

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, SEPTEMBER 12, 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; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk.

Others present: Justine Wettschreck, KWOA; Karl Ebbers-Hillstrom, DailyGlobe; Chad Cummings; Nick Hagen; Alan Oberloh; Chris Kielblock.

The Pledge of Allegiance was recited.

AGENDA CLOSED/APPROVED

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

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting August 22, 2016; Special Meeting - Work Session of August 26, 2016; Special Meeting - Work Session, August 30, 2016; Special Meeting September 6, 2016
- Minutes of Boards and Commissions - Water and Light Commission Minutes of August 22, 2016; Housing and Redevelopment Authority Board Minutes of July 26, 2016; Heron Lake Watershed District Board Minutes of June 28, 2016; Worthington Area Chamber of Commerce/Convention and Visitors Bureau Minutes of July 27, 2016; NEON Committee Minutes of July 14, 2016; Center for Active Living Committee Minutes of August 8, 2016
- City Hall Closure the Friday after Thanksgiving (November 25, 2016)
- Application for Exemption Gambling Permit - National Wild Turkey Federation - Tomorrow's Turkeys Chapter
- Bills payable and totaling \$2,195,177.20 be ordered paid

RESOLUTIONS ADOPTED APPROVING THE PROPOSED 2016 TAX LEVY COLLECTIBLE IN 2017

At their September 6, 2016 special meeting, Council determined to pre-certify the proposed tax lev collectible in 2017 at \$3,693,604, a 7.32% increase over the 2016 levy. Staff now presented a resolution for Council approval that would approve the proposed levy at the level determined at the September 6, 2016 meeting. Also included was a resolution approving the proposed Worthington

Housing and Redevelopment Authority's 2016 Tax Levy Collectible in 2017 of \$106,000, the same rate as last year.

The motion was made by Council Member Sankey, seconded by Council Member Graber and unanimously carried to adopt the following resolutions approving the proposed 2016 Tax Levies collectible in 2017:

CITY OF WORTHINGTON, MINNESOTA

RESOLUTION APPROVING PROPOSED 2016 TAX LEVIES COLLECTIBLE IN 2017

Be it resolved, by the City Council of the City of Worthington, County of Nobles, State of Minnesota, that the following sums of money are to be levied for the current year, collectible in 2017 upon the taxable property in said city of Worthington, Minnesota for the following purposes:

LIMITED GENERAL PURPOSE TAX:	2016/2017 LEVY	SPECIAL TAX LEVIES:	2016/2017 LEVY
General Fund	1,244,412	G.O. Debt Service Funds including improvement Bonds (MS 275.50 Subd. 5e and MS 429.091)	
Memorial Auditorium Fund	121,328		
Recreation Fund	917,894	PIR Series 2009C \$2,710,000	175,267
		PIR Series 2010A \$1,915,000	188,612
Economic Development Authority Fund	112,793	PIR Series 2012A \$2,570,000	223,417
		PIR Series 2016A \$2,345,000	<u>32,392</u>
Improvement Construction Fund	648,489		
Aquatic Center Facility Fund	10,000	SUBTOTAL DEBT SERVICE FUNDS	619,688
		Economic Development Tax Abatement	19,000
TOTAL GENERAL PURPOSE TAX	<u>3,054,916</u>	TOTAL SPECIAL TAX LEVIES	<u>638,688</u>
RECAP OF TAX LEVY TOTALS:			
		General Purpose Levy	3,054,916
		Special Tax Levies	638,688
		TOTAL NET LEVY	<u>3,693,604</u>

WORTHINGTON HOUSING & REDEVELOPMENT AUTHORITY

RESOLUTION APPROVING THE 2016 TAX LEVY COLLECTIBLE IN 2017

BE IT RESOLVED, by the City Council of Worthington and the Housing and Redevelopment Authority of the City of Worthington, County of Nobles, State of Minnesota, that the following sum of money be levied for the current year, collectible in 2017, upon the taxable property in said City of Worthington, Minnesota for the following Purposes:

SPECIAL TAX LEVY	CERTIFIED LEVY 2016/2017
HOUSING AND REDEVELOPMENT AUTHORITY TAX LEVY Minnesota Statute 469.033, subdivision 6)	
Special Tax for Operations	\$106,000.00
NET CERTIFIED LEVY	\$106,000.00

Council will discuss the final 2017 final budget and levy at their December 12, 2016 meeting. A Truth in Taxation Hearing will be held at that time, with public input taken prior to adoption of the final levy.

