford Street.

Council Member Sankey clarified that he had the floor when the motion was made, then stated that Council had approved something else during the last two or three years and nothing was done on that approval - is this going to conflict with the approvals we made two or three years ago? Mr. Chapulis responded it does not, and the applicant provided an explanation of why they did not move on the prior approval. Discussion was held on the possibility of obtaining hard surfacing of the first 50 feet of the subject drive. Mr. Chapulis said as long as there was not a large increase in the parking requirements staff felt there was not justification to require it. If dust control was a big issue the Planning Commission did have the ability to place that condition on the special use permit, but after much conversation, they determined there wasn't a great need for it at this time.

Council Member Janssen recommended that the City put a sunset on the special use permit of two years. Mr. Chapulis said Council could do that, and added that the Planning Commission, as a recommending body to the Council, had used sunset provisions regarding variances, but not yet in regards to special use permits. Mayor Kuhle said he would rather see the Planning Commission address that usage and apply it universally.

Council Member Sankey asked if the motion needed to be re-made as he was called on when the motion was made. He had the floor when the motion was made and it was stopped and accepted. - for clarification should the motion be re-made?

Steve Robinson, City Administrator, said the motion was on the floor. Mayor Kuhle asked to have the motion read back, Council Member Sankey said no, he was called on, then the motion was made during his call - is that permissible? He had the floor and someone else made the motion - what's

the policy or procedure? Mayor Kuhle asked if he wanted the motion made again. Council Member Sankey said that's all he wanted. Council Member Harmon declined to make the motion again as he had already made it once. Council Member Graber said she had made the motion, or perhaps seconded it if Council Member Harmon made the motion. The Clerk said she recorded that Council Member Harmon made the motion and Council Member Nelson seconded the motion. Council Member Nelson said Council Member Graber made the motion and Council Member Harmon seconded it. Council Member Sankey said no, we have to have the motion again, you can't just make that up - policy or procedure - I had the floor and the motion was made after I had the floor - Mike has to re-make the motion. Mr. Robinson said anybody could make the motion. Council Member Graber said she would make the motion.

The motion was made by Council Member Graber and seconded by Council Member Nelson to approve the special use permit for 501 Oxford Street, with the following voting in favor of the motion: Nelson, Graber, Harmon, Sankey; and the following voting against the same: Janssen. Motion carried.

FINAL PLAT APPROVED - MERCK ADDITION

Brad Chapulis, Director of Community/Economic Development, said that Merck had submitted an application for final plat approval of a replat of Oxford Addition, located at the intersection of South Lake Street and West Gateway Drive. If approved, Merck Addition will convert the six established lots into just one parcel. Council approved the preliminary plat at their April 11, 2016 meeting. Mr. Chapulis noted that before a final plat can be approved and recorded, the subdivider is required to install all applicable public infrastructure improvements. In lieu of completion of the public improvements prior to final plat approval, the subdivider may submit a financial guarantee to the City to assure the improvements will be installed within one year. There are no public improvements proposed with the proposed plat as the infrastructure is already in place.

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to approve the final plat - Merck Addition.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Nothing to report.

Council Member Nelson - Noted he attended the Night to Unite, and reported on a Housing and Redevelopment Authority meeting held late in July.

Council Member Graber - Reported on the Planning Commission meeting; the Joint Powers Transit Board meeting; and the Chamber of Commerce/Convention and Visitors Bureau meeting.

Council Member Janssen - Note he attended the Joint Transit Board meeting.

Council Member Harmon - Attended the Night to Unite and reported on the Water and Light Commission meeting last Monday.

Council Member Sankey - No meetings, but attended Crazy Days downtown and the Employee Picnic; also attended the Rushmore International Air show this past weekend.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, noted we would be scheduling budget meetings with department heads in the next couple of weeks and reminded Council to drop off their three-ring binder books. Also a reminder that Friday night at 6:00 is the dedication of the Crailsheim Bridge Sculpture.

CLOSED SESSION UNDER MINN. STAT. § 13.44, SUBD. 3(C) - REVIEW OF CONFIDENTIAL OR NONPUBLIC APPRAISAL DATA - PARCEL ID# 31-0628-000

Mayor Kuhle announced that Council would be going into closed session under Minn. Stat. § 13.44, Subd. 3(c) - Review of Confidential or Nonpublic Appraisal Data - Parcel ID# 31-0628-000.

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to close the meeting at 8:32 p.m.

The motion was made by Council Member Janssen, seconded by Council Member Nelson and unanimously carried to re-open the meeting at 8:57 p.m.

ADJOURNMENT

The motion was made by Council Member Sankey, seconded by Council Member Graber and unanimously carried to adjourn the meeting at 8:58 p.m.

Janice Oberloh, MCMC
City Clerk