

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, OCTOBER 10, 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. Honorary Council Member: Rhina Galvez.

Staff present: Steve Robinson, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk; Kevin Flynn, Police Captain; MyRa Onnen, Community Services Officer.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hillstrom, Daily Globe; Kevin Donavon, Jorge Lopez, Lisa Graphenteen, Chad Cummings, Chris Kielblock, Kevin Donovan, Justin Larson, Du Nguyen, Michael Van Keulen, Lyle Ten Haken, Alan Oberloh, Dan Krueger, Chad Jeffers.

The Pledge of Allegiance was recited.

HONORARY COUNCIL MEMBER

Mayor Kuhle welcomed Rhina Galvez as the Honorary Council Member for the months of October, November and December, 2016.

**PUBLIC HEARINGS AND RESOLUTIONS NO. 3690, 3691, AND 3692 ADOPTED -
ADOPTING SPECIAL ASSESSMENTS AND REASSESSMENTS**

Dwayne Haffield, Director of Engineering, noted that this was the time and date set for public hearings on three separate sets of proposed assessments, and that he would be providing information common to all three prior to holding the hearings. Should Council approve they should adopt as proposed and set the terms for payment. Assessed property owners can appeal to the District Court but must have a written objection already submitted, or that will be submitted tonight, and they must serve a Notice of Intent to Appeal to the City Clerk within 30 days, and then to the District Court within 10 days after that.

The following payment schedule would apply to all of them: if the assessments are adopted tonight it will start a 30-day interest free period for payment of the assessments, ending November 9th to have the assessments not show up on their taxes. If you pay on the 10th or 14th you would pay interest through the 9th. If payment is not received by the 14th, the first installment would be certified to the county. Partial pre-payments are also accepted, with a minimum amount accepted of \$50.

Public Hearing Water Main Improvement No. 106

The motion was made by Council Member Janssen and seconded by Council Member Graber to open the hearing.

Mr. Haffield said the proposed assessment roll before Council tonight for Water Main Improvement No. 106 was an amended roll with assessments redistributed due to there being additional condominiums/owners from the time the hearing was called to now. It doesn't change the rate or the City's share, it just changes how the assessments were distributed. While the project costs came out lower than expected the rates came out higher. Mr. Haffield provided information on the rate calculation. Assessments are approximately 29% of the project, and the Trunk Fund put in about 22% (trunk costs), with the remainder as City share (lateral costs).

The recommended terms for the proposed assessments were:

Water Main Improvement 106

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

3.0%¹ ; 15 years

Mayor Kuhle asked if there was anyone present who wished to present testimony.

Lyle Ten Haken - would there be additional assessments once water actually gets to each building?

Mr. Haffield - replied there would not be additional assessments but there would be additional expenses for making the tap and those kinds of things.

Mr. Ten Haken - is it common practice to have water main, water main assessments and such without sewer being present.

Mr. Haffield - it has happened, and the reverse has happened. We've extended sewer through places that have no water, and vice-versa, we have had water in places without sewer. This was initiated because of a well problem, petitioned as a sole water project.

Mr. Ten Haken - then what does the City allow us to do, if we get water on the project then we're going to have to do something with the wastewater. What is the City allowing us to do - is there a septic system allowed?

Mr. Haffield - on site systems are allowed.. We default to regulation of those to the County since they deal with them all the time, but on site systems are allowed. Fox Farm is still that way - they have water but no sanitary. One of the issues of serving this district with sewer, even though we have it somewhere nearby (refers to map), when you look at the City's Master Plan, this is a brand new district that starts all the way up by the corner of East Oxford and Polar Road. They stretched that district to include this, but there's a point where those pipes will no longer be deep enough - the system down stream was never intended to have that many users on it. So one of the issues to get

sewer to serve this district that's intended long term is that we start way back up there. That was one of the things discussed with the owner at the beginning - how difficult it is to get that system.

Mr. Ten Haken - With the long range plan - what would you see the time frame being for sewer? Obviously we don't want to invest in a septic system and find out two years later that we'll be assessed for sewer.

Mr. Haffield - We've recently just discussed that issue - how likely is it to get that sewer district started, because the first land that we would serve is tied up with people that are not interested in having it developed. Given no development, there really is no schedule for that. No projection for that unless development really started to happen in this area. A lot of it is in the hands of the people who own the land as to whether they want to push for that district or not.

Mr. Ten Haken - you can understand our plight? We're paying for water that 's available to the site but there's no place to put the water once it gets used on the project, so therefore the reason to tap on to water is probably not going to be there unless we spend more money on a septic system for the property, and a joint septic system at best.

Mr. Haffield - we went through this with the neighbors to the east and they elected to go on site because we could not give them any kind of a time frame as to when that would happen. So we're in that awkward position of having sewer nearby, but it's sewer that shouldn't be serving the property it already has, so where do we stop just extending that. The other point is that we can't just keep overloading this lift station. Our position is that we really need to hold firm on that district and develop from the north.

