

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, AUGUST 26, 2019**

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: Larry Janssen, Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Assistant City Administrator/Director of Economic Development; Jeremiah Cromie, City Planner; Todd Wietzema, Public Works Director; Dwayne Haffield, Director of Engineering; Troy Appel, Public Safety Director; Mindy Eggers, City Clerk.

Others present: Leah Ward, The Globe; Justine Wettschrek, Radio Works; Marty Seifert, CGMC; Jerome Schreier; Cari Schreier; Bob Gass; Sue Gass; Chris Kielblock; Brent Droll; Cheryl Droll; Ben Weber.

The Pledge of Allegiance was recited.

HONORARY COUNCIL MEMBER

Mayor Kuhle thanked Scott Barber and presented him with a certificate for serving as the Honorary Council Member for the months of June, July and August, 2019. Scott Barber thanked Council for the opportunity to serve and learn the roll of the City Council.

AGENDA CLOSED / APPROVED

The Mayor stated that item F. 1 would be moved directly after the Consent agenda and the addition of the Coalition of Greater Minnesota Cities Presentation and Update would follow F.1.

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

CONSENT AGENDA APPROVED

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

- Special City Council Meeting Minutes of August 21, 2019
- City Council Minutes of Regular Meeting Minutes of August 12, 2019
- Economic Development Authority Minutes of August 12, 2019
- Heron Lake Watershed Board of Directors Minutes of June 12, 2019
- Heron Lake Watershed Special Board of Directors Minutes of July 9, 2019
- Municipal Liquor Store Income Statement for the Period of January 1, 2019 through July 31, 2019
- Bills payable and totaling \$2,547,192.15 be ordered paid

INTRODUCTION AND OATH OF NEW POLICE OFFICER - KYLE SCHREIER

Troy Appel, Public Safety Director, introduced new Police Officer Kyle Schreier to City Council. Officer Schreier is from Slayton and has recently completed his field training exercises and is working full shifts. Following administering of the Police Officer Oath to Officer Schreier by the City Clerk, Council offered their congratulations.

COALITION OF GREATER MINNESOTA CITIES (CGMC) PRESENTATION AND UPDATE

Marty Seifert from the Coalition of Greater Minnesota Cities provided an update to Council on the CGMC's priorities during the past legislative year and how they moved through the session. When questioned on what their priorities would be in the upcoming year, Mr. Seifert responded that there will be potential discussion of LGA formula changes, a large bonding bill will be the major focus along with childcare, PFA- wastewater/water funding and BDPI and other economic development. He said a comprehensive transportation solution is still needed along with 2020 being an election year, the CGMC will educate candidates and the public on our issues.

Council thanked Mr. Seifert for the update and Mr. Seifert thanked Council for the opportunity.

SECOND READING PROPOSED ORDINANCE ENACTING CHAPTER 32.30 OF THE WORTHINGTON CITY CODE, LOCAL SALES AND USE TAX APPROVED

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance - amending the Worthington City Code to enact local sales and use tax as authorized by Minnesota Legislature Session Laws 2019, First Special Session, Chapter 6, Article 6, Section 33, allows the City to collect a sales tax of 0.5 percent on all taxable purchases for a period of 15 years or when the Council has determined that \$25 million plus an amount sufficient to pay the costs related to issuing bonds and interest have been received. The ordinance is as follows:

Section 1. Authority. Pursuant to Session Laws 2019, First Special Session, Chapter 6, the Minnesota Legislature has authorized the City of Worthington to impose a local sales and use tax to provide revenues to pay the costs of collecting and administering the tax to the Commissioner of Revenue of the State of Minnesota and to finance the capital and administrative costs related to the funding of designated projects as defined in Session Laws 2019, First Special Session, Chapter 6 and approved by the voters at the November 6, 2018 referendum.

Section 2. Definitions. For purposes of this chapter, the following words, terms, and phrases have the meanings given them in this section unless the language or context clearly indicates a different meaning is intended.

(a) City. "City" means the City of Worthington, Minnesota.

(b) Commissioner. "Commissioner" means the Commissioner of Revenue of the State of Minnesota or a person to whom the Commissioner has delegated functions.