RESOLUTION NO.'S 3683, 3684, 3685, 3686, 3687, AND 3688 ADOPTED DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT, AND CALLING FOR HEARING ON PROPOSED ASSESSMENT

Staff presented Resolution Declaring Costs to be Assessed and Ordering Preparation of Proposed Assessment, and a Resolution Calling for Hearing on Proposed Assessment at the October 10, 2016 regular City Council meeting for each of the following:

WATER MAIN IMPROVEMENT NO. 106

C.S.A.H. 35 from C.S.A.H. 5 to 1400 feet east

2016 MISCELLANEOUS UNPAID CHARGES

Removal of Ice and Snow
Removal of Solid Waste
Removal of Noxious Weeds and Vegetation

Also presented was a Resolution Declaring Reassessment and a Resolution Calling for Hearing on Proposed Reassessment pertaining to the plat of Grand Terrace Addition at the October 10, 2016 regular City Council meeting. The reassessment is to be for each of the following assessments/improvements that had been cancelled due to tax forfeiture:

Storm Sewer Improvement No. 4
Storm Sewer Improvement No. 7
Water Main Improvement No. 74-09

Dwayne Haffield, Director of Engineering, said if it would be anticipated that the October 10, 2016 meeting would not be held, the hearing could be set for any time from October 3 through October 13, 2016.

The motion was made by Council Member Graber, seconded by Council Member Janssen and unanimously carried to adopt the following resolutions as presented:

RESOLUTION NO. 3683

DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3684

CALLING FOR HEARING ON PROPOSED ASSESSMENT

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3685

DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3686

CALLING FOR HEARING ON PROPOSED ASSESSMENT

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3687

DECLARING REASSESSMENT OF STORM SEWER IMPROVEMENT NO., 4, STORM SEWER IMPROVEMENT NO. 7, AND WATER MAIN IMPROVEMENT NO. 74-09

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3688

CALLING FOR HEARING ON PROPOSED ASSESSMENT FOR REASSESSMENT OF STORM SEWER IMPROVEMENT NO. 4, STORM SEWER IMPROVEMENT NO. 7, AND WATER MAIN IMPROVEMENT NO. 74-09

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION ADOPTED VACATING A PORTION OF UTILITY EASEMENT - 1111 JOHNSON AVENUE

The owner of the property located at 1111 Johnson Avenue is proposing to construct a deck on the front of the existing home, where the north line of the deck would be an extension of the north line of the existing structure. An easement had been obtained over the north 6 feet of the lot, which extended 1 foot into the structure that existed at the time the easement was obtained. Dwayne Haffield, Director of Engineering, said that staff has determined that the south 1 foot of the easement for the entire depth of the lot can be vacated. Mr. Haffield also noted that Council approval of the vacation should be subject to concurrence by the Water and Light Commission, who will consider the request at their September 19, 2016 meeting.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to adopt the following resolution vacating a portion of a utility easement at 1111 Johnson Avenue, subject to Water and Light Commission concurrence:

RESOLUTION

VACATING A PORTION OF AN EASEMENT IN LOT TWENTY, BLOCK ONE, JOHNSON'S SUB-DIVISION

WHEREAS, the owner of Lot 20, Block 1, Johnson's Sub-division of West Half of Block 10, Moulton's Re-survey and Sub-division of Clary's Addition to Worthington desires to construct an addition to a structure currently located over a portion of an easement over a part of said property, and

WHEREAS, that portion of the easement is no longer required by the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WORTHINGTON, MINNESOTA:

1. That the following described portion of the easement described in Document No. 179750, recorded in the office of the County Recorder, Nobles County Minnesota, be hereby vacated and released:

The south 1.00 feet of the north 6.00 feet of Lot 20, Block 1, Johnson's Sub-division of West Half of Block 10, Moulton's Re-survey and Sub-division of Clary's Addition to Worthington, Nobles County, Minnesota.

2. That the City Clerk is hereby directed to file a certified copy of this resolution in the office of the Recorder in and for the County of Nobles, State of Minnesota.

Adopted by the City Council of the City of Worthington, Minnesota, this the 22nd day of August, 2016.

