

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, SEPTEMBER 28, 2015**

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. Honorary Council Member: Amy Ernst.

Staff present: Steve Robinson, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Tammy Mackram, Memorial Auditorium Manager; Janice Oberloh, City Clerk.

Others present: Sheila Smith, Minnesota Citizens for the Arts; Justin Holzapfel, Nobles County Speedway; Eric Parrish; Rick Goodeman, SWMnHP; Justine Wettschreck, KWOA; Kristin Kirtz, Daily Globe.

The Pledge of Allegiance was recited.

**HONORARY COUNCIL MEMBER**

Mayor Kuhle welcomed Amy Ernst as the Honorary Council Member for the months of September, October and November, 2015.

**AGENDA CLOSED/APPROVED - CHANGE IN ORDER**

Staff requested that Administrative Item E.3 *Application for On-Sale Beer License, Nobles County Speedway* be taken out of order to accommodate the applicant in attendance.

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to close/approve the agenda with the requested change in order.

**CONSENT AGENDA APPROVED**

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

- City Council Minutes of Regular Meeting September 14, 2015
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting September 8, 2015; Worthington Economic Development Authority Minutes of September 14, 2015; Center for Active Living Committee Minutes of September 14, 2015; Heron Lake Watershed District Minutes of July 21 2015
- Municipal Liquor Income Statement - January 1, 2015 through August 31, 2015
- Bills Payable and totaling \$936,410.93 be ordered paid

**APPLICATION FOR ON-SALE BEER LICENSE APPROVED - NOBLES COUNTY SPEEDWAY, LLC**

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to approve a new on-sale beer license from Nobles County Speedway, Justin Holzapfel - license period October 1 - 31, 2015 due to end of the season.

### **PRESENTATION - MINNESOTA CITIZENS FOR THE ARTS**

Sheila Smith, Executive Director for the Minnesota Citizens for the Arts, provided a power point presentation regarding the economic impact of the arts in our region and the state. The presentation noted the following:

- 117,937 attendees served annually in our region
- \$7.3 million impact to our region
- 208 full-time jobs supported
- 48% of the attendees have an annual income of less than \$60,000
- 27% of the attendees are non-local - the highest in the state

Ms. Smith, along with Eric Parrish, spoke of the grants that are available and of grant awards in our area.

Council thanked Ms. Smith for her information.

### **PREPARATION OF MALL DEVELOPMENT AGREEMENT AUTHORIZED**

Staff was requesting Council authorization to have Dorsey and Whitney, the City's bond counsel, to prepare two development agreements for the mall redevelopment project based on two options. Option one is to provide a general obligation bond for an amount supported by tax increments of the proposed development. All of the project information that has been requested would need to be submitted prior to any consideration of the TIF bond, and this option would also mean the City would be obligated to repayment of the bond regardless of the speed or completion of the project.

Option two would be to provide a pay-as-you-go TIF for approximately \$10M or 20 years, whichever occurs first. This type of funding would be based solely on the developer's progress and is not paid out until the taxes have been collected on the buildings that have been constructed - the City assumes little or no risk. Eligible components include site clearing, site development, and demolition of buildings, demolition of the parking lot.

Honorary Council Member Amy Ernst questioned why there was a difference between the square footage of the project site plan supplied by the developer and the square footage determined by the City and the County Assessor. Steve Robinson, City Administrator, responded that they have not yet received a response to that question from the developer.

Council will be asked to choose one of the development agreements at a later date.

The motion was made by Council Member Harmon, seconded by Council Member Sankey and unanimously carried to authorize the City's bond counsel to prepare two versions of a development agreement for the mall project.

**NOMINATING COMMITTEE RECOMMENDATION FOR COMMITTEE RE-APPOINTMENT APPROVED**

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to approve the Nominating Committee's recommendation for the following committee reappointment as presented:

Memorial Auditorium Advisory Board - Reappoint Steve Woitalewicz to a three-year term, term to expire July 31, 2018

**RESOLUTION ADOPTED AUTHORIZING EXECUTION OF MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION**

At their September 14, 2015 meeting, Council authorized execution of a grant agreement for the Taxiway C project, although the FAA had not been able to offer/provide the grant agreement at that time. Authorization to execute was required prior to receipt of the grant offer because a grant agreement would need to be executed immediately if received. The grant offer was received and executed on September 17<sup>th</sup> and returned to the FAA. MnDOT has now provided the grant agreement between the City and MnDOT, which establishes that MnDOT will disburse the federal funds to the City and provide additional funding for 5% of project costs. Estimated project and budget funding is as follows:

	<u>Current Estimate</u>	<u>2015 Budget</u>
Total Project Cost:	\$1,112,536	\$1,320,843
Total FAA Share (90%):	\$1,001,282	\$1,188,759
Total State Share(5%):	\$55,627	-
Total Local Share (5%):	\$55,627	\$132,084

In response to a question from Council regarding the difference between the current estimate for local share and the 2015 budget amount for local share, Mr. Haffield said the budget included the total 10% of the project amount that is due for local share as we weren't certain of getting the state contribution (5%) of the local share, and the project estimates were coming in better than budgeted for.

