

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, SEPTEMBER 24, 2012**

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, Scott Nelson, Ron Wood, Mike Woll. Council Members absent: Lyle Ten Haken (excused).

Staff present: Brian Kolander, Finance Director; Brad Chapulis, Director of Community/Economic Development; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk.

Others present: Jorge Lopez; Rod Sankey; Carolyn Drude, Rebecca Kurtz; Lisa Graphenteen; Ali Joens; Kayla Strayer, Daily Globe.

The Pledge of Allegiance was recited.

AGENDA APPROVED WITH CHANGE

The City Clerk noted that the Public Works Items F.1 *Authorize Removal of Parking Signs*, F.2. *Accept Quote for Surplus Building* and F.3. *Approve Memorandum of Understanding* should have been listed on the consent agenda as noted on the Public Works case item page.

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

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting September 10, 2012 and Special Meeting September 18, 2012
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting September 17, 2012; Worthington Economic Development Authority Minutes of September 10, 2012; Worthington Regional Economic Development Corporation Board of Directors Minutes of July 19, 2012; Planning Commission/Board of Appeals Minutes of September 4, 2012
- Municipal Liquor Store Income Statement for the Period January 1, 2012 through August 31, 2012
- Application for Exemption from Lawful Gambling Permit for St. Mary's Church to conduct raffles on December 9, 2012 at St. Mary's Catholic School, 1206 Eighth Avenue
- Approved a proposal from Turbes Drealan Kvilhaug Hoefker & Co., PA for year-end audit services at a cost not to exceed \$20,200, excluding word processing of the report
- Authorized removal of parking signs on Third Avenue that restricted parking across from the recently vacated fire hall main entrance
- Accepted a quote of \$400 from Worthington Excavating for the sale of a building located at

the corner of First Avenue and Tenth Street and owned by the City, which had been declared as surplus

- Approved a Memorandum of Understanding authorizing the Federal Aviation Administration to inspect the Medium Approach Light System with Runway Light System
- Bills payable and totaling \$739,262.92 be ordered paid

RESOLUTION NO. 3505 ADOPTED AUTHORIZING THE SALE OF \$2,590,000 GENERAL OBLIGATION BONDS, SERIES 2012A

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adopt the following Resolution:

RESOLUTION NO. 3505

RESOLUTION PROVIDING FOR THE SALE OF \$2,590,000 GENERAL OBLIGATION PERMANENT IMPROVEMENT REVOLVING FUND AND REFUNDING BONDS, SERIES 2012A

(Refer to Resolution File for complete copy of Resolution)

The bonds are for 2012 construction project cost reimbursement (\$300,000) and for Current Refunding G.O. Permanent Improvement Revolving Fund Bond, Series 2004A and Crossover Refunding G.O. Permanent Improvement Revolving Fund Bond, Series 2007A. Net savings after costs for the 2004A Bond will be approximately \$70,993, and net savings after costs for the 2007A Bond will be approximately \$82,773.

RESOLUTION NO. 3506 ADOPTED AUTHORIZING THE SALE OF \$2,700,000 GENERAL OBLIGATION TAX REVENUE BONDS, SERIES 2012B

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adopt the following Resolution:

RESOLUTION NO. 3506

RESOLUTION PROVIDING FOR THE SALE OF \$2,700,000 TAXABLE GENERAL OBLIGATION SALES TAX REVENUE BONDS, SERIES 2012B

(Refer to Resolution File for complete copy of Resolution)

The bonds are for the construction of the Event Center. The City would contribute approximately \$1,000,000 of past sales tax collections to buy down the bond to \$2.7M, and they would be paid off

using future sales tax collections.

RESOLUTION ADOPTED CALLING FOR HEARING ON ADOPTION OF A CAPITAL IMPROVEMENT PLAN AND INTENT TO ISSUE BONDS FOR THE FINANCING OF A FIRE HALL FOR THE CITY

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Worthington, Minnesota, was duly called and held at the City Hall in the City of Worthington, Minnesota, on Monday, the 24th day of September, 2012, at 7:00 p.m. for the purpose, in part, of calling a public hearing on the intent to issue General Obligation Capital Improvement Plan Bonds and the proposal to adopt a Capital Improvement Plan therefor which would include the financing of a fire hall for the City.