In response to a question from Mayor Kuhle on whether the City could sign an agreement with the property owners that they would not be required to have sewer installed for 10 or 15 years to give them time to invest, Mr. Haffield said he would want to confer with legal counsel, but said he thought it would generally be advised against because you don't know what's going to unfold and what commitment you would be making for other people in the future. Or for that matter what might change here that says we need more sewer than what we envision at this time. Right now it's storage units, and that's what was approved, but things change and to suddenly be tied down to one vision at one point in time we would advise against it. Legally, he really couldn't answer that. Generally you would see the League of Minnesota Cities recommends that you don't tie yourself down like that. It's been a long time since the Master Plan was done and it's not here yet. The big piece that we had hoped would really start this district has been tied up and there's no indication that we've ever had that those people are interested in seeing it developed. That's the acreage north of where these miscellaneous lots are.

Mr. Ten Haken - you see the dilemma, and we have no assurance of when that next assessment is going to be, we can't use the water that we're being assessed for tonight until we get someplace to

put the water - it's a chicken and egg thing. The property owners there are just asking the question, how do you address this thing.

Mayor Kuhle asked Mr. Haffield how this was addressed with the original owners who came in and requested the water extension.

Mr. Haffield - identified a piece of property that was a key trigger, and another became a supporter later, and yet another that was supportive but not on the petition because they had an on site system and a well. It's not so rare that water is considered more than an on site system, because if a well doesn't work it doesn't work.

Mr. Ten Haken - there is a well on site as you well know. So rather than assessing any term, obviously we've got the assessment that we're dealing with tonight, but for City water to come in to the property, we may consider just firing up that existing well because we're not going to be heavy water users by any stretch of the imagination - a toilet maybe, and maybe washing a few cars or something like that. It's never been envisioned to be much of a water/sewer user. Is there any difficulty with us firing up that well and just using that well?

Mr. Haffield - the City does not require you to utilize water that's available to the property. If sewer extends, then it does, that is different because of the health issues. We do not have an ordinance that states you have to use the municipal water system.

Mr. Ten Haken - so the possibility exists for us to fire up the well?

Mr. Haffield - yes - some wells have lasted quite a while in town until they finally gave up on them.

The motion was made by Council Member Nelson, seconded by Council Member Janssen and unanimously carried to close the hearing.

The motion was made by Council Member Nelson, seconded by Council Member Harmon and unanimously carried to adopt the following resolution adopting the special assessment for water main improvement no. 106, and to set the repayment at 3.0% for 15 years:

RESOLUTION NO. 3690

ADOPTING THE SPECIAL ASSESSMENT FOR WATER MAIN IMPROVEMENT NO. 106

(Refer to Resolution File for complete copy of Resolution)

2016 Miscellaneous Unpaid Charges

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to open the hearing.

Dwayne Haffield, Director of Engineering, noted that the proposed assessment roll presented to Council for this hearing was an amended roll, which reflects that only three owners have paid since the hearing was called when you adopted it. Staff was proposing that payment for this would be a single year installment at 4% interest. The assessments are for snow and ice removal, solid waste removal and noxious weeds removal. Mr. Haffield said there no bills included that were newer than unpaid as of June 30th.

Mayor Kuhle asked if there was anyone present who wished to present testimony. No one came forward.

The motion was made by Council Member Sankey and seconded by Council Member Nelson to close the hearing.

Du Nguyen came forward to speak. Mayor Kuhle acknowledged Mr. Nguyen and said he would allow him to speak.

Mr. Nguyen - he was going to speak regarding snow removal charges from his property for two times. He came here and learned something new, that by the law, or by the rule here in Worthington, should I have been notified before they did some work on my property. The second thing, after I have Ms. MyRa, the one that works for the City, let me know that I have two times snow removal on my property - then I requested a picture and of course there was some story and conversation, but I don't want to waste your time on that. I'll go right in to the story - one is she gave me the picture of the property on the day that she did the snow - what I would like to ask is this the original picture that they give to me or is this one an edited picture that they give to me?

Steve Robinson - did you say edited picture?

Mr. Nguyen - edited picture or original file that they give to me?

Mayor Kuhle asked if Kevin (Flynn) or MyRa (Onnen) wanted to speak.

MyRa Onnen - it was the original picture.

