

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, SEPTEMBER 24, 2007**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Lyle Ten Haken, Mike Woll, Ron Wood, Mike Kuhle, Bob Petrich. Honorary Council Person: Dale Ryen.

Staff present: Joseph Parker, City Administrator; Mike Cumiskey, Director of Public Safety; Jim Laffrenzen, Superintendent of Public Works; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Comm./Econ. Development; Janice Oberloh, City Clerk.

Others present: Jay Trusty, Southwest Regional Development Corporation; Gordon Moore, Nobles County Attorney; Mel Ruppert, Nobles County Administrator; Francisco Resendiz, Tacos Lupe; Darrell Stitt, KWOA; Ryan McGaughey, Daily Globe.

HONORARY COUNCIL PERSON

Mayor Oberloh introduced Dale Ryen as the Honorary Council Person for the months of September, October, and November, 2007.

NUISANCE HEARING 106 LAKE STREET AND 112 LAKE STREET CONTINUED

Pursuant to notice this was the date and time set for the public hearing to determine whether a nuisance exists at the properties located at 106 Lake Street and 112 Lake Street.

Based on a request from the City Attorney, the motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to continue the hearing for 60 days.

AGENDA APPROVED WITH ADDITION

Staff was requesting the addition of item G.8. Presentation of Information on Renewal Options for Prosecution Contract with Nobles County Attorney.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the agenda with the addition of G.8. Presentation of Information on Renewal Options for Prosecution Contract with Nobles County Attorney.

CITY COUNCIL MINUTES APPROVED

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to approve the City Council Minutes of the regular meeting September 10, 2007.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried

to accept for review the Water and Light Commission Minutes of September 17, 2007 and the Prairie View Golf Advisory Board Minutes of September 19, 2007.

FINANCIAL STATEMENTS

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to accept the Municipal Liquor Store Income Statement for the Period January 1, 2007 through August 31, 2007.

SOUTHWEST REGIONAL DEVELOPMENT COMMISSION UPDATE

Jay Trusty, Executive Director of the Southwest Regional Development Commission (SRDC), was present at the meeting to update Council on his organization and provide them with a copy of the SRDC's 2007 Annual Report. The SRDC identified the following five goals for the organization at their strategic planning session: 1) Train a new generation of governmental leaders 2) Develop and implement a marketing plan 3) Identify necessary resources to provide core programs 4) Provide leadership in bringing together stakeholders to make the region energy independent 5) Explore and identify programs/services that expand or enhance current core functions.

Mayor Oberloh thanked Mr. Trusty for his presentation.

SECOND READING PROPOSED ORDINANCE TO VACATE EASEMENT

Pursuant to published notice this was the time set for the second reading of a proposed ordinance to vacate the platted public utility easement in Lot 1, Block 1, Homewood Hills Eleventh Addition.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to give a second reading to the proposed ordinance.

APPLICATION FOR RENEWAL OF PREMISE PERMIT FOR LAWFUL GAMBLING ACTIVITY APPROVED

The National Multiple Sclerosis Society, Minnesota Chapter submitted an application for renewal of their Premise Permit for Lawful Gambling activity for the period January 1, 2008 through December 31, 2009, to be conducted at Cole's, 206 Tenth Street - Suite 1, Worthington, Minnesota.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to approve the renewal of Premise Permit for Lawful Gambling for the National Multiple Sclerosis Society, Minnesota Chapter and adopted the following resolution:

RESOLUTION

REGARDING GAMBLING PERMIT

RESOLVED, the City of Worthington agrees to approve the gambling permit for the National Multiple Sclerosis Society , Minnesota Chapter, to conduct lawful gambling at Cole's, 206 Tenth Street - Unit 1, Worthington, Minnesota, for the premise permit period of January 1, 2008 to December 31, 2009.

Council members Woll and Kuhle moved the adoption of the foregoing resolution at the regular September 24, 2007 Council meeting and the same was adopted upon unanimously yea vote of all members present.

APPLICATION FOR ON-SALE BEER LICENSE APPROVED

Francisco Resendiz, Tacos Lupe, had submitted an application for On-Sale 3.2 Beer License for his business at 415 Ninth Street. Mr. Resendiz was present at the meeting and noted he had previously operated a mobile taco unit and was glad to find a more permanent location for his business.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the On-Sale Beer License for Tacos Lupe, Francisco Resendiz, 415 Ninth Street for the period September 25 through December 31, 2007.

EXEMPTION FROM TRUTH IN TAXATION PUBLIC HEARING AND PUBLICATION REQUIREMENTS UTILIZED

Minnesota Statute 275.065 provides that cities that certify their levy at a rate of less than 4.2853 percent over the previous year's final levy are exempt from the requirement to hold a Truth in Taxation Hearing. Not having the hearing would result in a savings of approximately \$1,800 for the City. The City Administrator and the Finance Director were recommending that Council take advantage of the exemption as the proposed levy represents a 3.8% increase over the previous year. Alderman Woll stated he would be opposed to not having a Truth in Taxation hearing as everyone deserves to have their concerns heard. Mayor Oberloh agreed but stated that past hearings have been very poorly attended by the public. Several options were discussed as an alternative to the hearing.