The motion was made by Council Member Sankey, seconded by Council Member Nelson and unanimously carried to adopt the following resolution authorizing execution of the MnDOT grant agreement:

#### 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. 1001636, "Grant Agreement for Airport Improvement Excluding Land Acquisition," for State Project No. A5301-79 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.

#### **PLANS APPROVED FOR BIOSCIENCE DRIVE STREET AND STORM SEWER EXTENSIONS WITH AUTHORIZATION TO ADVERTISE FOR BIDS**

At their August 24, 2015 meeting, Council approved a financing plan and authorized the professional services required for the extension of BioScience Drive from TH 59 through County Ditch 12. Dwayne Haffield, Director of Engineering, said the financing plan established that the street extension and related storm sewer improvement would temporarily be funded from the hospital sale proceeds set aside for economic development. The funds would be replenished from the sale of the two properties abutting the initial street extension and the property abutting 27<sup>th</sup> Street at TH 59. The sanitary sewer will come in next year and will be an assessable project.

Bolton and Menk has completed the plans for the street and storm sewer extensions. Current estimated project cost, including engineering and contingencies for these improvements, is just under the \$660,000 presented to Council for approval of the street and storm sewer financing plan. The street extension pavement will be concrete and will include a left turn lane at TH 59. The plans also include a filtration basin to be constructed north of BioScience Drive in the lowest area adjacent to TH 59. Mr. Haffield said it is anticipated that storm sewer work will be completed this year, subject to weather, and the pavement work will commence next year.

The motion was made by Council Member Sankey, seconded by Council Member Nelson and unanimously carried to approve the plans for the BioScience Drive Street and Storm Sewer Extensions project, and authorize advertising for bids to be received on October 23, 2015 and considered at the October 26<sup>th</sup> Council meeting.

## **COUNCIL COMMITTEE REPORTS**

Mayor Kuhle - Nothing to report.

Council Member Nelson - Attended a Park Board meeting - a local business wants to install a marina on the lake with six boat lifts to start with - all private funding - it will come to Council eventually. There was \$10,000 in the 2015 budget for 50 amp circuitry upgrades to Olson Park campsites - they did not all get completed. An additional \$12,000 was added to the 2016 budget which will upgrade 15 more sites to 50 amp. They discussed upgrades to the Beach Nook - Council may want to schedule a special meeting this winter to talk about a few of these things. The HRA project is pretty much done, with 31 or 32 units rented - still 16 or 17 available. There has been one small change order, \$3500, regarding runoff to the pond. Some siding issues, and they had a change order for water softeners, there has been some requests for them so they have a contract and will slowly be installing them over the next few months. Their next meeting is October 13th.

Council Member Graber - Memorial Auditorium Advisory Board - there will be a public discussion regarding the \$3M in funding that the Southwest Housing received for art development. Changes in membership - chair person Matt Oleske resigned from the Board, we'll need to look for someone to replace him- reminder to go to "Groucho" tomorrow night. Tammy was elected to the Minnesota Directors of Theaters Board - quite an honor. The Advisory Board is looking at a possible \$5,000 grant for sound and lighting. Growth in partnerships is affecting the use of the auditorium, it's growing. Chamber of Commerce retreat is November 10<sup>th</sup> and CVB meeting is tomorrow.

Council Member Janssen - No meeting to report but noted he was leaving for Cuero next week to represent the City at Cuero's Turkeyfest.

Council Member Harmon - Water and Light Commission meeting was cancelled due to lack of activity. Golf Course meeting was the day after. Center for Active living has its activity week this week - it was in the paper. Pickleball is Wednesday, street will be closed, and the theater and barbeque is Saturday.

Council Member Sankey - Missed the Heron Lake Watershed District meeting as he had a conflict. Met September 24<sup>th</sup> with Finn Engineering - a gentleman from CCG was there, they handle financing and other items we have to have. September 28<sup>th</sup> attended a Blandin Foundation meeting- grant applications are due December 1<sup>st</sup> - a possibility that the BAC will be wired. Wi-fi for Olson Park was also discussed, along with other projects. Social Media Breakfast, the next meetings will be October 7<sup>th</sup> through April 6<sup>th</sup>, a cost of \$12 to attend all the monthly meetings - BenLee's, registration at 7:45 a.m.

## **CITY ADMINISTRATOR'S REPORT**

Steve Robinson, City Administrator, reported that September 18<sup>th</sup> he and Brad met with Congressman Walz's Chief of Staff regarding local housing problems and the role that Congress may play - they felt it was a productive meeting. Health insurance renewal rates were received and came in as budgeted. Last week an engineer hired by the City was at the airport to begin an investigation as to why the sprinkler system fell from the ceiling - we'll be seeing a report on that in the coming

weeks. He was there to determine if there was a design or installation problem. Also - reminded Council of the open house tomorrow afternoon at Purnet from 4 to 5:30.

**ADJOURNMENT**

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 8:05 p.m.

Janice Oberloh, MCMC  
City Clerk