Mr. Nguyen - if this is the original picture when I look at the picture right here, gentlemen you want to look at the date, the day the picture before and after, if you take the picture from the same camera and you print it off from the same device, and I'm talking to Mr. Flynn and he say that's the same camera. The dates were two different size. First of all, if you take the same camera and device you print it out the date have to be the same size - they're two different size. That's number one. Number

two - I pay for my guy to do the mow lawn for me, and a bunch of snow come in - the City dump the snow in December as you know, and I pay for that (inaudible) because I know I cannot do that kind of job with the heavy snow and he did it, I have the receipt from him on the ninth, January 19th in 2016. And this one, the picture here, that she took January 27 of 2016, which is a bunch of snow that is already still there. It's supposed to be not exist in the picture, but it's still there on the picture. So I don't know what did the picture come from. You got my point. The table, I asked the guy to move it a week before. And now she has a picture, this table still stay here. It's supposed to be gone. Why is it still stay here? That's the first picture that I see, right here. And I also have the receipt if you want to see that too. The second one, I want to ask Ms. MyRa, when you take the picture before you're done and after you're done, are you stay there to take the picture before you're done, and when you're done you take a picture again - okay. Normally I know the City of Worthington when they have the snow come in, pouring on that day, then they are going to do snow right away in the morning and afternoon. And that day they had a lot of snow falling in the same day. Then the snow, they got to do snow at 4 o'clock, almost 4:30. So that means on that day they still got snow falling on the whole afternoon. I have the right of 12 hours to deal with snow, especially when I'm working from 10:00 in the morning until 8:00 at night. I also have the picture, that I took the picture on the a mark that I do snow in the night time after work. So this one, the City will do snow right on the, ummm, when she took the picture, the first one, they don't have snow. The second one they have a bunch of snow right there, and so like at 4:25. That's telling me that the snow falling a lot on the same day. And continue to falling. And when it stop the City starts to do snow - at 4:30 p.m. And that is my point right here, so that mean I don't know, how can she calculate in 12 hour of my right to doing snow. Third thing - that when you look at the picture, on the second one when she taking it, you see a lot of snow showing here, somehow after she talking to me, right on the day after, that mean, this day she do it February 17th at 4:30 and I took a picture on the 19th at 8:30 in the morning. Temperature average was about 24 degrees Fahrenheit and the snow is gone. Here's a picture that I took on my cell phone. And I wonder that you gentlemen live here maybe more than me - I'm only 16 - 17 years in town here - and I would say in February the snow will gone that fast. So I also have another picture that I do attach for myself - in the March 1st they have snow and I do the snow that day and I have a picture of that. Three days later I come and take the picture - snow still sitting on - you barely can see the grass. That's three days after, the temperature a little bit higher. Then I don't know, those picture, you can see the edited picture, or where the picture came from. That's all.

Council Member Nelson - does he have the same pictures we have?

Mayor Kuhle - I would assume that he has the same pictures that we have.

Council Member Nelson - and you're talking 4:18

Mr. Nguyen - 4:18 - that's that picture there.

Council Member Nelson - so the time is 4:18 and then the time is 4:25 when the snow is removed.

Council Member Nelson - you were saying 4:30?

Mr. Nguyen - yes, that was the one I was talking about - 4:18 and 4:25.

Council Member Nelson - so she took a picture before they removed the snow and then she took a picture after.

Mr. Nguyen - if you take a picture before you do snow and after, that's why I wondered that - do you stand there and take a picture - because you only have seven minutes to do that. And this is 140 feet long, and you can see a lot of snow.

Council Member Nelson - they're using a snow blower to blow it, right?

Mr. Nguyen - at 140 feet long - you're talking about 140 feet long - (inaudible) snow's removal. How long it take you to walk from here to 140 feet long? And not running. Second thing - the snow will go now after the next day the snow will go to the grass.

Council Member Nelson - but they're using a bobcat skid steer loader with a blower on it right? - One pass and done. Probably takes less than a minute.

Mr. Nguyen - if you say you go bob cat then the snow have to be shoveled on the side of it you dump a lot of snow. And I have the picture of that.

Mayor Kuhle said he appreciated Mr. Nguyen coming tonight and the information he provided. The time line for the snow removal and grass mowing runs from February to September. There is copies of certified letters sent to your home address, not just on the address itself.

Mr. Nguyen - I would like to see the certified that they send me on that day, the day before or any day that they give them.

Mayor Kuhle - we have copies of the certified letter, or letters.

Mr. Nguyen - I never received anything like that on those days that she start to doing that.

Mayor Kuhle - it's a long time frame so, you know, this is what staff does for the City. We have ordinances to keep snow off the sidewalks - safety reasons - with grass mowing and, that's to keep the city looking nice. I can appreciate your time, but the time line is very long here. We have to go by what staff gives us, and if they're certified, if there's copies of certified letters, my first question today when I heard about it is did we just put a tag on the property, which you're not working there in a business, or there is no business there - you're not going to see that in the time frame - so I said are we sending a letter to their home address - so they get it. I wanted to make sure that was done. So beyond that it's really not much that we can do. We've got to make sure that these properties are

kept up. But I appreciate your time.

