

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, OCTOBER 27, 2014**

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, Diane Graber, Rod Sankey, Ron Wood, Scott Nelson.

Staff present: Craig Clark, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Econ Development; Steve Robinson, Public Works Director; Janice Oberloh, City Clerk.

Others present: Erin Trester, Daily Globe; Justine Wettschreck; KWOA; Chad Cummings; Steve Johnson; Chris Dybevick; Jesse Drost; Mark Shepherd, City Attorney (7:45 p.m.).

The Pledge of Allegiance was recited.

**CONTINUATION OF PUBLIC HEARING ON IMPROVEMENTS OF GRAND AVENUE
BY STREET AND SIDEWALK EXTENSIONS WITH VOTE TO DISCONTINUE
DISCUSSION ON PROJECT**

Pursuant to published notice this was the time and date set for the continuation of a public hearing on the Grand Avenue Street Extension project, which Council had voted to continue at their August 11, 2014 meeting until bids could be received for use in considering the length of improvements and surfacing type.

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

Dwayne Haffield, Director of Engineering, said bids were received on October 22, 2014, and included alternates for concrete or bituminous surface for a street extension that extends only to the north line of the South Half of the Southwest Quarter of Section 13 (the north line of the Southwest Minnesota Housing Partnership project), and for an extension all the way to Darling Drive. Bids also included sidewalk construction from Oxford Street to the north line of the Housing project and to Darling Drive.

Mr. Haffield said the bids were over the Engineer's Estimate for the most part. Council needs to decide the length of the project. Improvements were initiated on the full length - Council can reduce the scope of the project but cannot increase it. The following information based on the bids was presented:

Combined Summary (Street and Sidewalk) - Bituminous Pavement Alternative - Full Length

	<u>As Bid</u>	<u>As Originally Presented</u>
Est. Assessments Receivable	\$594,724.96	\$621,356.78
Total Est. City Share	<u>\$679,674.60</u>	<u>\$458,273.22</u>

Total Est. Cost of Improvement	\$1,274,399.56	\$1,079,630.00
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Combined Summary (Street and Sidewalk) - Concrete Pavement Alternative - Full Length

	<u>As Bid</u>	<u>As Originally Presented</u>
Est. Assessments Receivable	\$704,954.46	\$641,191.10
Total Est. City Share	<u>\$789,861.05</u>	<u>\$505,008.90</u>
Total Est. Cost of Improvement	\$1,494,815.51	\$1,146,200.00

Combined Summary (Street and Sidewalk) - Bituminous Pavement Alternative - Reduced Length

	<u>As Bid</u>	<u>As Originally Presented</u>
Est. Assessments Receivable	\$433,388.63	\$430,698.68
Total Est. City Share	<u>546,908.52</u>	<u>\$338,551.32</u>
Total Est. Cost of Improvement	\$980,297.15	\$769,250.00

Combined Summary (Street and Sidewalk) - Concrete Pavement Alternative - Reduced Length

	<u>As Bid</u>	<u>As Originally Presented</u>
Est. Assessments Receivable	\$537,497.93	\$444,243.29
Total Est. City Share	<u>\$590,367.05</u>	<u>\$400,706.71</u>
Total Est. Cost of Improvement	\$1,127,864.98	\$844,950.00

The concrete assessment rate came in better but the City share was up because it would be a collector street. The sidewalks saw a large increase over the estimates due to ADA compliance. Storm sewer and collector costs also increased significantly. Council Member Nelson noted that the Housing Partnership's project was on hold as they did not receive funding for it this go around. Discussion was held on whether there was potential to rebid and get better bids.

Mr. Haffield said that if Council decides to take bids by the end of January it will keep this process alive, however, if we don't act by the first meeting in February, by statute it will kill the process and it would need to be started over.

Mayor Oberloh asked if there was anyone who wished to present testimony on the project. There was none.

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

The motion was made by Council Member Wood, seconded by Council Member Graber and

unanimously carried to discontinue discussion of the project.

AGENDA CLOSED/APPROVED WITH ADDITIONS

Staff noted the addition of a resolution replacing the resolution in Item F.1. *Appointing Election Judges* to reflect the additional judges, and noted the recommendation for committee appointment as stated in Item F.2 *Nominating Committee Recommendations*.

The motion was made by Council Member Kuhle, seconded by Council Member Sankey and unanimously carried to close/approve the agenda with the requested additions.

