

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, AUGUST 25, 2014**

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, Ron Wood, Scott Nelson.

Staff present: Craig Clark, City Administrator; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk.

Others present: Chris Heinrichs; Darlene Macklin; Ken and Zubby Jansen; Erin Trester, Daily Globe.

The Pledge of Allegiance was recited.

AGENDA APPROVED WITH CHANGE

Staff requested to pull item D.3.a.2 *Application to Block Streets/Parade Permit - Hispanic Independence Day* from the consent agenda for separate discussion and action. It would be moved to Case Item #3 under Administration.

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

CONSENT AGENDA APPROVED

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

- City Council Minutes of regular meeting August 11, 2014
- Heron Lake Watershed Board Minutes of regular meeting, June 17, 2014
- Application for Temporary On-Sale Beer License - Worthington Elks Lodge #2287 for a beer garden in the parking lot between their facility and the VFW on Friday, September 12th and Saturday, September 13th during King Turkey Days
- Bills payable and totaling \$601,822.08 be ordered paid

PROPOSAL FOR WELCOME TO WORTHINGTON ENTRANCE SIGNS FROM FULLERTON BUILDING SYSTEMS APPROVED WITH STIPULATION

At their August 11, 2014 meeting, Council tabled action on a proposal from Wells Concrete for Welcome to Worthington entrance signs following a statement from Brenda Hurlbut that Fullerton Building systems would guarantee their sign for 30 years, and asking that Council work with the local firm for the signs and reconsider their bid of \$90,000 for the three signs.

Craig Clark, City Administrator, noted that the Wells Concrete bid for the three sign face portions was \$60,000, with masonry work by Reitmeier Masonry at \$24,000, and additional costs for

excavation/dirt work. While the Fullerton proposal would also have the same excavation costs, Mr. Clark said the City Engineer felt there would be additional significant costs for ditch access with the concrete sign at the Highway 59 North location. There is an actual proposal from Fullerton while the Wells Concrete was basically a price per square foot. The increase in the Fullerton proposal from the first number is largely due to the beefed up internal structure of the sign.

Following discussion, the motion as made by Council Member Wood and seconded by Council Member Kuhle to approve Fullerton as the sign that we choose with all the appropriate specs being done, all the guarantees being in writing, and that there be a request to the Chamber to honor its original \$25,000.

Darlene Macklin, Worthington Area Chamber of Commerce Executive Director, said that CVB funds could not be used for brick and mortar projects but Chamber funds can - they did talk about it at their Community Improvement Committee meeting last week, and they felt they were not ready to go out and fund raise this sign anymore because it was noted that the Wells Concrete sign was going to move forward, that the funding would be provided by the City, so she would have to take it back to the Committee and the Board of Directors.

Council Member Wood said his motion is requesting they do that because Council is listening to the Chamber.

Upon roll call vote, the following Council Members voted in favor of the motion: Kuhle, Graber, Wood, Nelson; with the following Council Members voting against the same: Sankey. Motion carried.

Ken Jansen asked if the Chamber decides not to fund the sign where does it leave us? Mayor Oberloh replied it would need to come back, and it would have to be addressed at budget time. Mr. Jansen said as far as he was concerned his committee was not interested in funding it.

GRANT FROM THE DEPARTMENT OF HUMAN SERVICES AGING AND ADULT SERVICES DIVISION TO CENTER FOR ACTIVE LIVING

Kris Hohensee, Director of the Center for Active Living, was notified that the Center had been awarded a \$71,000 grant from the Department of Human Services Aging and Adult Services Division to provide services to help rebalance and integrate long-term services and support the ability of older Minnesotans to live in the community. No payments could be issued, however, until the grant agreement was signed and returned to the state.

The motion was made by Council Member Graber, seconded by Council Member Kuhle and unanimously carried to approve the receipt of the grant and authorize the City Administrator to sign the document.