(c) Designated projects. "Designated projects" means Improvements to the Aquatic Center, Improvements to the Field House, Improvements to the Ice Arena, other Park and Recreation Capital Projects and Improvements, Lake Quality Improvements, and, Improvements to the 10th Street Plaza as authorized by the Minnesota Legislature in Session Laws 2019, First Special Session, Chapter 6 and approved by the voters at the November 6, 2018 referendum.

(d) State sales and use tax laws and rules. "State sales and use tax laws and rules" means those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minnesota Statutes, chapters 270C, 289A, 297A, and Minnesota Rules, chapter 8130, as amended from time to time.

Section 3. Local sales and use tax imposed; amount of tax; coordination with state sales and use tax laws and rules. A local sales tax is imposed in the amount of 0.5% percent on the gross receipts from sales at retail sourced within city limits which are taxable under the state sales and use tax laws and rules. A local use tax is imposed in the amount of 0.5% percent on the storage, use, distribution or consumption of goods or services sourced within city limits which are taxable under the state sales and use tax laws and rules. All of the provisions of the state sales and use tax laws and rules apply to the local sales and use tax imposed by this chapter. The local sales and use tax imposed by this chapter shall be collected and remitted to the commissioner on any sale or purchase when the state sales tax must be collected and remitted to the commissioner under the state sales and use tax laws and rules and is in addition to the state sales and use tax.

Section 4. Effective date of tax; transitional sales. Except as otherwise provided herein, the local sales and use tax imposed by this chapter shall apply to sales and purchases made on or after January 1, 2020. The local sales and use tax imposed by this chapter shall not apply to:

(a) The gross receipts from retail sales or leases of tangible personal property made pursuant to a bona fide written contract, which unconditionally vests the rights and obligations of the parties thereto, provided that such contract was enforceable prior to January 1, 2020 and that delivery of the tangible personal property subject thereto is made on or before January 1, 2020.

(b) The gross receipts from retail sales made pursuant to a bona fide lump sum or fixed price construction contract, which unconditionally vests the rights and obligations of the parties thereto and which does not make provision or allocation of future taxes, provided that such contract was enforceable prior to January 1, 2020 and that delivery of the tangible personal property used in performing such construction contract is made before July 1, 2020

(c) The purchase of taxable services, including utility services, if the billing period includes charges for services furnished before and after January 1, 2020 but the local sales and use tax

imposed by this chapter shall apply on the first billing period not including charges for services furnished before January 1, 2020.

(d) Lease payments for tangible personal property and motor vehicles that includes a period before and after January 1, 2020, but the local sales and use tax imposed by this chapter shall apply on a prorated basis to lease payment amounts attributable to that portion of the lease payment period on or after January 1, 2020 and on the entire lease payment for all lease payment periods thereafter.

Section 5. Tax Clearance; Issuance of Licenses.

(a) The city may not issue or renew a license for the conduct of a trade or business within the city if the commissioner notified the licensing division of the city that the applicant owes delinquent city taxes as provided in this chapter, or penalties or interest due on such taxes.

(1) City taxes include sales and use taxes provided in this article. Penalties and interest are penalties and interest due on taxes included in this definition.

(b) Delinquent taxes does not include a tax liability if: (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) Applicant means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership.

(1) A copy of the notice of delinquent taxes given to the licensing division of the city shall also be sent to the applicant taxpayer. In the case of renewal of a license, if the applicant requests in writing, within 30 days of receipt of the notice of hearing, then, a contested hearing shall be held under the same procedures as provided in Minn. Stat. 270A for the state sales and use tax imposed under Minn. Stat. 297A; provided further that if a hearing must be held on the state sales and use tax, hearings must be combined.

Section 6. Deposit of revenues; costs of administration; termination of tax.

(a) All of the revenues, interest, and penalties derived from the local sales and use tax imposed by this chapter collected by the commissioner and remitted to the city shall be deposited by the city finance director in the city treasury and shall be credited to the fund established to pay the costs of collecting the local sales and use tax imposed by this chapter and to finance the capital and administrative costs directly related to completing the designated projects.