The following members were present: Kuhle, Nelson, Wood, Woll
and the following were absent: Ten Haken (excused)

Member Nelson introduced the following resolution and moved its adoption:

RESOLUTION CALLING A PUBLIC HEARING ON THE INTENT
TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT
PLAN BONDS AND THE PROPOSAL TO ADOPT A CAPITAL
IMPROVEMENT PLAN THEREFOR WHICH WILL INCLUDE THE
FINANCING OF A FIRE HALL FOR THE CITY.

WHEREAS, pursuant to Minnesota Statutes, Section 475.521, the City of Worthington, Minnesota (the "City") may issue bonds to finance expenditures under its CIP (th "Plan") without an election provided that, among other things, prior to issuing the bonds, the City adopts the Plan after a public hearing thereon and publishes a notice of its intent to issue the Bonds and the date and time of a hearing to obtain public comment on the matter; and

WHEREAS, the City Council will hold a public hearing on its intent to issue general obligation Capital Improvement Plan Bonds (the "Bonds") and to adopt the Plan therefore pursuant thereto on October 22,2012; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Worthington, Minnesota, that the City Council hereby calls for a public hearing on its intent to issue the Bonds and to adopt the Plan therefor, such hearing to be held on October 22,2012, at 7:00 p.m. The City Council is hereby directed to cause the notice of hearing to be published at least 14 but not more than 28 days before the hearing in the official newspaper of the City or a newspaper of general circulation in the City. Additionally, the notice may be posted on the official Website, if any, of the City.

The motion for the adoption of the foregoing resolution was duly seconded by member Woll and, after full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

Kuhle, Nelson, Wood, Woll

and the following voted against the same:
None

whereupon said resolution was declared duly passed and adopted.

AMENDMENT TO LEASE WITH BIOVERSE, INCORPORATED APPROVED

The lease with Bioverse, Incorporated initially included bays two and three of the Biotechnology Advancement Center, however, with the realization that storage of materials over 12 feet in height would require a specialized fire sprinkler design at a significant cost, Bioverse was requesting that bay one be included in the lease agreement. The additional bay would allow them to keep their product below building code requirements for 12 feet, and would be under the same terms as bays two and three.

The motion was made by Council Member Kuhle, seconded by Council Member Woll and unanimously carried to approve the amendment to the lease with Bioverse, Incorporated.

REQUEST FROM WORTHINGTON REGIONAL ECONOMIC DEVELOPMENT CORPORATION (WREDC) FOR FINANCIAL CONTRIBUTION FOR PROFESSIONAL SERVICES APPROVED

Glenn Thuringer, WREDC, was requesting City participation of \$5,000 for professional services to develop a housing project at MN West Community and Technical College, along with participation from the College, County, Public Utilities and WREDC. The estimated cost of the proposal is \$10,000.

Following discussion, the motion was made by Council Member Nelson and seconded by Council Member Woll to approve the request. Mayor Oberloh suggested that if the estimated cost was \$10,000 and there were five entities specified the participation level should only be \$2,000 and it could come out of the Economic Development levy funds.

Council Member Nelson amended his motion to approve the request but at a participation level of \$2,000, with the funds to be taken out of the Economic Development levy. Council Member Woll seconded the amended motion, and with Alderman Wood abstaining from the vote as a state employee, the motion was unanimously carried by the remaining Council Members.

