

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, NOVEMBER 25, 2013**

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, Scott Nelson. Honorary Council Member: Jerry Eykyn. Members absent: Ron Wood (excused).

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

Others present: Aaron Hagen, Daily Globe; Kris Hohensee, Center for Active Living; David Engler, Venetian Steakhouse.

The Pledge of Allegiance was recited.

HONORARY COUNCIL MEMBER

Jerry Eykyn was welcomed as the Honorary Council Member for the months of October, November, and December, 2013.

PUBLIC HEARING - NOBLES SQUARE DEED GRANT

Pursuant to published notice, this was the time and date set for a public hearing regarding the Nobles Square DEED Grant received by the City on behalf of the Southwest Minnesota Housing Partnership.

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

Brad Chapulis, Director of Community/Economic Development, provided information to Council, stating that the City had received a \$350,000 grant from the Minnesota Department of Employment and Economic Development (DEED) on behalf of the Southwest Minnesota Housing Partnership for their purchase and renovation/rehabilitation of the Nobles Square I & II Apartments. The grant agreement requires a public hearing to allow interested parties to voice their opinion on the progress of the project. Mr. Chapulis noted the grant money has been loaned to the Housing Partnership as a 30 year deferred loan with an interest rate of .25%, and matures on April 30, 2043. Total development cost of the project is \$3,998,736. Jorge Lopez, representing the Housing Partnership, noted that \$2,285,537 has been spent to rehab 48 units, in addition to a new roof, parking lot repairs and repair of water problems.

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

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

unanimously carried to close the hearing.

No action was required.

AGENDA APPROVED/CLOSED WITH CORRECTIONS/ADDITIONS

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

- Item F3 - include list of recommendations from Nominating Committee for Council approval of committee appointments/reappointments
- Item F4 - correction of address to 1635 Oxford Street and correction to licensing dates and approval request
- Item F5 - include diagram of proposed CAL logo

CONSENT AGENDA APPROVED

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

- City Council Minutes of regular meeting November 12, 2013
- Minutes of Boards and Commissions - Water and Light Commission Minutes of November 18, 2013; Airport Advisory Board Minutes of November 5, 2013; CAL Committee Minutes of October 14, 2013; Heron Lake Watershed Board Minutes of September 17, 2013
- Municipal Liquor Store Income Statement for the Period January 1, 2013 through October 31, 2013
- 2014 License Renewals:

On-Sale Beer

- | | |
|-----------|---|
| 2014 - 1 | Pizza Hut #2747, 1551 N. Humiston Avenue |
| 2014 - 2 | El Azteca Restaurant - 223 Tenth Street |
| 2014 - 3 | Hickory Lodge Bar & Grill LLC - 2015 N. Humiston Avenue |
| 2014 - 4 | Fraternal Order of Eagles #3282 - 205 Oxford Street |
| 2014 - 5 | The Ground Round Grill & Bar - P.O. Box 1029/1290 Ryan's Road |
| 2014 - 6 | Worthington Country Club - 851 W. Oxford Street |
| 2014 - 7 | Ben Lee's Bros. Café - 212 Tenth Street |
| 2014 - 8 | Long Branch Saloon - 206 Tenth Street |
| 2015 - 9 | Oxford Bowl - 325 Oxford Street |
| 2015 - 10 | Panda House - 913 Fourth Avenue |

Off-Sale Beer

- | | |
|----------|---|
| 2014 - 1 | Casey's General Store #3263 - 2021 Highway 59 N/Box 921 |
| 2014 - 2 | Casey's General Store #1686 - 1704 Oxford Street |

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|-----------|--|
| 2014 - 3 | Casey's General Store #2166 - 1007 Oxford Street |
| 2014 - 4 | Hy-Vee Food Store - 1235 Oxford Street |
| 2014 - 5 | Hy-Vee Gas - 1245 Oxford Street |
| 2014 - 6 | Sterling Drug - 511 Tenth Street |
| 2014 - 7 | La Azteca Grocery Store - 219 Tenth Street |
| 2014 - 8 | Worthington Travel Plaza, 2411 Highway 60 NE |
| 2014 - 9 | Wal-Mart - 1055 Ryan's Road |
| 2014 - 10 | Worthington Comfort Suites - 1447 Prairie Drive |
| 2014 - 11 | El Mexicano #3 - 310 Tenth Street |
| 2014 - 12 | Bob & Steve's Shell - 1408 Oxford Street |
| 2014 - 13 | Mini Market Lupita - 1906 Oxford Street |
| 2014 - 14 | Fareway Store, - 1028 Ryan's Road |
| 2014 - 15 | Long Branch Saloon - 206 Tenth Street |
| 2014 - 16 | Interstate Cenex - 1710 N. Humiston Avenue |

Dance

- 2014-1 Hickory Lodge Bar & Grill - 2015 N. Humiston Avenue
- 2014-2 VFW Post 3958, 1117 Second Avenue

Pawn Shop

- 2014-1 Pawn-It - 1730 Oxford Street
- 2014 Street Lighting Fund budget which includes an increase in reserves of about \$15,000
- Bills payable and totaling \$935,846.37 be ordered paid

ORDINANCE NO. 1075 ADOPTED VACATING PART OF AN EASEMENT - LOT 28, BLOCK 4, LAKEVIEW HEIGHTS ADDITION

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance that would vacate part of an easement in Lot 28, Block 4, Lakeview Heights Addition as follows:

The following described portion of the platted public utility easement in Lot 28, Block 4, Lakeview Heights Addition, City of Worthington, Nobles County, Minnesota, be vacated:

The east 7.00 feet of the west 10.00 feet of Lot 28, Block 4, Lakeview Heights Addition, City of Worthington, Nobles County, Minnesota, except the north 8.00 feet thereof.

