

**WORTHINGTON CITY COUNCIL  
RESCHEDULED REGULAR MEETING, OCTOBER 12, 2010**

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: Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll. Aldermen absent: Lyle Ten Haken, Honorary Council Member Bob Tims (excused).

Staff present: Craig Clark, City Administrator; Brian Kolander, Finance Director; Brad Chapulis, Director of Community/Economic Development; Dwayne Haffield, Director of Engineering; Mike Cumiskey, Public Safety Director; Bill Boldt and Myra Onnen, Public Safety Department; Alice Hoffman, Prairie View Golf Links; Janice Oberloh, City Clerk.

Others present: Jorge Lopez, Southwest Minnesota Housing Partnership; Dave Callister, Ehlers and Associates; Laura Grevis, Daily Globe; Peter Abelein, Munich, Germany (7:50 p.m.).

**RESOLUTION NO.'S 3442 - 3445 ADOPTED - ADOPTING SPECIAL ASSESSMENTS**

Pursuant to published notice this was the time and date set for public hearings on proposed assessments as follows:

PAVING IMPROVEMENT NO. 109

- Buchanan Court - abutting Lots 3 through 5, Block 4; and Lots 2 and 3, Block 5; all in Glenwood Heights First Addition
- 13<sup>th</sup> Street - Clary Street to 450 feet north
- Indian Hill Road - Pleasant Avenue to Linda Lane
- Pleasant Avenue - South Shore Drive to First Avenue Southwest
- Spring Avenue - Service Road to Cecilee Street
- Woodcrest Avenue - the entire length
- Woodland Court - the entire length

4.5%<sup>1</sup>; 14 years

SANITARY SEWER IMPROVEMENT NO. 97

- Grand Avenue - 200 feet north of Oxford Street to Cecilee Street extended westerly

3.4%<sup>2</sup>; 15 years

WATER MAIN IMPROVEMENT NO. 102

- North Crailsheim Road - Collegeway to 500 feet south

3.4%<sup>2</sup>; 15 years

2010 MISCELLANEOUS UNPAID CHARGES

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

3.4%<sup>2</sup>; 1 year

<sup>1</sup> Based on interest rate of PIR Bond issued for improvement plus 1% +/-

<sup>2</sup> Based on projected interest rate of current PIR Bond plus 1% +/-

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to open the hearing.

Dwayne Haffield, Director of Engineering, stated there was no one in attendance for the hearing so he would give an abbreviated review of the proposed assessments, and noted a list of amendments to the 2010 Miscellaneous Unpaid Charges due to payments received. Mr. Haffield also referred to a letter received from the Minnesota Department of Transportation stating they would not pay the assessment proposed by the City of Worthington for the paving improvement to Spring Avenue as they determined they received no benefit from the improvement. State Statute allows them that authority and Mr. Haffield noted we have seen other government entities do this in the past.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to close the hearing.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to adopt the following resolutions adopting the proposed assessments as presented:

RESOLUTION NO. 3442

ADOPTING THE SPECIAL ASSESSMENT FOR PAVING IMPROVEMENT NO. 109

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3443

ADOPTING THE SPECIAL ASSESSMENT FOR SANITARY SEWER IMPROVEMENT NO. 97

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3444

ADOPTING THE SPECIAL ASSESSMENT FOR WATER MAIN IMPROVEMENT NO. 102

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3445

ADOPTING THE SPECIAL ASSESSMENT FOR 2010 MISCELLANEOUS UNPAID CHARGES

(Refer to Resolution File for complete copy of Resolution)

**RESOLUTIONS 3446 AND 3447 ADOPTED AMENDING CAPITAL IMPROVEMENTS PLAN AND AUTHORIZING SALE OF \$1,915,000 GENERAL OBLIGATION BONDS SERIES 2010A**

Pursuant to published notice, this was the time and date set for a public hearing on the adoption of amendments to a Capital Improvement Plan and issuance of G.O. Capital Improvement Plan Bonds.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to open the hearing. Dave Callister, Ehlers & Associates, noted the purpose of the hearing was to go over the Capital Improvement Plan for 2010 to 2014, however, there is a 30 day period reverse referendum where five percent of the voters can petition for an election on this improvement. Mr. Callister noted he had never seen a referendum called when the purpose of the bonding is to save the City some money, and made it very clear that this is not for new debt but is rather the refunding of existing debt to save interest costs. In addition to lower market rates, it will be turned from a non-General Obligation Bond into a General Obligation Bond which has better security. The resolution presented to Council also includes some new money for street projects and refunding of another bond issue that would normally not be done by itself, saving on issuance costs. The projected net interest costs of the three together is about 2.3% over a 15 year period.