APPLICATION TO BLOCK STREETS FOR PARADE IN CELEBRATION OF HISPANIC INDEPENDENCE DAY APPROVED WITH LIMITATIONS

After pulling this item from the consent agenda, Council discussed the application to block streets for a march to celebrate Hispanic Independence Day, submitted by Darren Rehnelt, UFCW Local 1161, on Saturday, September 6, 2014 from 12:00 p.m. to 4:30 p.m. The intended route of the parade wound from St. Mary's Church along 7th Avenue to 14th Street, along 14th Street for one block to 8th Avenue, along 8th Avenue to 9th Street, up 9th street for one block, along 7th Avenue for one block, then up 10th Street to 2nd Avenue. Craig Clark, City Administrator, expressed concern over the number of hours the streets would be blocked. The City Clerk also noted that several through streets from the fire hall to the western side of town would be blocked off if there were an emergency. Mr. Clark noted he had visited with Kevin Flynn, Interim Director of Public Safety, and was recommending Council approval of the request with discretion on the time and route.

Following discussion, the motion was made by Council Member Nelson and seconded by Council Member Kuhle to approve the request to block streets from the location near Memorial Auditorium along 7th Avenue to 10th Street, then up 10th Street to 2nd Avenue. Council Member Nelson amended his motion to include a time limitation of 2 hours, Council Member Kuhle accepted the amendment, the motion was unanimously carried.

MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT APPROVED

At their April 14, 2014 meeting, Council approved a master agreement with Bolton and Menk for airport consulting services. On June 23, 2014, Council awarded a contract to Fahrner Asphalt Sealers, LLC for joint and crack repairs on Taxiway B at the municipal airport. Both actions were subject to receipt of a FAA grant. The grant from the FAA was approved at the August 11, 2014 regular Council meeting, and the required grant agreement was now before Council for approval.

Dwayne Haffield, Director of Engineering, noted the grant agreement provides for an additional 5% funding of the projects, and establishes that Mn DOT will be the agency receiving and dispersing the FAA funds for the projects. The state grant includes certain assurances similar to the FAA grant including continued operation of the airport for 20 years.

The motion was made by Council Member Kuhle, seconded by Council Member Wood and unanimously carried to adopt the following resolution accepting the grant and authorizing the Mayor and Clerk to execute the grant agreement:

RESOLUTION

AUTHORIZATION TO EXECUTE

MINNESOTA DEPARTMENT OF TRANSPORTATION
GRANT AGREEMENT FOR AIRPORT IMPROVEMENT
EXCLUDING LAND ACQUISITION

It is resolved by the City of Worthington as follows:

1. That the State of Minnesota Agreement No. 06744, "Grant Agreement for Airport Improvement Excluding Land Acquisition," for State Project No. A5301-77 at the Worthington Municipal Airport is accepted.
2. That the Mayor and Clerk are authorized to execute this agreement and any amendments on behalf of the City of Worthington.

RESOLUTION NO. 3563 ADOPTED AUTHORIZING ESTABLISHMENT OF INTERFUND LOAN FOR ADMINISTRATIVE EXPENSES RELATED TO NORTHLAND MALL REDEVELOPMENT

Based on the resolution/term sheet adopted by Council at their July 28, 2014 meeting regarding PBK Investments and Northland Mall, City staff will be incurring administrative expenses in the preparation/establishment of the TIF district and other related activities. Brad Chapulis, Director of Community/Econ Development, said the expenditures are considered eligible TIF expenditures under State Statute and reimbursable after a TIF District is established, provided an interfund loan was established prior to any expenses being incurred. Staff was proposing to establish an interfund loan, with a loan amount not to exceed \$50,000 with an interest rate of 4%, the maximum allowed by Statute for 2014. Loan payments would be made only when there is any excess increment available after the debt service is paid. Funds for the loan would come from the unreserved undesignated fund balance.

The motion was made by Council Member Kuhle, seconded by Council Member Wood and unanimously carried to adopt the following resolution authorizing establishment of an interfund loan for administrative expenses related to the mall redevelopment:

RESOLUTION NO. 3563

RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH THE PROPOSED NORTHLAND MALL TAX INCREMENT FINANCING DISTRICT

(Refer to Resolution File for complete copy of Resolution)

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - No meetings to report on but wanted to thank Darlene Macklin and City staff for working on the Mayor's Brunch - this is the 75th Turkey Day- it will be held at a new venue yet to be named. Also reminded Council of Wednesday morning's budget meeting.

Council Member Kuhle - Nothing to report.