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting October 13, 2014 and Emergency Meeting October 23, 2014
- Minutes of Boards and Commissions - Center for Active Living Committee Minutes of September 8, 2014; WGTN-TV3 Minutes of October 15, 2014; Heron Lake Watershed Board of Directors Budget Meeting Minutes of August 19, 2014; Heron Lake Watershed Board of Directors Minutes of August 19, 2014
- Renewal of the Site User Agreement with Lutheran Social Service Senior Nutrition Program for 2015 to provide meal service at the Center for Active Living
- Application from the Retail Committee of the Worthington Area Chamber of Commerce for Parade/Street Closure from 3:00 p.m. to 8:00 p.m. on Friday, November 21st for the 2014 Holiday Parade as follows:
 - 1st Avenue from 10th Street to 11th Street
 - 10th Street from 1st Avenue to 5th Avenue
- General Fund Statement of Revenues and Expenditures - Budget and Actual - for the period January 1, 2014 through September 30, 2014
- Bills payable and totaling \$815,588.32 be ordered paid

RESOLUTION NO. 3570 ADOPTED APPOINTING ADDITIONAL/ALTERNATE ELECTION JUDGES FOR THE 2014 GENERAL ELECTION

The motion was made by Council Member Graber, seconded by Council Member Sankey and unanimously carried to adopt the following resolution appointing additional/alternate election judges for the 2014 General Election, and authorizing the City Clerk to assign election judges to fill vacancies as they occur:

RESOLUTION NO. 3570

A RESOLUTION APPOINTING ELECTION JUDGES AND ALTERNATES FOR THE
NOVEMBER 4, 2014 GENERAL ELECTION

(Refer to Resolution File for complete copy of Resolution)

NOMINATING COMMITTEE RECOMMENDATIONS APPROVED

The Nominating Committee met on October 27, 2014 and were making the following recommendation for committee appointments:

Police Civil Service Committee

Linda Hill - to fill the unexpired term of Jenny Anderson Martinez who resigned her position, which term expires December 31, 2014

The motion was made by Council Member Nelson, seconded by Council Member Kuhle and unanimously carried to approve the Nominating Committee recommendation to appoint Linda Hill to the Police Civil Service Commission to fill the unexpired term of Jenny Anderson-Martinez, term to expire December 31, 2014.

TIME AND DATE SET FOR CITY BOARD OF CANVASS FOR 2014 GENERAL ELECTION

The City Council serves as the Canvassing Board for city elections, and the City Charter requires the Council as the Canvassing Board to meet within three days after any city election to canvass the returns and declare the result thereof.

Council determined to set the time and date to canvass the returns from the November 4, 2014 General Election as 7:30 a.m. on Friday, November 7, 2014.

TREE WATERING COMMITMENT FOR MINNESOTA DNR COMMUNITY FOREST BONDING GRANT

Steve Robinson, Public Works Director, told Council the City has been working with the Minnesota DNR to obtain a Community Forest Bonding Grant to assist in the replacement of the nearly 800 right-of-way trees that were lost as a result of the April 2013 ice storm. The City is requesting a total of 250 bare root or containerized trees of various species. Total project cost is \$46,876.24, of which \$25,130.00 is grant funds and the remaining amount is in kind services provided by the City. However, the City's watering ban has raised a lot of flags with the DNR regarding this grant - they

won't award unless the City commits to watering the trees. Mr. Robinson said a neighboring community will reserve 5,000 gallons per week at \$8 per 1,000 gallons. Council Member Wood suggested the utility pumper truck could pump water from the Prairie View retention ponds for the watering. Mr. Robinson said that would be another alternative, or to pump the water from Lake Okabena. The application, with the commitment from the City, needs to be in to the DNR by the end of the month.

The motion was made by Council Member Wood, seconded by Council Member Graber and unanimously carried that the City make the commitment to the DNR regarding the watering of the trees.

BIDS REJECTED FOR GRAND AVENUE STREET AND SIDEWALK EXTENSIONS

Bids for the Grand Avenue Improvements by Street and Sidewalk Extensions project were received on October 22, 2014. However, based on Council's earlier decision to not go forward with the project, staff recommended that Council reject all bids.

The motion was made by Council Member Wood, seconded by Council Member Kuhle and unanimously carried to reject all bids for the project.

AUTHORIZATION PROVIDED FOR TRAFFIC AND SAFETY COMMITTEE TO FORM SAFE ROADS COALITION

Dwayne Haffield, Director of Engineering, provided information on the Towards Zero Deaths (TZD), a traffic safety program developed to reduce traffic crashes, injuries, and deaths on roads, and links education engineering, enforcement, and emergency medical and trauma services resources in a collaborative effort to improve safety for roadway users. Local Safe Road Coalitions work with the Regional TZD Coordinators to identify the need for and implement safety programs or initiatives which may involve physical, enforcement and/or educational elements. At their April 30, 2014 meeting, the Traffic and Safety Committee discussed the potential to meet and form a Safe Roads Coalition, and took action to recommend that Council authorize them to form a Safe Roads Coalition.

The motion was made by Council Member Kuhle, seconded by Council Member Sankey and unanimously carried to authorize the Traffic and Safety Committee to develop a Safe Roads Coalition.