ORDINANCE NO. 1059 ADOPTED REGARDING USE OF ATHLETIC FIELDS AND ATHLETIC COURTS

Pursuant to published notice, this was the time and date set for the third reading of a proposed

ordinance amending Chapter 93, Section 93.15 (K) of the City Code of the City of Worthington, Nobles County, Minnesota by adding section K6 as follows, and renumbering the existing language:

- (6) *Upon written application and on a case-by-case basis, the Park Board may temporarily lessen the restrictions set forth in Subsections (1) through (5) above and may place other restrictions or make other requirements as to such temporary uses*

The motion was made by Council Member Woll, seconded by Council Member Wood and unanimously carried to give a third reading to, and subsequently adopt the following ordinance:

ORDINANCE NO. 1059

AN ORDINANCE TO AMEND CHAPTER 93, SECTION 93.15 (K) PERTAINING TO RESTRICTIONS UPON THE USE OF ATHLETIC FIELDS AND ATHLETIC COURTS

(Refer to Ordinance File for complete copy of Ordinance)

REQUEST GRANTED FOR PRIVATE USE OF PUBLIC PROPERTY AT AREA WEST OF SUNSET PARK

In March of 2012, staff was directed to work with Mark Thier regarding his request to use parking areas at Slater Park and near Olson Park for two weeks as staging areas for his business of removing and installing boat lifts on the lake.

Mr. Thier was again requesting the ability to use public property for his business, however, he was requesting the ability to store the docks and lifts for the entire winter in the parking lot near Olson Park at the former dredge shed. Mr. Thier is agreeable to furnishing a general liability coverage policy of \$1 million with the City named as additional insured, and to negotiate with the City on a fee. In the interest of not causing a delay, Council Member Wood suggested that Council could provide authorization that would allow temporary storage while the fee and details were worked out.

The motion was made by Council Member Nelson, seconded by Council Member Kuhle and unanimously carried to authorize Mark Thier to store boat docks/lifts in the Sunset Park gravel parking area south of the former dredge shed, with a \$1 million liability insurance policy and City named as additional insured, for thirty days while the details are finalized.

RESOLUTION ADOPTED AUTHORIZING EXECUTION OF STATE FUNDING AGREEMENT FOR APRON A RECONSTRUCTION PROJECT

The motion was made by Council Member Woll, seconded by Council Member Kuhle and

unanimously carried to adopt the following resolution authorizing execution of a state funding agreement for the Apron A reconstruction project, and any other required documents pertaining to the funding:

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. 02028, "Grant Agreement for Airport Improvement Excluding Land Acquisition," for State Project No. A5301-74 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.

**AWARD OF CONTRACT ON TH 59 NORTH INITIAL INFRASTRUCTURE
IMPROVEMENTS PROJECT**

The following bids were received at 2:00 p.m. on Monday, September 24, 2012 for the TH 59 North Initial Infrastructure Improvements Project:

<u>Bidder</u>	<u>Base Bid</u>
Engineer's Estimate	\$3,015,891.00
R L Larson Excavating Inc.	\$2,530,641.35
Duininck Inc.	\$2,632,806.30
R & R Excavating Inc.	\$2,737,990.82 (<i>As read \$2,737,967.82</i>)
The Mathiowetz Construction Co.	\$2,748,492.91
Midwest Contracting LLC	\$2,861,684.50
R and G Construction Company	\$2,930,474.63 (<i>As read \$2,924,474.62</i>)
JB Holland Construction Inc.	\$3,057,556.25
Central Specialties Inc.	\$3,365,005.87 (<i>As read \$3,346,105.87</i>)

Bolton & Menk, Inc., consulting engineers for the project, were recommending award of the bid to R L Larson Excavating, Inc. as the low bidder in the amount of \$2,530,641.35.

The project includes construction of left and right turn lanes on TH 59 at BioScience Drive, realignment and widening of County Ditch 12 (CD 12), new TH 59 culverts at CD 12, installation

of culverts for the future BioScience crossing of CD 12, extension of sewer and water mains on BioScience Drive from TH 59 west through CD12, and construction of storm water retention basins west of CD 12 for flood mitigation for current and future storm water runoff.