Mr. Nguyen - I completely understand your point but my point is if you, lets say you (inaudible) the snow that you do the day before that one and I come out with a picture that I take from my cell phone at the end of the day or every day. If I talk without my cell phone through the day that I took a picture for proof that I took the picture then where is all snow gone? The picture I told you, (inaudible) you can take from last, you can take from before you're done and after, and (inaudible) day you can edit it. You see the day on this? It's the same picture from the same camera and the same device and you print it out and it's different size - one is size 12 one says 14. If you don't edit it then how is that?

Council Member Nelson - are you implying that our City staff edits...

Mr. Nguyen - no I didn't mean anything I just come here to...

Council Member Nelson - I know it can be done but I'm sure they don't waste their time with things like that.

Mr. Nguyen - I mean I just see whatever I see here, so I just talk whatever I see here. I didn't make up the story, and I don't blame a City for do anything. Like I said in the beginning I come here to learn, and I see something right here doesn't right. That is all that I can say.

Mayor Kuhle - I appreciate that very much.

Mr. Nguyen - Thank you.

Mayor Kuhle asked if there was anyone else who wanted to speak for or against any of the charges. There were none.

The motion was unanimously carried to close the hearing.

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to adopt the following resolution adopting the special assessment for 2016 miscellaneous unpaid charges:

RESOLUTION NO. 3691

ADOPTING THE SPECIAL ASSESSMENT FOR 2016 MISCELLANEOUS UNPAID CHARGES

(Refer to Resolution File for complete copy of Resolution)

Grand Terrace Reassessments

The motion was made by Council Member Sankey, seconded by Council Member Nelson and unanimously carried to open the hearing.

Dwayne Haffield, Director of Engineering, said the property owners involved here are fully aware of what is going on - that what we're doing is reassessing those assessments that were cancelled due to tax forfeitures. City policy is that we do not reassess those properties until they are developed if they were in an undeveloped stage. The platting of Grand Terrace is enough to say they're developed. The recommended terms for the proposed assessments is as follows:

- Storm Sewer Improvement No. 4
7.2%³ ; 15 years³
- Storm Sewer Improvement No. 7
6.0%³ ; 10 years³
- Water Main Improvement No. 74-09
6.5%³ ; 15 years³

¹ Based on estimated current interest rate on PIR Bonds

² Based on recommended policy for a minimum rate of 4% or current rate for improvement assessments, whichever is greater

³ Based on interest rate and remaining payback period of cancelled assessments

Mayor Kuhle asked if there was anyone present who wished to present testimony. None was received.

The motion was made by Council Member Janssen, seconded by Council Member Sankey and unanimously carried to close the hearing.

The motion was made by Council Member Harmon, seconded by Council Member Janssen and unanimously carried to adopt the following resolution adopting the Grand Terrace Reassessments:

RESOLUTION NO. 3692

ADOPTING THE ASSESSMENTS FOR THE 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)

AGENDA CLOSED / APPROVED

Council Member Sankey moved to have Item F.6. removed from the agenda and postpone it for additional information.

Following discussion, Council Member Sankey rescinded his motion.

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

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting September 23, 2016
- Minutes of Boards and Commissions - Planning Commission / Board of Appeals Minutes of October 4, 2016; Worthington Housing and Redevelopment Authority Minutes of August 23, 2016; Worthington Area Chamber of Commerce Convention and Visitors Bureau Minutes of August 31, 2016; NEON Committee Minutes of September 8, 2016
- Application for Parade Permit / to Block Streets - 2016 Holiday Parade, as presented
- Bills payable and totaling \$981,745.06 be ordered paid

SOUTHWEST MINNESOTA HOUSING PARTNERSHIP PRESENTATION AND REQUEST FOR STUDENT HOUSING CONTRIBUTION APPROVED

Southwest Minnesota Housing Partnership, in collaboration with the Minnesota West Foundation, is one of the organizations that have indicated their intent to submit a proposal to Minnesota West Community and Technical College for on-campus housing. Steve Robinson, City Administrator, noted that previous Council action allocated \$2.0M from the sale of the hospital for Housing Stock Development. Of those funds, \$800,00 in gap funding was invested in Rising Sun Estates for 30 years at 1.5%, and \$300,000 was set aside for the Worthington Rediscovered Program. \$900,000 remains in the Housing Stock Development allocation. Mr. Robinson said that should Council decide that housing stock development includes student housing, terms should be set regarding the following:

- The maximum amount of funds that may be made available,
- Interest rate,
- Term of the loan in years,
- Submission of complete financial pro forma demonstrating the need for gap funding and
- These terms shall apply to all qualified parties that submit proposals to Minnesota West