The motion was made by Alderman Petrich, seconded by Alderman Ten Haken and unanimously carried to cancel the Truth in Taxation hearing based on the allowed exemption.

DECEMBER 24, 2007 COUNCIL MEETING CANCELED

The second regular City Council meeting in December will fall on the 24th , which is Christmas Eve. Based on conflicts with schedules, and the decision to not hold a Truth in Taxation hearing, the motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried

to cancel the December 24, 2007 regular City Council meeting.

OPTIONS DISCUSSED FOR RENEWAL OF PROSECUTION CONTRACT WITH NOBLES COUNTY ATTORNEY

Gordon Moore, Nobles County Attorney, had requested time to speak to Council regarding renewal options for the City's contract with his office for prosecutions. The current contract for services expires in June of 2009, but carries a one year out provision, which would be June of 2008. Mr. Moore noted he has lost one of the attorney's in his office and is trying to fill the position. The City currently funds approximately 25% of the County Attorney's budget for prosecutions. They have seen a 75% increase in the city's (within the city's jurisdiction) prosecution caseload since 1998, which is about 35% to 40% of their caseload. They have also recently received an unfunded mandate from the district court that requires them to prepare transcripts of any taped statement, video or audio, that is being introduced into trial. Proposals based on two different staffing scenarios were presented for Council consideration. Mr. Moore indicated he would like to see direction from Council be early 2008.

CITY ADMINISTRATOR AND SUPERINTENDENT OF PUBLIC WORKS AUTHORIZED TO EXECUTE FIRE ESCROW AFFIDAVIT

In 2001, the City adopted a resolution authorizing creation of an escrow or trust account for the purpose of receiving a withheld amount from fire/explosion insurance settlement proceeds as to real property located within the municipality, as provided by Minnesota State Statute 65A.50. The City is required, upon notification from the insurer, to deliver an affidavit notifying the insured, the insurer and any other mortgage or lien holder named in the notice its intention to execute its authority as provided by State Statute.

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to authorize the City Administrator and the Superintendent of Public Works to execute fire escrow affidavits.

COUNCIL APPOINTMENTS TO COMMITTEE TO ESTABLISH SIDEWALK POLICY WITHIN THE CITY

Jim Laffrenzen, Superintendent of Public Works, was requesting the designation of two Council members to a committee that would establish a sidewalk policy within the city. The City Engineer and Superintendent of Public Works would also serve on the committee. Mr. Laffrenzen noted he gets several inquiries each year as to why there are sidewalks in some places and not in others. There would be two aspects to consider, dealing with the current gaps and consistency within new developments. Alderman Kuhle stated that when dealing with the gaps there should be public input into the policy.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to appoint Aldermen Woll and Kuhle to the Sidewalk Committee.

SUPPLEMENTAL AGREEMENT NO. 1 TO KNOLLWOOD DRIVE SANITARY SEWER EXTENSION PROJECT APPROVED

Full removal of the full roadbed and inslopes was required for installation of the sanitary sewer in Knollwood Drive from Summit Avenue to Woodland Court. As the existing topsoil along Knollwood Drive was found to be so minimal that its separation from underlying soils was generally not feasible, and in order to provide minimal depth of topsoil for reestablishing turf, it was necessary to have the contractor truck in material from another source. The supplemental agreement provides a payment of \$20 per cubic yard for 110 cubic yards of topsoil to be supplied and placed as needed along Knollwood Drive, and increases the total estimated contract value 1.4%.

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to authorize the Mayor to execute Supplemental Agreement No. 1 to the Knollwood Drive Sanitary Sewer Extension Project.

PROPOSAL FOR PROFESSIONAL SERVICES FOR DEVELOPMENT OF STORM WATER MASTER PLAN FOR NEW GROWTH AREAS APPROVED

A proposal was received from SEH for the development of a storm water plan for new growth areas at a not to exceed fee of \$30,820, which is within the total amount budgeted for the project. The plan does not provide the preliminary design needed to specify the exact configuration and location of retention basins and trunk lines but does identify the infrastructure needs that must be considered in proceeding toward land development. It also does not address the County Ditch 12 corridor issues which are to be addressed in Phase II work to be completed by Barr Engineering. Areas included are the properties along County Road 5, the remaining portions of the TH 59 west area, and the Gateway district, and including modifications to the Glenwood Heights area plan to include current permitting requirements and an alternate means to provide flood control. Council expressed their concern that the problems with the Tenth Street project have not been corrected, and are we overlooking the Tenth Street folks. Mr. Haffield this portion of planning was done for the Tenth and Eighth area, but they met with a representative from Barr last week and they are working on getting the modeling straightened out for County Ditch 12.

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried to approve the proposal for professional services from SEH for development of a Storm Water Master Plan for New Growth Areas at a not to exceed fee of \$30,820.