Mr. Callister thought sale would occur November 22<sup>nd</sup>, with the closing the week of December 13<sup>th</sup>. Proceeds would be then be available for either escrows, refundings, or replenishing the PIR fund at that time. Our debt ceiling is 3% of our total market value (\$493 million x 3% = \$14.79 million), and we are currently at about \$815,000. Mr. Callister said we were also requesting a rating on this issue, noting we received a AA- last time. He expects that rating to hold but the goal would be to bump it up in the future.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to close the hearing.

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

RESOLUTION NO. 3446

RESOLUTION AUTHORIZING THE ADOPTION OF AMENDMENTS TO A CAPITAL IMPROVEMENT PLAN AND ISSUANCE OF GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3447

RESOLUTION PROVIDING FOR THE SALE OF \$1,915,000 GENERAL OBLIGATION BONDS, SERIES 2010A

(Refer to Resolution File for complete copy of Resolution)

**AGENDA APPROVED**

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the agenda with one addendum under Administration - G.8. - Establish 2011 Golf Fees.

**CONSENT AGENDA APPROVED AS PRESENTED**

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

- City Council Minutes - Regular Meeting September 27, 2010; Special Meeting October 5, 2010.
- Minutes of Boards and Commissions - Worthington Economic Development Authority Minutes of August 9, 2010; Worthington Housing and Redevelopment Authority Minutes of August 30, 2010 and July 8, 2010.
- Financial Statements - General Fund Statement of Revenues and Expenditures for Nine Months Ended September 30, 2010; Municipal Liquor Store Statement for the Period January 1, 2010 through September 30, 2010.
- Approved appointment and contract of Mark Shepherd as City Attorney and Jim Malters as Assistant City Attorney at the hourly rate of \$149.50 per hour plus expenses for the contract period of January 1, 2011 to December 31, 2011.
- Authorized execution of Architectural and Engineering Service Agreement with SEH, Inc. for two seasonal use restrooms at Millard-Walker Park at a lump sum fee of \$6,500.00 plus

- reimbursable expenses.
- Approved Change Order No. 2 to the Memorial Auditorium Project for a net change amount of \$4,254.27 - leaving a remaining budget balance for the project of \$124,107 and a remaining contingency fund available of \$63,907.
- Bills payable and totaling \$1,070,152.50 be ordered paid.

**SECOND READING PROPOSED ORDINANCE AMENDING TITLE VII, SECTION 72.08 OF THE WORTHINGTON CITY CODE - LIMITED PARKING ZONES**

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance amending Title VII, Section 72.08 of the Worthington City Code as follows:

**SECTION I.**

The Worthington City Code, Title VII, Section §72.08 Limited Parking Zones (A) shall be amended as follows:

**72.08 (A) LIMITED PARKING ZONES.**

\_\_\_\_\_ As part of the orderly administration of parking zones, the City Council may place time limitations upon parking in certain designate areas within the city and shall cause such zones to be marked by appropriate signs. Such zones shall be established wherever necessary for the convenience of the public or to minimize traffic hazards and to preserve a free flow of traffic. During the hours specified on the sign, no person shall park a vehicle in any limited parking zone for a longer period than is so specified. The City Council shall set parking fines by resolution.

Fines for parking in violation of this division may be mailed to the City Police Department or delivered to the City Police Department located at 1530 Airport Road or to the office of the City Clerk at 303 Ninth Street during normal business hours.

(B) Fines not paid within two weeks may be enforced by appropriate court proceedings. The driver and the owner of any vehicle parked in violation of this section are jointly and severally liable for the fines levied hereunder.