Lisa Graphenteen of the Southwest Minnesota Housing Partnership was present at the meeting and told Council that Minnesota West Community and Technical College had put out an RFP for respondents - they have a \$500,000 grant that they are able to put towards the project. The SWMHP, along with the Minnesota West Foundation as the potential owner of the project are interested in responding to the RFP. It's very early and they are just putting together numbers. The project will be a 31 unit - 124 bed project that would be located on the campus. Proposals are due November 1st, and preliminary numbers show the amount needed for gap financing is \$900,000, but Ms. Graphenteen said the numbers would change as the project evolves. Discussions with area lenders are preliminary, so the amount requested from the City may change as information is obtained from the lenders. The initial request was for gap funding assistance that will be included in their pro forma, for a \$900,000 loan from the City at 1% for 30 years. The RFP states a decision will be made in early December in terms of who is selected, then final planning can begin. The project would begin in the spring of 2017 and is required to be completed by the fall of 2018. As the project would be located on the Minnesota West Campus, they would offer a lease up to 30 years

Brad Chapulis, Director of Community/Economic Development, said as Ms. Graphenteen had noted, the project is in its preliminary stages and the number of entities participating in the financing have yet to be determined. The request for gap financing is a personal request, but would create a fair and equitable placing, available to all parties upon demonstration of need.

Staff's recommendation on the term of the loan is that it not be greater than the primary loan, that if someone came forward with a 20 year loan our recommendation is that the City's loan would match the primary lender's length of term.

Following discussion, the motion was made by Council Member Sankey and seconded by Council Member Nelson to set the parameters of the financing at an interest rate not to exceed prime, \$900,000, for 30 years.

Council Member Graber asked if it was unusual for one developer to ask for the boundaries for all those who are going to make a bid? Ms Graphenteen said this is not a common project when it comes to building student housing. The request was to see if the City would be interested in participating in gap funding if it is needed by a group that submits a proposal, and what parameters the City would consider. Council Member Harmon said he found it confusing that we're committing \$900,00 to a project that we don't even know who the prime lender is, who the developer is, and

we're setting up \$900,000 that they don't have to borrow from a primary lender, who they should be borrowing the money from in the first place.

Ms. Graphenteen said this is very unique situation in that it's all being structured around this request for proposal that is based on a grant. We do have to indicate who some of the possible parties will be, and they will work to maximize the primary lenders - lenders don't loan money at 100% of the value - it'll probably be in that 70% to 80% of the value range. Council Member Sankey asked how are we setting at this interest rate in competing with the banks? Ms. Graphenteen said you would not be competing with the banks, this is for gap financing. This is to identify that potential gap and the resources that are out there.

The motion was unanimously carried.

RESOLUTION NO. 3693 ADOPTED APPOINTING ELECTION JUDGES FOR THE NOVEMBER 8, 2016 GENERAL ELECTION AND AUTHORIZING THE CITY CLERK TO APPOINT ADDITIONAL ELECTION JUDGES AS MAY BE NECESSARY

State Statute 204B.21 Subd, 2 states that election judges for precincts in a municipality shall be appointed by the governing body of the municipality at least 25 days before the election at which they will serve, which this year is October 14th for the November 8, 2016 General Election. Staff presented the list of election judges to serve for the November 8, 2016 General Election, noting that they had just been advised that one of the judges had passed away, so an adjustment would be made to the list. Also included was a resolution authorizing the City Clerk to appoint additional election judges within the 25 day period prior to the election should the need arise, as allowed by Statute.

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to adopt the following resolution appointing the election judges for the November 8, 2106 General Election and authorizing the Clerk to appoint additional judges as necessary:

RESOLUTION NO. 3693

A RESOLUTION APPOINTING ELECTION JUDGES AND ALTERNATES FOR THE NOVEMBER 8, 2016 GENERAL ELECTION

(Refer to Resolution File for complete copy of Resolution)

LAW ENFORCEMENT CENTER AMENDED LEASE AND OPERATIONS AGREEMENT APPROVED

Steve Robinson, City Administrator, noted the Law Enforcement Joint Powers Committee has

finished review of the current lease between the City of Worthington and Nobles County. The amended lease includes an adjustment to the allocation of space use that provides for increased space use by the City, and clarifies that the Joint Operations Committee shall make recommendations to the City and the County as to the purchase of equipment and other capital expenses and the allocation of expenses between the two parties.

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to approve the Law Enforcement Center Amended Lease Agreement.

WORTHINGTON CABLE TELEVISION PUBLIC ACCESS CHANNELS AMENDED JOINT POWERS AGREEMENT

Due to the decision by Minnesota West Community and Technical College to no longer participate in the Worthington Cable Television Public Access Channels Board, it was necessary to amend the Joint Powers Agreement to reflect that the parties to the agreement consist of the City of Worthington and Independent School District 518. Steve Robinson, City Administrator, noted that the following additional changes were incorporated into the amended agreement:

- Deleting Board of Trustees of the Minnesota State Colleges and Universities from Section I - Parties,
- Deleting the College President (or designee) and two representatives appointed from the College from the Governing Body, Section V. The governing body will now consist of seven members rather than ten,
- The governing board shall make a recommendation regarding the annual contribution from ISD #518,
- In the event of termination of the joint powers, excess funds shall be distributed two-thirds to the City and one-third to ISD #518, and
- Deleting references to "College" throughout the agreement.