RESOLUTION ADOPTED AUTHORIZING SUPPLEMENTAL AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY FOR THE INDUSTRIAL WASTEWATER SANITARY SEWER I-90 CROSSING REPLACEMENT

Dwayne Haffield, Director of Engineering, noted that the 2016 Industrial Wastewater Treatment Facility capital improvements budget includes \$267,250 for replacement of the sewer line that runs from JBS to the treatment plant where it crosses the I-90 right-of-way. The line extends along the Union Pacific Railroad on the southeast side of TH 60 per a 1964 agreement with the predecessor of the UP RR. This project will require work in the RR right-of-way, therefore, a supplemental agreement to the 1964 agreement with the railroad will be required to complete it.

Because of the age and type of sewer line pipe, there is concern that it might fail - and televising won't necessarily show what we need to know. Mr. Haffield said staff was requesting that Council adopt a resolution authorizing execution of the supplemental agreement with UP Railroad, and to approve the plans and specifications for the project and authorize staff to advertise for bids to be received on October 7, 2016 and considered by Council at the October 10, 2016 meeting. At this point they are still estimating it to be within budget, but there are a couple of items of work that we

don't have a big data base for so we don't know how it's going to be bid locally. Funds for the project will come from utility revenues that have accumulated for projects such as this.

The motion was made by Council Member Sankey, seconded by Council Member Graber and unanimously carried to adopt the following resolution authorizing the supplemental agreement with UP Railroad, and to authorize advertisement for bids to be received on October 7, 2016 for consideration at the October 10, 2016 Council meeting:

CITY OF WORTHINGTON
RESOLUTION

IT IS RESOLVED that the City of Worthington enter into a Supplemental Agreement with the Union Pacific Railroad Company supplementing an agreement identified as Audit No. NWE2713.

IT IS FURTHER RESOLVED that the Mayor and the Clerk are authorized to execute the Agreement and any amendments to the Agreement.

RESOLUTION ADOPTED APPROVING MnDOT COOPERATIVE CONSTRUCTION AGREEMENT NO. 1026111 BETWEEN THE CITY OF WORTHINGTON AND THE STATE OF MINNESOTA FOR TH 59 RESURFACING

In 2017 the Minnesota Department of Transportation will be undertaking a Mill and Overlay project of TH 59. The project includes resurfacing of North Humiston Avenue and Oxford Street from the south ramps on I-90 to the new roundabout at the Hwy 59/60 intersection. It also includes pedestrian ramp improvements, traffic signal modifications at Humiston Avenue and Ryan's Road and Humiston Avenue and Oxford Street, together with other upgrades and repairs.

At their April 11, 2016 meeting, Council approved including a bike lane option on Oxford Street from McMillan Street east to Highway 60, to extend any proposed bike lanes that may be included in the Minnesota Department of Transportation's project. No parking would then be allowed on Oxford Street between McMillan Street and Highway 60.

Dwayne Haffield, Director of Engineering, presented a proposed MnDOT Cooperative Construction Agreement between the City of Worthington and the State of Minnesota that outlined cost participation and maintenance responsibilities of both parties. An updated Agreement clarified that the City would only be responsible for bike lane striping and signing, and provided improved language to clarify the maintenance of Oxford from McMillan to Humiston is to be per the local road authority (Nobles County).

Mr. Haffield provided a review of the cost participation, noting that the estimate of \$40,000 for the modification to the signals at Humiston Avenue and Ryan's Road and Humiston Avenue and Oxford

Street is substantially higher than the \$16,000 estimate presented at the April 11th meeting. He explained that, while the costs for the bike lanes came in very close to the estimate, the estimate provided for the signal light modifications was based on experience without detailing to these signals. Once the correct information of what was needed was obtained, and painting was added to the signal light project, the result was the higher cost estimate. We would be using our state-aid dollars for the local shares.

The motion was made by Council Member Nelson, seconded by Council Member Janssen and unanimously carried to adopt the following resolution approving the cooperative construction agreement:

CITY OF WORTHINGTON
RESOLUTION

IT IS RESOLVED that the City of Worthington enter into MnDOT Agreement No. 1026111 with the State of Minnesota, Department of Transportation for the following purposes:

To provide payment by the City to the State of the City's share of the costs of the revised signal system, and signing and striping construction and other associated construction to be performed upon, along and adjacent to Trunk Highway No. 59 from the north junction with Trunk Highway No. 60 to Trunk Highway No. 90 within the corporate City limits under State Project No. 5304-38.

IT IS FURTHER RESOLVED that the Mayor and the Clerk are authorized to execute the Agreement and any amendments to the Agreement.