AUTHORIZATION GIVEN TO PROCEED WITH LOAN FORECLOSURE

Brad Chapulis, Director of Comm/Economic Development, informed Council that in December 2005, Sylvia Lais entered into a loan agreement with the City of Worthington (through the City's 2004 Small Cities Grant Program) for demolition of the dilapidated single family dwelling that existed on her property at 1518 Second Avenue. A condition of the \$9,950 forgivable loan required Mrs. Lais to construct a new home within 18 months and occupy the premise through the term of the loan, which is December 5, 2010. To date, no construction has occurred on the property, and the administrator of the Small Cities program has recommended the City proceed with foreclosure as it has not been able to resolve the matter. Attempts to contact Mrs. Lais and her son have been unsuccessful. In response to a question from Alderman Ten Haken, Mr. Chapulis placed the value of the vacant lot, which would be our collateral if Mrs. Lais does nothing, at somewhere between \$7,000 or \$8,000. Alderman Kuhle also noted there would be legal fees, which, according to Mr. Chapulis, could be attached to the foreclosure.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to authorize proceeding with loan foreclosure on the property located at 1518 Second Avenue.

MEMORANDUM OF UNDERSTANDING - BEDFORD TECHNOLOGY, LLC

A proposed memorandum of understanding (MOU) from Bedford Technology, LLC was presented to Council which described the transactions required to assure the company's expansion in Worthington. Included in the MOU were the following:

- Land - Bedford will purchase the northwesterly 20 acres of real estate the City has acquired in the NE quarter of Section 14, Worthington Township. The purchase shall take place no later than March 30, 2008. The purchase price shall be \$200,000 (\$10,000 an acre). The purchase will be financed through the City's forgivable loan program established for purchasing Industrial Park property. Bedford will be responsible for the legal expenses related to this transaction. The City will work with Bedford to obtain permission to take soil borings and commence site survey(s) prior to November 1, 2007.
- Infrastructure Improvements - The subject property is currently located outside the corporate limits of Worthington and does not have infrastructure to facilitate urban development. The City has begun to develop a master plan for the property the City is acquiring including the portion Bedford intends to purchase. The master plan will identify the infrastructure needs (street, sewer, water, storm water, etc.) and estimated costs. The City will work with Bedford to determine the method of finance for the infrastructure (TIF or assessment). Should the improvements be financed by levying assessment, Bedford will be responsible for the assessment levied on the property it acquires. The proceedings for approval and financing of necessary public improvements will be initiated and the project development efforts will be scheduled to the extent allowable and feasible to provide sanitary sewer and water service to the property Bedford intends to acquire by October 1, 2008. Such approval and project development processes will be intended to provide street improvements in 2009.

- **JOBZ Designation** - The State of Minnesota has established an economic program named Job Opportunity Building Zones (JOBZ) to spur economic growth in greater Minnesota. JOBZ offers several tax exemptions to qualified businesses. The City of Worthington is of the opinion that Bedford Technology's project would qualify the business for JOBZ benefits and shall be committed to working with the company to assure it receives JOBZ designation if it decides to pursue such designation.
- **Revolving Loan Fund** - The City has a Revolving Loan Fund (RLF) intended to provide financial assistance for existing industrial and manufacturing expansion or relocation projects. Should Bedford and its proposed expansion meet the eligibility criteria of the RLF program, the City will be receptive to considering an RLF application.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to authorize the Mayor to execute the Memorandum of Understanding.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - met with several Senators at the Worthington fire hall, who were there on a capital project request tour. Met with the City Administrator and the Director of Public Safety and a couple of others involved regarding the recent noise issue in Chautauqua Park, suggested that Council meet to discuss some issues. He invited Senator Torres Ray, who had written a negative editorial about Worthington over the noise issue earlier mentioned, to visit the community again.

Alderman Ten Haken - Attended the Area Transportation Partnership meeting in St. James, the small increase in federal funds for the partnership is getting chewed up quickly. He had reviewed a list of trails and bikeways projects to be paid for by the federal government to 2011, and there was not one project in our area.

Alderman Woll - Chamber, Convention and Visitors Bureau meeting, showed good hotel receipts. Also attended an event center meeting - things are moving along there and the group is meeting about every two weeks. Noted that the bull riding event was very successful. The Hospital Board had met and discussed some long term issues - the radiation oncology numbers were strong.

Alderman Wood - Golf Advisory Board meeting, the Friends are working and helping with improvements. The Capital Investment Committee from the House is scheduled to be here sometime mid to late October. Council consensus was that we needed to prepare for that visit by creating a fact sheet, and directed the City Administrator to put that on his to do list.

Alderman Kuhle - Met with WREDC representatives and discussed how to better market the airport for economic development - it was a good first discussion.

Alderman Petrich - Just wants to amplify the visit with the Senators at the fire hall. Added that when Senator Langseth asked what the City is willing to put in they told him matching funds, which surprised and pleased the group of Senators.

CITY ADMINISTRATOR REPORT

Mr. Parker had nothing to report.

BILLS PAYABLE

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried that bill payable and totaling \$506,469.52 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried to adjourn the meeting at 9:02 p.m.

Janice Oberloh
City Clerk