The motion was made by Council Member Harmon, seconded by Council Member Janssen and unanimously carried to approve the Amended Worthington Cable Television Public Access Channels Joint Powers Amended Agreement and authorize the Mayor and Clerk to sign the agreement.

RESOLUTION NO. 3694 ADOPTED AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH DEVELOPMENT OF SOCCER FIELDS

Steve Robinson, City Administrator, said the City intends to fund the new soccer fields with an internal loan from the Worthington Regional Hospital Fund. A resolution was presented for Council

approval with proposed terms of the loan as 10 years at 2% and amount not to exceed \$1,200,000. Repayments would be on an annual basis at \$133,591.83 from the Parks and Recreation Fund, and the City would levy taxes for repayment of the loan. Mr. Robinson noted the increase in levy would be offset with the savings of not funding Prairie View Golf Course operations in the future. Council Member Nelson said if the term of the loan was 15 instead of 10, it would actually reduce the levy in future year, potentially. He added he was confused on why we would charge an interest rate from one government entity to our other.

Council Member Nelson moved to set the terms of the loan as 15 years at 0% interest. Council Member Harmon seconded the motion.

Council Member Sankey asked why the 2% was even in there. Mr. Robinson said it was because the funds were currently invested and earning interest.

Following a brief discussion, the following Council Members voted in favor of the motion: Nelson, Janssen, Harmon, Sankey; and the following Council Members voting against the same: Graber. Motion carried.

RESOLUTION NO 3694

RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH DEVELOPMENT OF SOCCER FIELDS

(Refer to Resolution File for complete copy of Resolution)

PRAIRIE VIEW PLANNING COMMITTEE RECOMMENDATION POSTPONED FOR FURTHER INFORMATION

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to postpone this item until further information can be obtained.

RESPONSE TO REQUEST FOR SUPPORT FROM STRONG SCHOOLS COMMITTEE / ISD 518

At their September 26, 2016 meeting, Council received a request that they adopt a resolution of support for ISD 518's facility bond referendum to be on the ballot for the 2016 General Election. Steve Robinson, City Administrator, noted the Council has no authority to adopt such a resolution on behalf of its residents, however, recognizing the importance of a strong education system to a community, Mayor Kuhle read the following statement of support:

"The educational systems in our community help determine the quality of the labor

force and therefore the health of the economy. Graduates of our schools join the workforce and pay taxes that support our parks, streets, infrastructure, police and fire departments. Quality education has an immense social and economic benefit to our city and its residents."

DATE AND TIME SET FOR CITY OF WORTHINGTON BOARD OF CANVASS FOR THE 2016 GENERAL ELECTION RESULTS

The motion was made by Council Member Sankey, seconded by Council Member Graber and unanimously carried to set the time and date to canvass the returns and declare the results of the 2016 General Election as 6:00 p.m. on Monday, November 14, 2016, prior to the regular City Council meeting.

INFORMATIONAL ITEM - NOBLES COUNTY BOARD OF CANVASS

Mayor Kuhle noted there was an informational item for Council in the agenda regarding the Nobles County Board of Canvass for the 2016 General Election.

BID AWARD - NORTH INDUSTRIAL WASTEWATER SANITARY SEWER I-90 CROSSING REPLACEMENT

The following bids were received on Friday, October 7, 2016 for the north industrial wastewater sanitary sewer I-90 crossing project:

<u>Engineer's Estimate</u>	<u>Nomad Pipeline Service</u>	<u>Rice Lake Boring</u>	<u>Larson Crane Service</u>	<u>Minger Construction</u>
\$207,404.00	\$341,000.00	\$398,276.00	\$416,522.00	\$431,445.75

Dwayne Haffield, Director of Engineering, said the low bid from Nomad Pipeline Service in the amount of \$341,000.00 was substantially over the Engineer's estimate. He reminded Council that when they brought the project to Council staff indicated they were concerned that the estimate for two of the major work items may be low. They did come in high, with competitive bidding. Based on the low bid, the total improvement cost, including engineering, contingencies and miscellaneous costs is \$436,250. Mr. Haffield said they would like to award the bid, and was proposing a budget revision that would include the use of reserves from the Industrial Waste Water Fund and funds included in that budget targeted for several miscellaneous improvements and repairs that will not be completed this year.

The motion was made by Council Member Janssen, seconded by Council Member Graber and unanimously carried to approve the budget amendments and award the bid for the Industrial

Wastewater Sanitary Sewer I-90 Crossing Replacements project to Nomad Pipeline Services of Rockville, MN as the low qualified bidder in the amount of \$341,000.