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

**ORDINANCE NO. 1036 ADOPTED AMENDING TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA TO REZONE PROPERTY - 1924 DOVER STREET**

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance amending Title XV of the Worthington City Code as follows:

**Section II.**

The following legally described area, presently included in the “B-3” district, shall henceforth be included in the “R-3” district:

The East 53.3 feet of Lots 10 and 11, Block 2, Clifton Addition, City of Worthington, Nobles County, Minnesota.

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

ORDINANCE NO. 1036

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM “B-3” (GENERAL BUSINESS) TO “R-3”(LOW DENSITY PRESERVATION RESIDENTIAL)

(Refer to Ordinance File for complete copy of Ordinance)

**DATE SET TO CANVASS BALLOTS**

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to set the time and date to canvass ballots from the November 2, 2010 General Election as 6:30 p.m. on Monday, November 8<sup>th</sup>.

**AGREEMENT WITH BUETOW AND ASSOCIATES FOR ARCHITECTURAL AND ENGINEERING SERVICES FOR NEW FIRE STATION APPROVED**

Staff presented the final agreement with Buetow and Associates for architectural and engineering services for a new fire station. The agreement calls for a lump sum payment of \$175,000 for a construction project of up to \$3.5 million. The payment does not account for lower fees should the project be less than \$3.5 million, and if the project would be above \$3.5 million, the additional fee would be %5 of the added project costs. The lump sum payment also does not include other reimbursable expenses such as transportation, reproductions and postage.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the agreement with Buetow and Associates for architectural and engineering services for a new fire station.

**PROJECT AND CONSTRUCTION INSPECTION OVERSIGHT AGREEMENT WITH SOUTH WEST MINNESOTA HOUSING PARTNERSHIP APPROVED**

Council considered a proposal from the South West Minnesota Housing Partnership (SWMHP) for contracted service for oversight of the construction phase of the fire station project. The SWMHP would provide the service for \$25,000 with an average of 15 hours per week over a ten month period.

Following discussion, the motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to approve the agreement with the South West Minnesota Housing Partnership for contracted oversight service for the construction phase of the fire station project.

### **PRAIRIE VIEW GOLF LINKS 2011 RATES APPROVED**

Staff presented proposed 2011 rates for Prairie View Golf Links, which reflected an increase in regular rates in each category except the Junior rate. Rates would be discounted by 20% if paid by December 31, 2010, discounted by 10% if paid between January 1<sup>st</sup> and March 31, 2010. Full rates would go into effect after that date. Mayor Oberloh noted concern over the percent of discount and suggested to keep it the same as last year. Alderman Nelson note the discount between new and returning members was approximately 40% which seemed drastic. Council suggested the discounts be changed to 18% and 8%.

Following discussion, the motion was made by Alderman Wood and seconded by Alderman Woll to approve the 2011 Prairie View Fees, with Alderman Wood and Alice Hoffman working together to restate the rates as discussed. The following Aldermen voted in favor of the motion: Wood, Woll; with the following Aldermen voting against the same. Kuhle, Nelson. Upon the tie vote, Mayor Oberloh cast his vote in favor of the motion. Motion carried. The new rate sheet will be distributed to Council as soon as it is completed.

### **AGREEMENT APPROVED FOR PROFESSIONAL SERVICES FOR DEVELOPMENT OF ENVIRONMENTAL PLANS ASSOCIATED WITH THE FIRE STATION PROJECT**

Staff presented a proposal from Peer Engineering, Inc. for development of a Response Action Plan and Construction Contingency Plan (RAP/CCP) required for redevelopment of the Campbell Soup site. The following services are included in the proposal:

1. Assist architect hired by City on building siting questions they may have relating to existing environmental conditions at the site. (Proposal assumes reviewing 203 different building scenarios/options provided by architect.)
2. Review geotechnical reports and final building design and grading plans for the project provided to us.
3. Prepare a MPCA VIC and PBP-approved RAP-CCP for the project. The plan will include the means to address the two open issues for the site. (i.e., contaminated soils near former elevator shaft and south bird shelter.)
4. Submit a Proposed Actions Letter to MPCA VIC/PBP to update the City's "No-

- Association Determination” for contamination at the site for the project.
5. Attend meetings, as directed (proposal assumes 2 local).