The motion was made by Council Member Kuhle, seconded by Council Member Woll and unanimously carried to award the bid for the TH 59 North initial infrastructure Improvements Project to R L Larson Excavating Inc. as the low qualified bid amount of \$2,530,641.35.

COMMUNITY LAND TRUST/WORTHINGTON WORKFORCE HOUSING AMENDMENT APPROVED

Based on discussion had at the June 11, 2012 Council meeting regarding the Southwest Minnesota Housing Partnership's (SMHP) request to develop the remainder of the Morning View development as a Community Land Trust (CLT), representatives of the Housing Partnership were now in front of Council with a specific request and answers to questions raised at the June meeting.

Lisa Graphenteen and Ali Joens of the SMHP presented their request for the following revision/addition to the Programs and Policies for TIF District #7 in Section 4:

- If the lot is placed in a community land trust with a lease tied to the land for no less than a 99 year term, the benefit of the tax increment assistance will be a grant instead of a forgivable loan;

Following discussion, the motion was made by Council Member Wood and seconded by Council Member Woll to approve moving the remaining lots in the Morning View development to a CLT. Brad Chapulis, Director of Community/Economic Development, clarified that this is not a directive that Council needs to make, but rather to amend the Workforce Housing Program to allow CLTs to be considered a grant. This would be within the boundaries of TIF District #7, however a CLT could be placed anywhere in the City and would not need Council approval. The reason for this discussion was because they were requesting City participation.

Following additional discussion, Council Member Wood withdrew his motion.

The motion was made by Council Member Woll, seconded by Council Member Kuhle and unanimously carried that the Workforce Housing Program be amended as presented.

BID ALTERNATES AND VALUE ENGINEERING CONSIDERATIONS FOR EVENT CENTER APPROVED

Council considered a recommendation from Consolidated Construction Co. for a final cost for add alternates one and two as previously bid with bid package number tow, along with several value

engineering options to lower the overall project cost. After evaluating the bids received and the value engineering items, CCC was making the following recommendations:

Alternate #1 - Wedding Park — \$123,437.300

Alternate #2 - Dumpster Enclosure — \$40,907.00 (City 50% of cost pending ve approval)

Value Engineering Items

Wedding Park

#1 Provide Segmented Cedar Pergola and Trellis in Lieu of Curved	\$-9,000.00
#2 Delete Aluminum Fence	\$-3,000.00
#3 Delete Covered Posts at Pergola and Provide Cedar Post	\$-3,500.00

Dumpster Enclosure

Provide Thickened Edge Slab in Lieu of 4" Foundation	\$-5,800.00
#5 Provide Block Wall, Screened with Cedar Fence in Lieu of EIFS	\$-2,896.00

Main Building

#6 Provide American Olean Natural Shadow Grey Quarry Tile	\$-3,605.00
#7 Delete Flash & Fault Current Study	\$-4,310.00
#9 Provide Fiber Mesh in Lieu of WWF for Building SOG	\$-4,740.00
Subtotal	\$-36,851.00

Provide Sensor Operation for F1-F7 Fixtures \$ 6,170.00

Grand Total Savings to Total Project \$-30,681.00

Brad Chapulis, Director of Community/Economic Development, noted that Alternate #2 was included in the budget.

The motion was made by Council Member Woll, seconded by Council Member Wood and unanimously carried to move forward with the two alternates and the value engineering items as presented.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - nothing to report but based on comment from Council Member Wood, asked for interest in changing quorum number from four back to three as it used to be. The Clerk will check on the process and report back to Council.

Council Member Kuhle - nothing to report.

Council Member Nelson - attended a CVB meeting today, they talked about city signage - they would like to partner with the City, hoping the City would budget up to \$20,000. Council Members

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Kuhle, Nelson, and Craig Clark, City Administrator, will investigate.
Council Member Wood - nothing to report.
Council Member Woll - nothing to report.

ADJOURNMENT

The motion was made by Council Member Wood, seconded by Council Member Woll and unanimously carried to adjourn the meeting at 8:35 p.m.

Janice Oberloh, MCMC
City Clerk