(b) The local sales and use tax imposed by this chapter shall terminate at the earlier of: (1) 15 years or (2) when the City Council determines that \$25,000,000.00, plus an amount sufficient to

pay the costs related to issuing bonds and interest on the bonds has been received from the local sales and use tax imposed by this chapter to pay for all the capital and administrative costs directly related to completing the designated projects. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The local sales and use tax imposed by this chapter may terminate at an earlier time if the City Council so determines by ordinance.

Section 7. Agreement with the commissioner. The city may enter into an agreement with the commissioner regarding each party's respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the local sales and use tax imposed by this chapter. Any such agreement shall not abrogate, alter, or otherwise conflict with the state sales and use tax laws and rules, this ordinance, or Session Laws 2019, First Special Session, Chapter 6.

Section 8. Summary publication. The following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance pursuant to Minnesota Statutes section 412.191:

Pursuant to a voter-approved referendum, the city is authorized to and will impose a local sales and use tax of 0.5% percent on retail sales made after January 1, 2020 to be used to fund certain designated projects related to recreational and quality of life amenities.

A motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously approved to give a second reading to the proposed ordinance.

SECOND READING PROPOSED ORDINANCE CHANGE OF ZONE - 2716 NORTH ROSE AVENUE

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance - change of zone of 0.5 acres that he owns at 2716 North Rose Avenue, north of Twenty Seventh Street. The applicant is requesting to rezone the property from their current "TZ" Transition Zone designation to "R-1" - One Family Detached designation. The legal description of the property under consideration is as follows:

Lot 10, County Auditor's Plat of the Southwest Quarter of the Southwest Quarter of Section 12, Township 102 North, Range 40 West, Worthington Township, Nobles County, Minnesota;

TOGETHER WITH

The easement lot lying between Lots 9 and 10 of said County Auditor's Plat also described

as follows:

Commencing at the southwest corner of the Southwest Quarter of Section 12, Township 102 North, Range 40, West of the 5th P.M.; thence easterly along the southerly line of said Section 12, a distance of 331 feet; thence northerly and parallel with the west line of said Section 12, a distance of 270 feet, which is the point of beginning; thence easterly and parallel with the south line of said Section 12, a distance of 120 feet; thence northerly and parallel with the west line of said Section 12, a distance of 60 feet; thence westerly and parallel with the south line of said Section 12, a distance of 120 feet; and thence southerly and parallel with the west line of said Section 12, a distance of 60 feet to the place of beginning.

Rezoning the property would allow for the properties owned to become one parcel for rezoning purposes and to meet all requirements.

A motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously approved to give a second reading to the proposed ordinance.

AUTHORIZATION TO SOLICIT REQUEST FOR PROPOSALS FOR THE FIELD HOUSE MANAGEMENT AND OPERATIONS APPROVED

Steve Robinson, City Administrator, stated that staff is recommending that a private entity operates and manages the City-owned field House that will be constructed with local option sales tax revenue. Several organizations have met with the field house project team and expressed interest in management of the Field House.

It is the desire of the project team that the partner is able to meet the goals and objectives for this regional amenity. The goals include the following:

- Operations are financially self-sustaining without taxpayer assistance.
- Programming includes dynamic and diverse turf sports and recreational activities for people of various ages, degree of physical ability and interests. Along with traditional team sports, the City's goal includes creative and innovative co-curricular and inclusive programs.
- The Operator shall incorporate a regional marketing plan attracting participants beyond the immediate Worthington area. Programming and scheduling is expected to maximize usage of the facility and will not be limited to specific sports.

Staff is requesting authorization to solicit request for proposals for the field house management and operations.

A motion was made by Council Member Ernst, seconded by Council Member Harmon to authorize

staff to solicit Request for Proposals for the field house management and operations.