SPECIAL USE PERMIT APPROVED - SOUTH LAKE DEVELOPMENT, LLC

South Lake Development, LLC, was seeking the issuance of a special use permit for property it owns directly southeast of the intersection of Knollwood Drive and 1st Avenue Southwest which, if approved, would allow the applicant to construct 18 townhomes / condominiums on the west end of the subject property. Townhouses / Two Family Attached Housing are only permissible through the issuance of a special use permit in the “R-1” - Single Family Detached Residential District, which is the zoning classification for the subject property, legally described as follows:

That part of the Northeast Quarter of Section 34, Township 102 North, Range 40 West, lying Northwest of the right-of-way of the Chicago, St. Paul, Minneapolis and Omaha Railway Company, EXCEPT a tract beginning at the North Quarter Corner of said Section 34; thence Easterly along the North line of said Section 34, a distance of 115.00 feet; thence Southwesterly, a distance of 119.60 feet, more or less, to a point on the West line of the Northeast Quarter of said Section 34 distant 33.00 feet South of the North Quarter corner of said Section 34, a distance of 33.00 feet to the point of beginning.

ALSO EXCEPTING

That part of the Northwest Quarter of the Northeast Quarter of Section 34, Township 102 North, Range 40 West, Nobles County, Minnesota described as follows:

Commencing at the North Quarter corner of said Section 34; thence on an assumed bearing of North 85 degrees 31 minutes 44 seconds East, along the north line of said section, a distance of 231.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence South 0 degrees 54 minutes 01 seconds East a distance of 212.00 feet to an iron monument; thence North 85 degrees 31 minutes 44 seconds East a distance of 132.00 feet to an iron monument; thence North 50 degrees 08 minutes 05 seconds East a distance of 74.45 feet to an iron monument; thence North 0 degrees 54 minutes 01 West a distance of 168.79 feet to an iron monument located on the north line of said section; thence South 85 degrees 31 minutes 44 seconds West, a distance of 190.00 feet to the point of beginning.

The Planning Commission considered the special use permit application at its October 4, 2016 meeting and, after holding a public hearing voted unanimously to approve the special use permit with the following conditions:

1. The development of the subject property is completed as outlined in the submitted site plan shown;
2. Completion of an approved storm water pollution prevention plan and obtaining coverage under the statewide storm water NPDES permit for construction; and

3. The applicant grant the required utility easements.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to approve the special use permit for South Lake Development, LLC.

FIRST READING PROPOSED ORDINANCE - PUD #7 AMENDMENT

Brad Chapulis, Director of Community/Economic Development, said PBK Investments, LLC, was seeking an amendment to Planned Unit Development #7 (PUD #7), which is commonly referred to as the Prairie Expo / BioScience Park PUD. The amendment would allow movie theaters as a permitted use in Area B of the PUD. PBK has entered into a Memorandum of Understanding (MOU) to acquire property within that area of the PUD for the construction of a movie theater. The MOU is subject to the completion of several items, including zoning verification.

The Planning Commission considered the PUD amendment at its October 4, 2016 meeting. After holding a public hearing, the Commission voted unanimously to recommend City Council allow entertainment land uses as a permitted use in Area B of PUD #7 through the adoption of a proposed PUD amendment.

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

SPECIAL USE PERMIT APPROVED - DAN'S LLC

Dan's, LLC, was requesting the issuance of a special use permit for property it owns at 98 Nobles Street, to place/construct two storage buildings on the southwesterly portion of the lot, which the applicant is proposing to subdivide. Warehousing, which would include the proposed storage facilities, is only permissible through the issuance of a special use permit in the "B-3" - General Business District, which is the zoning classification for the subject property legally described as:

That part of Lot 1 of Schankerman-Hauge Addition and of the Southwest Quarter of Section 24, Township 102 North, Range 40 West, all in the City of Worthington, Nobles County, Minnesota, described as follows:

Beginning at the most southerly corner of Lot 3 of said Schankerman-Hauge Addition to the City of Worthington, according to the recorded plat thereof; thence on an assumed bearing of North 47 degrees 17 minutes 25 seconds East, along the southeasterly line of Lots 3 and 2 of said Schankerman-Hauge Addition, a distance of 350.87 feet to the most easterly corner of said Lot 2; thence North 42 degrees 40 minutes 04 seconds West, along the northeasterly line of said Lot 2, a distance of 39.78 feet to the most northerly corner of said Lot 2; thence South 47 degrees 19 minutes 37 seconds West, along the northwesterly line of said Lots 2 and 3, a distance of 350.74 feet to the most westerly corner of said Lot 3; thence North 42 degrees 29 minutes West, along the northeasterly right of way line of Twelfth Street as now being utilized across the former railroad

