

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, AUGUST 28, 2017**

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. Honorary Council Member: Josh Langseth.

Staff present: Steve Robinson, City Administrator; Troy Appel, Public Safety Director, Todd Wietzema, Public Works Director; Janice Oberloh, City Clerk.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hillstrom, The Globe; Ron Prins, Terry Gaalswyck; Kelly Young.

The Pledge of Allegiance was recited.

HONORARY COUNCIL MEMBER

Mayor Kuhle thanked Josh Langseth for his service as Honorary Council Member for the months of June, July and August 2017. Mr. Langseth said it has been fun learning the process and thanked Council for the opportunity.

AGENDA CLOSED /APPROVED

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

- City Council Minutes of Regular Meeting August 14, 2017 and Special Meeting August 16, 2017
- Minutes of Boards and Commissions - Public Arts Commission Minutes of August 3, 2017; Worthington Housing and Redevelopment Authority Board Minutes of July 31, 2017; Center for Active Living Committee Minutes of July 10, 2017; Park and Recreation Advisory Board Minutes of June 13, 2017; Planning Commission/Board of Appeals Minutes of August 23, 2017
- Bills payable and totaling \$678,221.81 be ordered paid

**SECOND READING PROPOSED ORDINANCE TO VACATE PORTION OF AN ALLEY
IN THE CITY OF WORTHINGTON**

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance to vacate a portion of an alley in the City of Worthington as follows:

That part of Alley Lot A, Block 2, Auditor's Plat of Chermak's Sub-Division, City of Worthington, Nobles County, Minnesota described as follows is hereby vacated:

Commencing at the southeast corner of Lot 9 in said Block 2; thence west along the north line of said Alley Lot A a distance of 148.9 feet to the point of beginning; thence continuing west along the north line of said Alley Lot A to the southwest corner of Lot 1 in said Block 2; thence south along a projection of the east line of Oslo Street to a point on a line that is 7.5 feet south of said southwest corner, as measured perpendicular the north line of said Alley Lot A, and is parallel to the north line of said Alley Lot A; thence east on said parallel line to a point which is 7.5 feet south of the point of beginning as measured perpendicular to the north line of said Alley Lot A; thence north to the point of beginning.

The motion was made by Council Member Janssen, seconded by Council Member Harmon and unanimously carried to give a second reading to the proposed ordinance.

REQUEST FOR CITY FINANCIAL PARTICIPATION IN MINNESOTA WEST WORTHINGTON CAMPUS STUDENT HOUSING DEVELOPMENT APPROVED

Steve Robinson, City Administrator, said the City Council Economic Development Sub-Committee was recommending support of a gap financing loan to Bluffstone, LLC in the amount of \$900,000 with repayment terms of 25 years at an interest rate of 4.25%

City Council was approached by MN West Community and Technical College in October 2016 for consideration of funds from the Housing Stock Development allocation for gap funding for an on-campus housing project. At the time, Council passed a motion setting the parameters of the loan as up to \$900,000 at an interest rate not to exceed prime, for a term not to exceed 30 years. MnSCU officials selected Bluffstone, LLC, from Davenport, Iowa for the project, which is estimated to be at \$6,180,000.

In July of 2017, Bluffstone, LLC. requested \$900,000 in gap financing from the City of Worthington at one percent interest for a 30 year term. The request was forwarded to Ehlers, Inc., the City's financial advisor. Following their review, Rebecca Kurtz noted in her analysis that the project "appears to be able to support repayment terms of 25 years with a 5% interest rate for the loan."

Council Member Oberloh asked if current Council was bound by past Council action of setting the interest rate at prime. Mr. Robinson said he didn't believe so - Rebecca Kurtz said it would support a 5% loan, which is also the loan of the primary lender that Bluffstone is working with. The subcommittee recommended prime as opposed to 5%.

Mayor Kuhle said this is gap funding that does well with housing in Worthington and would help

the college to grow- he would encourage Council to follow the recommendation.

The motion was made by Council Member Oberloh and seconded by Council Member Harmon to approve the recommendation of not to exceed prime for 25 years. Council Member Oberloh clarified that his motion was 4.25% for 25 years.

Kelly Young, of Bluffstone, LLC, said she appreciated Council's support. Council Member Oberloh asked what the City's position was on the loan. Mr. Robinson said there was no security. Ms. Young replied that the lender was expecting the City to be able to be in second position if that's something of value to you. Council Member Oberloh said he would like to revise his motion to reflect that position.

The revision was accepted by Council Member Harmon and was unanimously carried.

RESOLUTION TABLED DIRECTING THAT CITY ADMINISTRATOR STEVE ROBINSON IS NOT AUTHORIZED TO PARTICIPATE IN THE MAKING IN ANY MANNER AS TO CERTAIN CONTRACTS

At their August 14, 2017 meeting, Council directed City Attorney Mark Shepherd to draft a resolution directing that Steve Robinson, City Administrator, was not authorized to participate in the making in any manner of certain contracts, specifically, in the selection and contracting with the engineering /architecture firm of SEH, Inc., due to a conflict of interest that existed. The resolution was one of four options presented by Mr. Shepherd as a resolution to the conflict.