SALES TAX PROJECTS CIVIL AND SITE ENGINEERING SERVICES APPROVED

Steve Robinson stated that staff had requested a proposal from Larye Mick of Midwest Engineering for civil and site engineering services for five Phase I sales tax projects. The scope of work includes topographic surveys, site designs, construction documents and construction staking. The proposed fees are a not to exceed hourly estimate. Midwest Engineering's project proposals and fees are as follows:

- Tenth Street Plaza
 - Survey, Design, Construction Documents: \$15,000.00
 - Construction Staking: \$12,000.00
 - Total: \$27,000.00
- Centennial Park Shelter House and Playground
 - Survey, Design, Construction Documents: \$6,750.00
 - Construction Staking: \$3,750.00
 - Total: \$10,500.00
- Buss Field Restroom
 - Survey, Design, Construction Documents: \$6,750.00
 - Construction Staking: \$3,750.00
 - Total: \$10,500.00
- Slater Park Restroom, Shelter House and Parking
 - Survey, Design, Construction Documents: \$6,750.00
 - Construction Staking: \$3,750.00
 - Total: \$10,500.00
- Ludlow Park Parking Lot
 - Survey, Design, Construction Documents: \$4,500.00
 - Construction Staking: \$3,000.00
 - Total: \$7,500.00

Mr. Robinson noted that the total for all five projects is not to exceed \$66,000.00. Given Mr. Mick's extensive knowledge and familiarity of the City and experience working with City Staff, no other proposals were sought. It is Staff's recommendation to engage Midwest Engineering for Civil and Site Engineering on the five projects noted above.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the sales tax projects civil and engineering services as presented.

ENTERTAINMENT BUILDING SPECIAL INSPECTION SERVICES APPROVED

Steve Robinson explained a proposal from American Engineering Testing, Inc. for special inspection

and testing services for the Entertainment Building Project is estimated to cost \$27,699.50. The scope of services include geotechnical and soils observation and testing; observation and inspection of welded and bolted connections of the structural steel frame, steel joists and metal decking; inspection of reinforcing steel placed in concrete structural elements; and intermittent testing of concrete for compliance to project specifications.

The work will be performed on a time and material basis with an estimated fee of \$27,699.50. The City will be invoiced only for the work performed. Actual invoice totals may be more or less than the estimate. Mr. Robinson noted that American Engineering will not exceed the estimate unless authorization from the City is given.

The motion was made by Council Member Harmon, seconded by Council Member Ernst and unanimously carried to approve the entertainment building special inspection services.

RESOLUTION NO. 2019-08-45 ADOPTED AUTHORIZING TOWARD ZERO DEATHS GRANT AGREEMENT

Troy Appel, Director of Public Safety explained The Minnesota Department of Public Safety, Office of Traffic Safety, has initiated the process to participate in the Towards Zero Deaths Communities grant from October 1, 2019 through September 30, 2020. Mr. Appel stated that this grant pays for officers' overtime during the operational waves that focus on traffic safety and impaired driving enforcement. He noted the City of Worthington is partnered with Jackson, Cottonwood, Nobles, Rock and the City of Mountain Lake.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adopt the following resolution:

RESOLUTION NO. 2019-08-45

RESOLUTION AUTHORIZING EXECUTION OF TOWARD ZERO DEATHS GRANT AGREEMENT

(Refer to Resolution File for complete copy of Resolution)

FIRST READING OF ORDINANCE TO AMEND STORM SEWER REGULATIONS APPROVED

Dwayne Haffield stated that the City is subject to a statewide National Pollution Discharge Elimination System (NPDES) permit for discharge of storm water. The permit is referred to as a Municipal Separated Sewer System (MS4) discharge permit. One of the MS4 permit conditions is that the City must have a regulatory mechanism (ordinance) requiring storm water treatment for projects that create one or more acres of impervious surface. The ordinance is to incorporate

provisions requiring mitigation (treatment of other areas) when it is not possible to provide treatment for a specific project. The City's current storm water ordinance does include requirements for mitigation but does not include all the necessary provisions. Mitigation has not been necessary within the City to date. An audit of the City's compliance with the MS4 permit revealed the deficiency. The City is required to update its ordinance before the end of October.

The proposed ordinance updating the existing ordinance to include all the necessary provisions associated with mitigation is as follows:

The City Council of the City of Worthington, do ordain:

SECTION I.

Worthington City Code, Title V, Chapter 54, Section 54.10 (E) (4) (a) 4. H. is amended in its entirety so as to read as follows:

H. Off-site Treatment.

i. Mitigation equivalent to the performance of 1.1 inches of volume reduction for new development or redevelopment as described above in this section, (including banking or cash) can be performed off-site to protect the receiving water body. Off-site treatment shall be achieved in areas selected in the following order of preference:

((A)) Locations that yield benefits to the same receiving water that receives runoff from the original construction activity.