depot grounds, a distance of 28.98 feet to a point located 100 feet southeasterly, as measured at right angles from the centerline of the main track of a railroad; thence North 47 degrees 31 minutes East, parallel with the centerline of said main track, a distance of 1471.84 feet to the westerly right of way line of Nobles Street as now being utilized across the former railroad depot grounds; thence South 9 degrees 12 minutes 06 seconds East, along said westerly right of way line, a distance of 358.50 feet to the northwesterly line of Block 3 of East Addition to the City of Worthington, according to the recorded plat thereof; thence South 47 degrees 05 minutes 19 seconds West, along said northwesterly line, a distance of 104.11 feet to the northeasterly line of a tract as recorded in Doc. No. 238321; thence North 42 degrees 13 minutes 23 seconds West, along the northeasterly line of said tract, a distance of 75.00 feet to the northwesterly line of said tract; thence South 47 degrees 38 minutes 17 seconds West, along the northwesterly line of said tract and the northwesterly line of tracts as recorded in Doc. No. 238274 and Doc. No. 238284, a distance of 316.78 feet to the southwesterly line of said tract as recorded in Doc. No. 238284; thence South 42 degrees 05 minutes 56 seconds East, along said southwesterly line, a distance of 75.00 feet to the most westerly corner of Block 3 of said East Addition; thence South 47 degrees 16 minutes 53 seconds West, along the northwesterly line of said East Addition, a distance of 95.05 feet to the intersection of the south line of Murray Avenue and the northwesterly line of Block 4 of said East Addition; thence South 48 degrees 40 minutes 40 seconds West, along the northwesterly line of said Block 4, a distance of 38.41 feet to the most northerly corner of Lot 2 of said Block 4; thence North 42 degrees 22 minutes West, along the northeasterly line of a tract as recorded in Doc. No. 216711, a distance of 123.17 feet to the southeasterly line of Lot 1 of said Schankerman-Hauge Addition; thence southwesterly, along said southeasterly line, along a non-tangential curve, concave to the northwest, having a radius of 632.09 feet, a central angle of 7 degrees 46 minutes 02 seconds, the chord of said curve bears South 43 degrees 37 minutes 59 seconds West, a chord distance of 85.62 feet, an arc distance of 85.69 feet to a point of tangency; thence South 47 degrees 31 minutes West, along the southeasterly line of Lot 1 of said Schankerman-Hauge Addition, a distance of 284.50 feet to the northwest extension of the southwest line of Thirteenth Street; thence North 42 degrees 21 minutes 45 seconds West, along said northwesterly extension of the southwest line of said Thirteenth Street, a distance of 99.06 feet to the northwesterly line of said Lot 1; thence South 47 degrees 17 minutes 25 seconds West, along said northwesterly line of Lot 1, a distance of 122.40 feet; thence South 42 degrees 42 minutes 35 seconds East, along said northwesterly line of Lot 1, a distance of 1.60 feet; thence South 47 degrees 17 minutes 25 seconds West, along said northwesterly line of Lot 1, a distance of 228.57 feet to the most westerly corner of said Lot 1; thence North 42 degrees 29 minutes West, along the northeasterly line of said Twelfth Street, a distance of 17.00 feet to the point of beginning, containing 5.85 acres, subject to easements now of record in said county and state.

The Planning Commission considered the special use permit application at its October 4, 2016 meeting, and after holding a public hearing voted unanimously to approve the special use permit with the condition that the improvements are done in accordance with the site plan submitted.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to approve the special use permit - Dan's, LLC.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Nothing to report.

Council Member Nelson - Nothing to report.

Council Member Graber - Reported on the following meetings - the Chamber Convention and Visitors Bureau; Equity meeting September 30th; Prairie View Committee October 4th; Planning Commission October 4th; Memorial Auditorium meeting October 5th.

Council Member Janssen - Nothing to report.

Council Member Harmon - Reported on the following - Water and Light Commission meeting October 3, 2016; Prairie View Committee meeting October 4th; Center for Active Living Committee meeting October 10th; and the trip to Cuero, Texas to represent the City of Worthington at Turkey Fest.

Council Member Sankey - Reported on a meeting of the Broadband Subcommittee of the Blandin Group on September 28th.

CITY ADMINISTRATOR' REPORT

Steve Robinson, City Administrator, reported he attended the ICMA Conference in Kansas City for four days two weeks ago. He also provided an update on the soccer complex project, noting that they are starting to install the under-field drain tile. The Nobles County Joint Powers Transportation Board has issued RFP's for on-demand taxi service, a new contract. They are due November 1st. Had a meeting today to discuss the Nobles Home Initiative - specifically the parameter that allows consideration of in excess of five years of tax abatement for rental housing units that have a minimum of four units.

ADJOURNMENT

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 8:50 p.m.

Janice Oberloh, MCMC
City Clerk