The resolution was now before Council for consideration. Council Member Janssen said he thought it was too important to make the decision tonight, and moved to table action on it to the September 20, 2017 special City Council meeting. The motion was seconded by Council Member Oberloh and unanimously carried.

Council is to direct any questions they may have regarding the resolution to Mr. Shepherd prior to the meeting on September 20th.

AGREEMENT APPROVED FOR DISPENSING OF LIQUOR AT MEMORIAL AUDITORIUM - ROUND LAKE VINEYARD AND WINERY

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve an agreement with the Round Lake Vineyard and Winery for them to dispense alcohol at Memorial Auditorium during certain events.

The agreement is permitted by state statute and is for a term of one year.

RESOLUTION NO. 2017-08-04 ADOPTED AUTHORIZING EXECUTION OF AGREEMENT - TOWARD ZERO DEATHS

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adopt the following resolution authorizing execution of a Toward Zero Deaths Grant Agreement for the period October 1, 2017 through September 30, 2018:

RESOLUTION NO. 2017-08-04

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2017-08-05 ADOPTED AUTHORIZING EXECUTION OF AIRPORT MAINTENANCE AND OPERATION GRANT CONTRACT

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt the following resolution authorizing execution of an Airport Maintenance and Operation Grant with the State of Minnesota:

RESOLUTION NO. 2017-08-05

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION AIRPORT MAINTENANCE AND OPERATION GRANT CONTRACT

(Refer to Resolution File for complete copy of Resolution)

The grant is for 75% of eligible maintenance and operations costs, not to exceed \$74,705 - term of the grant is for State Fiscal Year 2018 and State Fiscal Year 2019.

RESOLUTION NO. 2017-08-06, RESOLUTION NO. 2017-08-07 AND RESOLUTION NO. 2017-08-08 ADOPTED ACCEPTING PARK BENCH DONATIONS

Todd Wietzema, Public Works Director, presented the following requests for park bench placements in city parks and along bike trails:

- Compassionate Care Hospice to place a bench on the floating dock in Freedom Shore Park in memory of those who have served
- Dorothea Klumper to place a bench along the County trail north of Fox Farm Road, where her husband Wayne was involved in an accident
- Greg and Barb Raymo to place a bench in Centennial Park along the sidewalk west

of the Beach Nook in memory of Carrell and Rosemary Raymo

The motion was made by Council Member Janssen, seconded by Council Member Ernst and unanimously carried to adopt the following resolutions accepting park bench donations:

RESOLUTION NO. 2017-08-06

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY -
(COMPASSIONATE CARE HOSPICE)

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2017-08-07

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY - (DOROTHEA
KLUMPER)

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2017-08-08

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY - (RAYMO
FAMILY)

**RESOLUTION NO. 2017-08-09 ADOPTED AUTHORIZING EXECUTION OF
MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT**

At their June 26, 2017 meeting, Council awarded a contract to Fahrner Asphalt Sealing for the Runways 11/29 and 18/36 Rehabilitation Project at the Municipal Airport subject to receipt of a Federal Aviation Administration (FAA) grant. Council subsequently authorized execution of an FAA grant agreement for 90% of the project costs at their August 14, 2017 meeting. Staff now presented a grant agreement from MnDOT, who will disburse the federal funds to the City and provide additional funding for 5% of project costs. Estimated project costs and budgeted funding is:

	<u>Current Estimate</u>	<u>2017 Budget</u>
Total Project Cost:	\$871,529.74	\$978,300
Total FAA Share (90%):	\$784,376.00	\$880,470
Total State Share (5%):	\$43,576.87	\$48,915
Total Local Share (5%):	\$43,576.87	\$48,915

The motion was made by Council Member Harmon, seconded by Council Member Janssen and unanimously carried to adopt the following resolution authorize execution of the grant agreement:

RESOLUTION NO. 2017-08-09

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

(Refer to Resolution File for complete copy of Resolution)

**PETITION FOR ANNEXATION - FIRST READING PROPOSED ORDINANCE - SOUTH
SHORE ACRES, LLC.**

The City received a petition for annexation under MN Stat. 414.033, Subdivision 2(3) from South Shore Acres, LLC for 29 acres they own in Section 26 of Worthington Township, legally described as:

That part of Government Lot 5 and the Northeast Quarter of the Southwest Quarter of Section 26, Township 102, Range 40, Worthington Township, Nobles County, Minnesota, lying southeasterly of the southeasterly right of way line of the Chicago and North Western Railroad and being more particularly described as follows:

Commencing at the south quarter corner of said Section, thence North 00 degrees 08 minutes 35 seconds East, assumed bearing, along the North South Quarter line of said Section, a distance of 1,153.40 feet to the point of beginning of this description, said point also being the southeast corner of said Quarter-Quarter Section; thence continue North 00 degrees 08 minutes 35 seconds East, along said North South Quarter line, a distance of 1,088.45 feet; thence North 89 degrees 51 minutes 25 seconds West a distance of 387.90 feet; thence North 00 degrees 08 minutes 35 seconds East, parallel with said North South Quarter line, a distance of 713.34 feet to said railroad right of way line; thence southwesterly, along said railroad right of way line, said line also being a non tangential 11,509.16 foot radius curve concave to the northwest, a distance of 117.12 feet, central angle 00 degrees 34 minutes 59 seconds; thence South 50 degrees 38 minutes 36 seconds West, along said railroad right of way line, a distance of 1,107.14 feet to the west line of said Quarter-Quarter Section; thence South 00 degrees 04 minutes 13 seconds West, along said West Quarter-Quarter Section line, a distance of 921.29 feet to the southwest corner of said Quarter-Quarter Section; thence South 85 degrees 30 minutes 15 seconds East, along the south line of said Quarter-Quarter Section, a distance of 1,334.87 feet to the point of beginning.

EXCEPT

That part of the Northeast Quarter of the Southwest Quarter of Section 26, Township 102, Range 40, Nobles County, Minnesota, shown as Parcel 4 on Minnesota Department of Transportation Right of Way Plat Numbered 53 31 as the same is on file and of record in the office of the County Recorder in and for Nobles County, Minnesota.

AND EXCEPT

That land presently situated within the boundaries of the City of Worthington.

Pursuant to Title XV, Section 155.026(G) of the City Code of the City of Worthington, the property would be zoned TZ (Transitional Zone) with the exception of the following described portion of said land, which will be zoned B3 (General Business District):

That part of the Northeast Quarter of the Southwest Quarter of Section 26, Township 102 North, Range 40 West, Nobles County, Minnesota, described as follows:

Beginning at Right of Way Boundary Corner B3103, MINNESOTA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY PLAT NO. 53-31, according to the recorded plat thereof, said Nobles County; thence South 88 degrees 41 minutes 48 seconds West, assumed bearing, along the north line of said MINNESOTA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY PLAT NO. 53-31, a distance of 50.01 feet to Right of Way Boundary Corner B3102; thence South 00 degrees 21 minutes 04 seconds East along the west line of said MINNESOTA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY PLAT NO. 53-31, a distance of 120.02 feet to Right of Way Boundary Corner B3101; thence South 88 degrees 41 minutes 48 seconds West, along the north Line of said MINNESOTA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY PLAT NO. 53-31, a distance of 497.31 feet; thence North 00 degrees 22 minutes 44 seconds West, a distance of 424.31 feet; thence North 89 degrees 37 minutes 16 seconds East, a distance of 547.45 feet to the east line of said Northeast Quarter of the Southwest Quarter; thence South 00 degrees 21 minutes 02 seconds East, a distance of 295.46 feet to said Right of Way Boundary Corner B3103.

Because the land is not in an orderly annexation agreement it can be annexed by ordinance, but must be deemed as urban in character or about to become so, and fit one of the following descriptions:

1. The land is owned by the municipality;
2. The land is completely surrounded by land within the municipal limits;
3. The land abuts the municipality and the area to be annexed is 60 acres or less, and the area to be annexed is not presently served by public sewer facilities or public sewer facilities are not otherwise available, and the municipality receives a petition for annexation from all property owners of the land;

4. The land has been approved after August 1, 1995, by a preliminary plat or final plat for subdivision to provide residential lots that average 21,870 square feet or less in area and the land is located within two miles of the municipal limits;
5. The land is owned by all of the property owners petitioned for annexation, and the land is within an existing orderly annexation area;
6. The land abuts the municipal limits, is platted, or does not exceed 200 acres if unplatted, and a majority of the property owners petition for annexation.

The property meets description #3. The Planning Commission considered the request at their August 23, 2017 meeting, and after holding a public hearing, voted to recommend Council approval of the annexation and zoning.

The party petitioning for annexation has also petitioned for extension of sanitary sewer and water main, and is intending to construct an automotive service use on 5.27 acres more or less of the subject property.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the request and give a first reading to the proposed ordinance to annex and zone the specified 29 acres.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Nothing to report.

Council Member Janssen - Attended the Special City Council Meeting on August 16th.

Council Member Oberloh - Reported on an HRA meeting - occupancy numbers are good.

Council Member Cummings - No meetings to report on but there will be a presentation on splash pads at the Kiwanis meeting tomorrow.

Council Member Ernst - No meetings - but noted a webinar that will air on Wednesday regarding the day care shortage issue.

Council Member Harmon - Reported on a Water and Light Commission special meeting - they awarded the bid for the high service pump station.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, reported that he and Todd Wietzema will be in Mankato tomorrow to meet with the Urban Studies Design group as we were short-listed with that group for our park project - Kelly Reeves put together a video of our parks that they will take along for a presentation. We are arranging an interview for Friday with a potential candidate for the Director of Community Development position. In response to a comment from Council Member Harmon, Mr. Robinson said the Cable 3 Board had directed staff there to hire additional people to cover additional athletic events.

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ADJOURNMENT

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to adjourn the meeting at 7:45 p.m.

Janice Oberloh, MCMC
City Clerk