((B)) Locations within the same Department of Natural Resource (DNR) catchment area (Hydrologic Unit 08) as the original construction activity.

((C)) Locations within the next adjacent DNR catchment area upstream.

((D)) Locations anywhere within the community's jurisdiction.

ii. Mitigation projects must involve the creation of new structural stormwater BMPs or the retrofit of existing structural stormwater BMPs, or the use of a properly designed regional structural stormwater BMP.

iii. Routine maintenance of structural stormwater BMPs already required by this section cannot be used to meet mitigation requirements of this Part.

iv. Mitigation projects shall be completed within 24 months after the start of the original construction activity.

v. The owner of the mitigation project site shall be responsible for long-term maintenance of the mitigation project unless otherwise approved in a written agreement between the City and the owner of the construction activity site. Such an agreement shall be perpetual and recorded in the Office of the County Recorder.

vi. Any payment received from the owner and/or operator of a construction activity for mitigation purposes in lieu of the owner or operator of that construction activity meeting the conditions for post-construction stormwater management shall be applied to a public stormwater project that complies with the mitigation requirements of this subsection.

SECTION II.

This ordinance shall be in full force and effect after its passage and publication.

A motion was made by Council Member Cummings, seconded by Council Member Harmon to give a first reading to the proposed ordinance. Council Members voting in favor of the motion: Cummings, Harmon, Ernst, Oberloh. Council Member voting against the same motion: Janssen. Motion carried.

RESOLUTION NO.S 2019-08-46 AND 2019-08-47 ADOPTED DECLARING ADEQUACY OF PETITION AND ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

Dwayne Haffield stated the City Council approved the preliminary plat of Wagner Addition at its August 12, 2019 meeting subject to certain conditions including that the owner submit the two petitions. The option and/or requirement to submit certain improvement petitions is outlined in the City's subdivision regulations. The petition for the surfacing of Sterling Avenue is an option available to the developer in lieu of providing the surfacing. In this scenario the developer completes the street up to the point of surfacing. Surfacing is completed as an assessable improvement with costs distributed to lots and to any city share per the City's Assessment Policy.

The petition for extension of the water distribution is submitted based on the developer's water main extension warranting the installation of a hydrant which would be a trunk cost and that not all the property has been assessed for trunk water benefit.

Staff recommended that Council receive the petitions and order reports on the proposed improvements by passing two resolutions. Mr. Haffield said the report on the surfacing will result in a determination of costs and will be followed by a hearing on proposed improvement. It is anticipated that the report on the water main extension will determine the water main extension is

a responsibility of the developer, that the City is to provide a hydrant unit as a trunk water main improvement, and that a portion of the property to be platted is subject to assessment of trunk benefit.

RESOLUTION NO. 2019-08-46

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

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2019-08-47

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

(Refer to Resolution File for complete copy of Resolution)

CITY OF WORTHINGTON AQUATIC CENTER

Jason Brisson, Assistant City Administrator/Director of Economic Development explained in November 2018, the City of Worthington received voter approval of a referendum to impose a 15-year, \$25 million local option sales tax to fund community amenity projects. The projects listed included: an indoor fieldhouse, an outdoor aquatic center, an ice arena, an outdoor plaza, lake water quality improvements and various parks and recreation improvement projects. The City Council has formed six subcommittees to gather and analyze information and provide recommendations to Council as to how to develop each project. A committee comprised of two City Council representatives, one YMCA representative, one Minnesota West Community and Technical College representative and two citizen representatives was formed to reach consensus and provide recommendations on a site location, facility layout and consultant selection to the City Council for the new outdoor aquatic center. On August 13, 2019, the committee met for the first time to discuss the public engagement, stakeholder engagement and site selection processes. Most of the discussion that took place at the August 13 meeting was related to when and how to solicit public input and site selection.