Estimated cost for the scope of work is \$6,000 and does not include additional investigation to satisfy remaining requirements of the MPCA, which is expected to be \$10,000 or less.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to accept the proposal from Peer Engineering, Inc.

**2011 STORM SEWER FUND BUDGET APPROVED AND FIRST READING PROPOSED ORDINANCE AMENDING STORM WATER UTILITY RATES**

Council considered the proposed 2011 Storm Sewer Fund budget, which requires \$508,200 in utility operating revenue. A 3.3% increase is necessary to generate the \$19,293 over the 2010 budget. Staff also presented a proposed ordinance amending the storm water utility rates as follows:

Worthington City Code, Title V, Chapter 54, Section 54.04 (C), is hereby amended and shall read as follows:

(C) The annual fee per acre for residential is \$219.00.

The per acre rates for land uses other than residential (1 through 3 units) are as follows:

	<u>2011</u>	<u>2010</u>
Land Use	Rate/Acre	Rate/Acre
Commercial	\$36.68	\$35.51
Industrial	\$30.48	\$29.50
Multi Family	\$27.01	\$26.15
Institutional	\$36.68	\$35.51

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the 2011 Storm Sewer Fund budget and give a first reading to the proposed ordinance relating to storm water utility rates.

**RESOLUTION ADOPTED AMENDING THE JOINT RESOLUTION OF THE TOWNSHIP OF LORAIN AND THE CITY OF WORTHINGTON DESIGNATING AN UNINCORPORATED AREA AS IN NEED OF ORDERLY ANNEXATION AND CONFERRING JURISDICTION OVER SAID AREA TO THE MINNESOTA MUNICIPAL BOARD**

Brad Chapulis, Director of Community/Economic Development, stated that JBS USA, LLC has

submitted a petition requesting that the City annex 20,57 acres of land adjoining their facility. The company is proposing to expand its Worthington operation and the property must be annexed into the corporate limits of the City to accommodate their plans. The Planning Commission considered the proposed annexation at their October 5<sup>th</sup> meeting and was recommending Council acceptance and adoption of the Joint Resolution amending the 1972 Orderly Annexation Agreement between the City of Worthington and Lorraine Township, which will consider the Joint Resolution in the near future. The land in question will be zoned as "M-2"-General Manufacturing upon annexation.

Following discussion, the motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to adopt the following resolution:

IN THE MATTER OF THE JOINT RESOLUTION OF THE TOWNSHIP OF LORAIN AND THE CITY OF WORTHINGTON DESIGNATING AN UNINCORPORATED AREA AS IN NEED OF ORDERLY ANNEXATION AND CONFERRING JURISDICTION OVER SAID AREA TO THE MINNESOTA MUNICIPAL BOARD	<u>AMENDMENT TO THE JOINT RESOLUTION FOR ORDERLY ANNEXATION BETWEEN THE TOWNSHIP OF WORTHINGTON AND THE CITY OF WORTHINGTON ORIGINALLY ADOPTED ON SEPTEMBER 1, 1972, PURSUANT TO M.S. 414.0325</u>
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The Township of Lorain and the City of Worthington hereby jointly agree that the area designated for orderly annexation in the Joint Resolution between the Township of Lorain and the City of Worthington Designating an Area for Orderly Annexation dated September 1, 1972, be amended to include the following:

1. The Township of Lorain and the City of Worthington request immediate annexation of the following described territory to the City of Worthington:

That part of the West half of the Southeast Quarter of Section 18, Township 102 North, Range 39 West, Nobles County, Minnesota, described as follows:

Commencing at the South Quarter corner of said Section 18; thence on an assumed bearing of North 0 degrees 01 minutes 48 seconds West, along the north-south quarter line of said section, a distance of 900.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence North 90 degrees 00 minutes East a distance of 615.35 feet to an iron monument; thence North 0 degrees 00 minutes 27 seconds West a distance of 1456.84 feet to an iron monument located on the southerly right of way line of Interstate Highway 90; thence South 89 degrees 40 minutes 44 seconds West, along said southerly right of way line, a distance of 615.93 feet to an iron monument located on the north-south quarter line of said section; thence South 0 degrees 01 minutes 48 seconds East, along said north-south quarter line, a distance of 1453.39 feet to the point of beginning, containing 20.57 acres, subject to easements now of record in said county and state.