REQUEST FOR SITE PREPARATION ASSISTANCE APPROVED - THK OF MINNESOTA, LLC

THK of Minnesota, LLC, was requesting site preparation assistance for a proposed 3,225 square foot commercial facility to be constructed at 1036 Oxford Street, for the costs affiliated with the redevelopment of the subject property, including the demolition of the existing structure. The legal description of the property is as follows:

Lot 4, Block 2, Auditor's Plat of Chermak Sub-Division, City of Worthington, Nobles County, Minnesota, EXCEPT that part of said lot which lies northerly of a line run parallel with and distance 45 feet southerly of Line 1 described below:

Beginning at a point on the north line of Section 23, Township 102, Range 40, Nobles County, Minnesota, distant 1970.1 feet west of the northeast corner thereof; thence run westerly on the north line of said Section 23 for 10 feet and there terminating.

Staff determined that the demolition of the structure is the only eligible expenditure under the Site Preparation Program guidelines, and is estimated by the applicant to be \$24,654. Brad Chapulis, Director of Community/Economic Development, said guidelines limit the amount of assistance the City may consider at the present value of 10 years of property taxes at a market rate of return (3% discount rate). The Nobles County Assessor's office has estimated the taxable market value to be approximately \$371,000 upon completion of construction, not including any tenant bail out. Based on the 2016 tax levy, the project would generate approximately \$11,615 in real estate taxes - more than a 380% increase from the 2016 payable real estate taxes. The maximum amount that could be considered is \$64,014, which is more than the \$24,654 of eligible expenditures. Nick Hagen, representing THK of Minnesota, LLC, was present at the meeting and discussed the project with Council, noting it will be a Papa Murphy's take and bake pizza business on one side of the new facility and retail space on the other side.

Staff reviewed the application and was recommending approval of site preparation fund assistance of an amount not to exceed \$24,654 for costs affiliated with the demolition of the structure on the subject property, and such approval be subject to the applicant providing proof of competitive bidding and verified quantities.

The motion was made by Council Member Janssen, seconded by Council Member Harmon and unanimously carried to approve the site preparation fund assistance of an amount not to exceed \$24,654 for costs affiliated with demolition of the existing structure on the property, and that the applicant provides proof of competitive bidding and verified quantities.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Reported on the Commissioners on Wheels meeting here in town last week - also attended the Southwest Regional Development Commission meeting, and has a copy of their financial report if anyone was interested.

Council Member Nelson - Attended the City Budget meetings, and reported on a Joint Jurisdictional meeting.

Council Member Graber - Thanked the Memorial Auditorium for their Tribute to the Eagles presentation. Also reported on the following meetings: Chamber of Commerce Convention and Visitors Bureau, Planning Commission, City Budget meetings, Memorial Auditorium Advisory Board.

Council Member Janssen - Reported on a NEON meeting.

Council Member Harmon - Attended a tour with Missouri River Energy Systems at Wheatland, Wyoming, also attended the City Budget meetings, and reported on the Water and Light Commission last Monday. The CAL meeting this morning was cancelled.

Council Member Sankey - Reported on the Heron Lake Watershed District Budget meeting, the City Budget meetings, attended the meeting with Lieutenant Governor Tina Smith here in Worthington September 7th, and reported on the NEON meeting held September 8th.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, reported that Police Officer interviews were held to fill two positions open in the Public Safety Department. Interviews had also been conducted to fill a Public Works Operator position. He spent two and half hours at JBS today answering City related questions and addressing concerns from their employees. The soccer fields, housing, and a community clean up program were subjects that came up. He plans on doing the program about every three months.

CLOSED SESSION UNDER MINN. STAT. 13D.05, SUBD. 3(C) - OFFER TO SELL REAL ESTATE, PARCEL 31-0628-000

Mayor Kuhle announced that Council would be going into closes session under Minn. Stat. 13D.05, Subd. 3(c) to discuss an offer to sell real estate identified as Parcel No. 31-0628-000. Those not eligible to be present at the closed session left the meeting.

The motion was made by Council Member Nelson, seconded by Council Member Harmon and unanimously carried to close the meeting at 7:47 p.m.

The motion was made by Council Member Janssen, seconded by Council Member Sankey and unanimously carried to re-open the meeting at 8:09 p.m.

ADJOURNMENT

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 8:13 p.m.

Janice Oberloh, MCMC
City Clerk