Mr. Brisson said the two sites that were discussed were the location of the existing City of Worthington Aquatic Center and the location of the former outdoor pool, north of the intersection of Park Avenue and Liberty Drive. Some of the advantages of the former pool site that were discussed were its central location, its proximity to Centennial Park (including the newly opened splash pad), biking/pedestrian facilities to the facility, the City's ownership of the property and its physical separation from the YMCA. Some of the advantages of the current City of Worthington Aquatic Center site that were discussed were reduced construction costs (existing restrooms, locker

rooms, etc.), reduced operational costs (existing YMCA staff), a larger end product and an indoor pool component. There was considerable debate on which location would functionally be more accessible for users of the pool utilizing non-motorized transportation.

Mr. Brisson said after a lengthy discussion, the committee reached a partial consensus to recommend the location of the current aquatic center as the committee's first choice. While each of the advantages above most certainly factored into this recommendation, staff feels that the reduced operational expenses articulated by the YMCA representative and the larger end product seemed to factor most heavily into the committee's recommendation. The committee did not find that a public engagement process regarding the site for the proposed project was necessary to provide a recommendation to Council on their first choice. The committee favored focusing the public engagement and consultant efforts on identifying the features and layout for the park. Mr. Brisson noted one City Council representative dissented from the committee's consensus. This Council representative favored the former outdoor pool site due to the recent investment in the nearby splash pad and Beach Nook building.

Council Member Janssen stated he doesn't feel that a decision should be made on the location at this time, due to lack of public input. He said he doesn't think the YMCA is the wrong location but wants to make sure that the public has a voice in the location.

Mayor Kuhle also stated his concern that a location is being recommended after little discussion.

Council Member Oberloh stated he disagreed because there is a fine line with involving public engagement because if you don't take the recommendation then you've only stirred the pot.

Council Member Cummings stated that some people are adamant about the old location but in reality the YMCA location is only a mile further then the old site so it's not as far as it seems.

A motion was made by Council Member Oberloh, seconded by Council Member Cummings to recommend the current city aquatic center location for the expansion. Council Members voting in favor of the motion: Oberloh, Cummings, Ernst. Council Members voting against the same motion: Janssen and Harmon. Motion carried.

SMALL CITIES DEVELOPMENT PROGRAM AGREEMENT SUBORDINATION REQUEST

Jason Brisson, Assistant City Administrator/Director of Economic Development, stated on November 4, 2010, the City of Worthington made a forgivable loan in the amount of \$15,004.00 to Maria D. Muniz for improvements at her primary residence located at 1849 First Avenue. The loan is forgiven by 10% of the original loan amount for each year the owner complies with the terms of the loan. As of November 4, 2018, the outstanding loan balance was reduced to \$3,000.80. This is the current outstanding balance on the loan. As of November 4, 2019, the loan amount will be

reduced to \$1,500.40. As of November 4, 2020, the loan balance will be \$0.00, and the agreement will automatically terminate.

Mr. Brisson said Ms. Muniz contacted the City on August 15 stating that her primary mortgage on the property must be refinanced in 2019. She stated that she still plans to utilize the property as her primary residence through November 4, 2020 and beyond. City staff spoke with a representative from Fulda Area Credit Union who inquired whether the City would be willing to take second position behind Fulda Area Credit Union on the refinanced mortgage. Fulda Area Credit Union's Appraisal Committee recently reported that a personal inspection of the property valued the land, building and improvements of the subject property at \$143,000. The refinanced mortgage request amount is \$30,000. In the case of default, the remaining \$113,000 of value would be available to recover the City's outstanding loan balance after the mortgage amount were paid in full.

A motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to approve the Small Cities Development Program Agreement Subordination request.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - no report.

Council Member Janssen - no report.

Council Member Oberloh - no report.

Council Member Cummings - Thanked everyone that attended the open house to see the new balcony seating at the Memorial Auditorium.

Council Member Ernst - no report.

Council Member Harmon - Attended a Center for Active Living meeting this morning, looking at adding TRX hooks and new pickle ball nets.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, reminded Council of the Special City Council Budget Meeting that is scheduled for Tuesday, August 27, 2019, 3:30 p.m.

ADJOURNMENT

The motion was made by Council Member Janssen, seconded by Council Member Oberloh and unanimously carried to adjourn the meeting at 8:16 p.m.