2. Both the Town of Lorain and the City of Worthington agree that no alteration of the stated boundaries of this agreement is appropriate. Furthermore, both parties agree that no consideration by the Municipal Board is necessary. Upon receipt of this resolution, passed and adopted by each party, the Municipal Board may review and comment, but shall, within thirty (30) days, order the annexation, in accordance with the terms of this joint resolution.

3. That the Town Board of the Township of Lorain, and the City Council of the City of Worthington, upon passage and adoption of this resolution and upon the acceptance by the Municipal Board, confer jurisdiction upon the Municipal Board over the various provisions contained in this Agreement.
4. That this certain property which abuts the City of Worthington is presently urban or suburban in nature or is about to become so. Further, the City of Worthington is capable of providing services to this area within a reasonable time, and the annexation is in the best interest of the area proposed for annexation.
5. The population change with this annexation shall be 0. There is no existing housing stock within the annexation area.
6. Upon the annexation the parcel shall be zoned "M-2" - General Manufacturing.
7. The City of Worthington shall pay to the Town of Lorain two tax reimbursement payments each equalling 100% of the amount of taxes last payable to the Town from the above described property. The City shall make the first payment in 2011 and the second payment in 2012. The Town has no unpaid special assessments on, or portion of debt assignable to, this property.
8. This amendment does not otherwise alter the terms and conditions of the 1972 orderly annexation agreement, which the parties agree is still in effect and is binding on them as provided in Minnesota Statutes, Section 414.0325, subdivision 6 as the exclusive method for annexing property within the remaining portions of originally designated orderly annexation area.

### **COUNCIL COMMITTEE REPORTS**

Mayor Oberloh - Attended Turkey Fest in Cuero, Texas, the race was outstanding. It was reported that Paycheck recorded the fastest combined time on record. The economy is doing well there with the newly discovered pockets of natural gas and oil. He was told the result is 10 to 12 new millionaires every two weeks.

Alderman Kuhle-attended an Economic Development AdHoc Committee meeting where they had an update presentation on Bio Science initiatives by WREDC, and had a conference with the head of the Bio Science Alliance Group - very enlightening. Talked about the Testing and Training Center. Next meeting will be on quality job growth and creation outside of Bio Science initiatives. Also had an Airport Advisory Board meeting - they're working on an Airport promotion postcard that will be mailed to all fliers within 60 miles of Worthington. Also setting up a meeting with MnDOT for a 50/50 match on the spray pad facility. Also discussed the use of Facebook to promote the Airport to younger pilots but we have no one on staff that can set that up.

Alderman Nelson - Attended a Highway 60 Landscape meeting, made good headway. They'll be sending out some correspondence out and try to plan an open house for citizen input - looking at October 26<sup>th</sup>. Haven't had a lot of input by those affected by the project.

Alderman Wood - met this week on the Testing and Training Center and are also looking at a construction piece regarding flooring and siding. Also attended a Regional Dispatch Center meeting - it was very cordial with good debate. It is hoped to have a Joint Powers draft document by November 8<sup>th</sup>.

Alderman Woll - Parks Board met regarding the allocation of the \$250,000 from the impact dollars -

it was a successful meeting, good leadership. Outcome was great - a variety of projects. Had an Auditorium meeting earlier today - the pallet of colors and patterns has been picked - the progress continues.

### **CITY ADMINISTRATOR REPORT**

Craig Clark, City Administrator, noted we were looking at November 4<sup>th</sup> and 5<sup>th</sup> for final budget meetings to discuss the WREDC and the EDA levy, the Auditorium, Prairie View, and then adopt the final levy. The meetings will start at 6:30 a.m. October 25<sup>th</sup> has been scheduled for a Clean Water Partnership workshop prior to the Council meeting, as well as photos will be taken of Council for the new website. Will be attending a League regional meeting in Walnut Grove tomorrow afternoon if anyone wishes to join him.

### **ADJOURNMENT**

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adjourn the meeting at 7:51 p.m.

Janice Oberloh  
City Clerk