Council Member Graber - Memorial Auditorium Board - Tammy reminded them of the Chamber Mixer there on November 18th. - she'd like people to come. There's a church/country western service on Turkey Day weekend, September 14th. Craig will talk about the contract with 518 being negotiated. Wanted to also mention Rochester and the Greater Minnesota Cities conference - it was very aggressive and very interesting. Talked a lot about the themes and agreed on certain goals - broadband for greater MN - to be very aggressive with it - MN is behind half of the states in their broadband movement, with greater Minnesota even further behind. The second theme they talked about is stopping the regulations of the Minnesota Pollution Control Agency because they're putting regulations in place that will be incredibly expensive for cities and water treatment centers. They've agreed to go with an attorney from Flaherty and Hood to bring a suit against the Pollution Agency. Transportation was the third theme with greater Minnesota. They considered a new topic that didn't meet with much enthusiasm - to discuss advancing inclusion and racial equality being part of the greater Minnesota group but that didn't get a lot of votes.

Council Member Sankey - Attended a NEON meeting - Heron Lake Watershed was there and the Okabena Ocheda Watershed District - they explained the projects where they work together and collaboration, so that was exciting. Also had a presentation by the Southwest Broadband Organization out of Windom giving their explanation of how the system works and working into the rural broadband system hopefully. Also attended the Coalition of Greater Minnesota Cities and there was a topic on broadband - how greater Minnesota can catch up with the broadband service. We have challenging years ahead - where they explained the rural mail system and the rural electric system - now it's time for the rural broadband system to advance further. There's been \$2 million allocated - those grants will be issued later this year. Even though NEON is not ready for it they think they should submit a grant application so it can be reviewed for how much they could potentially receive next year. Also, the racial equality presented by the YWCA was very interesting. They heard about the talking stick - a very old Dakota tradition - the person holding the stick has the opportunity to speak with no interruption.

Council Member Wood - Wanted to comment on something he's been working on all summer and it has highlighted the fact that we do not have strong support for our ordinances to be carried forth and it's something we have to work on during budget time. We've got to get people and businesses to understand the ordinances are there for a reason - to protect other citizens. He wanted to apologize to those people on Eleanor that we have not been able to get dirt moved on the east end and it's growing weeds and has been a hazard. We've been trying diligently for the last 60 days. Brad Chapulis spoke to this and noted that they spoke to the person in violation and were assured that the dirt would be moved - given them a week to show their true intentions - did not see any movement. Gave this to the County Attorney for an opinion on how to proceed, as well as

contacting the Worthington Police Department - they're trying to put together the information for her to make a determination if the owner will be charged or not. It's considered a misdemeanor and they would have to be charged every day with a maximum charge of \$100 per day. Craig Clark said regarding another issue like this it was the County Attorney's opinion that our willingness to work with people on these violations is essentially jeopardizing her ability to prosecute the case.

Council Member Nelson - HRA update on the 48-unit project on the east side of town- as of August 22 two of the foundations have been cast, the drain tile is in place, and backfill in progress - five of six of the remaining buildings have been staked. Obviously the dirt pile is part of the issue - they have a meeting tomorrow night. They are reviewing the rental rates on some of the remaining HRA properties to keep them in line.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, also reported on the CGMC meeting. The range of comments on how we fared in the legislative process was "fair to poor or okay" - some sentiment that greater Minnesota's priorities are waning a little bit - need to be diligent. Jeff Johnson, the Republican candidate spoke - the Governor was unable to attend. Mr. Johnson's comment on Lewis and Clark was it was the type of project that needs to be prioritized in the state bonding process. Also thanked Speaker Thiesen for his support of Lewis and Clark through session - his comment back was that we needed to get together to determine how to move forward so we'll try to get a meeting scheduled with him and Chair Housman to try to advance our position. We've sent out an RFP for solicitation for the redevelopment plan for Oxford Street - would like to have a Council Member serve. The ISD 518 contract was approved and returned. An invitation was received from MN West for an event for the interim president of MN West from 7 to 9 a.m. on September 4th for Dr. Barbara McDonald.

Mayor Oberloh noted he forgot to mention the fire department open house - he did his ice bucket challenge and nominated Craig Clark to do it.

ADJOURNMENT

The motion was made by Council Member Wood, seconded by Council Member Sankey and unanimously carried to adjourn the meeting at 7:51 p.m.

Janice Oberloh, MCMC
City Clerk