AMENDED SALE OF EAST 305 FEET OF LOT 1, BLOCK 1, WORTHINGTON BIO SCIENCE INDUSTRIAL PARK ADDITION TO PURNET, INC. APPROVED

At their August 11, 2014 meeting, Council approved a land sale of the East 305 feet of Lot 1, Block

1, Worthington Bio Science Industrial Park Addition, to PurNet, Inc. utilizing the City's Land Acquisition Policy for the sale price of \$142,120. Brad Chapulis, Director of Community/Economic Development, said the lender has now approached the City to amend the deal to allow the applicant to obtain maximum public financing through Nobles County's RLF program. Having all the non-construction related expenses covered by the County's fund would avoid triggering the Davis/Bacon requirements for the construction project. The Bank was asking the City to honor its financial commitment to the project by taking the proceeds of the sale and granting that money to the company under the same terms of the original contract for deed - a forgivable loan. The transaction would become a direct sale instead of a contract for deed, and the City would retain its third lien position on the real estate. Mr. Chapulis advised that any approval should be subject to approval by the Nobles County Board of Commissioners at their meeting on November 4, 2014, and should include approval of the following:

1. Amend the sale of the subject property from a contract for deed to a direct sale for the amount of \$142,120;
2. Amend the loan documents to reflect the change in the parameters of the sale. The terms and conditions of the original forgivable loan are to remain to assure compliance with the State Statute as well as the City's business subsidy policy.

The motion was made by Council Member Kuhle, seconded by Council Member Nelson and unanimously carried to approve amending the sale of the east 305 feet of Lot 1, Block 1, Worthington Bio Science Industrial Park Addition to Purnet, Inc. to a direct sale, including staff's suggestions of approval for amending, and subject to approval by Nobles County.

**PLANS AND SPECIFICATIONS FOR DEMOLITION OF K-MART BUILDING
APPROVED WITH AUTHORIZATION TO ADVERTISE FOR BIDS**

Brad Chapulis, Director of Community/Economic Development, noted that plans and specifications for demolition of the former K-Mart building had been received earlier and forwarded to Council for review prior to the meeting. Following staff review, it was determined that there were some points that needed clarification, which had been highlighted to Council. Mr. Chapulis said that if Council approved the plans and specifications, staff would move forward with advertising for bids at the beginning of November, anticipating that bids would be before Council by the end of November or first part of December. In response to a question from Council Member Graber regarding a target date for demolition, Mr. Chapulis said that staff anticipates it would be a few months following award of the bid, adding the issue still before Council is trying to get the two properties (K-Mart building and the remainder of the mall) to coincide and be demo'd at the same time. There is a court hearing scheduled this Friday, and if successful the City will be able to do a structural assessment on the remaining portion of the mall. If the court allows some of that assessment to be done internally it will bring a quicker turn around. It is hoped that by the time the bids are received for the K-Mart portion staff will have a better understanding of the condition of the

rest of the building.

The motion was made by Council Member Kuhle, seconded by Council Member Wood and unanimously carried to approve the plans and specifications for demolition of the former K-Mart building, and authorize staff to advertise for bids, subject to satisfactory final review by staff.

COMMITTEE ESTABLISHED TO DEVELOP LIST OF POTENTIAL CANDIDATES TO SERVE AS INTERIM ADMINISTRATOR

This item was taken out of order to allow City Attorney Mark Shepherd to join the meeting.

With the recent resignation of Craig Clark, City Administrator, effective November 19, 2014, City Attorney Mark Shepherd recommended that Council establish a Committee to seek out a potential candidate to serve as Interim Administrator until such time that a full time Administrator can be hired. He suggested the committee consist of the Mayor, two Council Members, and any other appropriate staff, to be determined. Mr. Shepherd noted that Council had plenty of time to get someone in place and advised Council not to hurry through the process.

The motion was made by Council Member Wood, seconded by Council Member Graber and unanimously carried to establish a committee to search for an interim Administrator as recommended by City Attorney Mark Shepherd.

By method of drawing names from a basket, Council Members Nelson and Graber were selected to serve with the Mayor on the Committee. Additional members will be selected and a meeting will be scheduled. Mr. Shepherd told Council he would be available to assist them with the process.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Nothing to report except the Tribute to the Eagles concert was good.

Council Member Kuhle - Nothing to report.

Council Member Graber - Nothing to report except she also thought the Eagles Tribute was good.

Council Member Sankey - Nothing to report.

Council Member Wood - Nothing to report.

Council Member Nelson - The first eight boxes for the first building at the Housing project have been produced, however, they are unsided - two of them should be delivered for set up at the site around November 10th.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, noted thanks to Mr. Chapulis and Mr. Algadi for their work on housing and workforce housing with the League and Coalition of Greater Minnesota Cities - last

week they did a presentation in Madelia - Brad did a great job. We also presented at the Coalition's Economic Development Partnership - thinks we're making some great progress in making our case understood - used Rising Sun project as an example of the gap that Worthington is faced with.

ADJOURNMENT

The motion was made by Council Member Nelson, seconded by Council Member Wood and unanimously carried to adjourn the meeting at 8:00 p.m.

Janice Oberloh, MCMC
City Clerk