The motion was made by Council Member Nelson, seconded by Council Member Kuhle and unanimously carried to give a third reading to, and subsequently adopt, the following Ordinance:

ORDINANCE NO. 1075

AN ORDINANCE TO VACATE THE PLATTED PUBLIC UTILITY EASEMENT IN LOT 28,
BLOCK 4, LAKEVIEW HEIGHTS ADDITION

(Refer to Ordinance File for complete copy of Ordinance)

**SECOND READING PROPOSED ORDINANCE TO VACATE PORTION OF PLATTED
UTILITY EASEMENT - 1709 RUST ROAD**

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance that would vacate a portion of a platted public utility easement on the property located at 1709 Rust Road as follows:

An ordinance vacating that portion of the platted public utility easement in Lot 3, Block 2, Homewood Hills Third Addition, City of Worthington, Nobles County, Minnesota described as follows:

The east 8.00 feet of the west 16.00 feet of Lot 3, Block 2, Homewood Hills Third Addition, City of Worthington, Nobles County, Minnesota.

The motion was made by Council Member Sankey, seconded by Council Member Kuhle and unanimously carried to give a second reading to the proposed ordinance.

NOMINATING COMMITTEE RECOMMENDATIONS APPROVED

The Nominating Committee met on Monday, November 25th and were making the following recommendations for committee appointments/reappointments:

| | |
|------------------------------------|---|
| Airport Advisory Board- | Reappointed Brian Larson for first full five-year term, term to expire 10/31/2018 |
| Housing & Redevelopment Authority- | Reappoint Lyle Ten Haken for first full five-year term, term to expire 11/30/18 |
| Planning Commission- | Reappoint Chad Nixon for second three-year term, term to expire 03/31/16 |
| | Reappoint Kelly Meyer for second three-year term, term to expire 04/30/2016 |
| Police Civil Service- | Reappoint Jenny Anderson-Martinez for second three- |

year term, term to expire December 31, 2016

Public Arts Commission-

Appoint Kathy Craun to replace Beth Habicht (who declined to serve a second term) for a three year term, term to expire 11/30/2016

Traffic & Safety Committee-

Reappoint Mark Nelson for a second three-year term, term to expire 10/30/2016

The motion was made by Council Member Kuhle, seconded by Council Member Nelson and unanimously carried to approve the appointments/reappointments as recommended by the Nominating Committee.

Staff noted that the Nominating Committee will have a recommendation at the next Council meeting to replace Bruce Pass on the Planning Commission. Mr. Pass's term had expired 04/30/2013 and he was not eligible for reappointment. Several names were suggested none had yet been contacted.

ON-SALE BEER, ON-SALE WINE AND ON-SALE LIQUOR LICENSES APPROVED FOR VENETIAN STEAKHOUSE, 1635 OXFORD STREET

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to approve the following licenses, for the license periods shown, for the Venetian Steakhouse, 1635 Oxford Street:

- On-Sale Beer - license period December 9 - 31, 2013
- On-Sale Wine - license period December 9, 2013 through June 30, 2014
- On-Sale Liquor - license period December 9, 2013 through June 30, 2014

UPDATE ON CENTER FOR ACTIVE LIVING PROGRAMING AND MEMBERSHIPS

Council received an update from Kris Hohensee, Director of the Center for Active Living, on current programming at the Center and ideas for future programming. Ms. Hohensee also noted that memberships at the Center have been steadily increasing since she started there in July - approximately 35 new members. Racquet ball memberships are also increasing with four new members. Council thanked Ms. Hohensee for the information and for her efforts.

AGREEMENT REQUESTING STATE AID FOR ELIGIBLE COSTS FOR THE AIRPORT FOR FISCAL YEARS 2014 AND 2015 (MAINTENANCE AND OPERATION) AND RESOLUTION APPROVING EXECUTION OF MAINTENANCE AND OPERATION AGREEMENT APPROVED

The motion was made by Council Member Graber, seconded by Council Member Kuhle and unanimously carried to approve a Grant Agreement for Airport Maintenance and Operations, and to approve the following resolution authorizing execution of the Grant Agreement:

RESOLUTION

AUTHORIZATION TO EXECUTE
MINNESOTA DEPARTMENT OF TRANSPORTATION
GRANT AGREEMENT FOR AIRPORT MAINTENANCE AND OPERATION

It is resolved by the City of Worthington as follows:

1. That the State of Minnesota Agreement No. 03964, "Grant Agreement for Airport Maintenance and Operation," 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

The agreement is similar to the agreements the City has routinely entered into in previous years to be eligible for cost sharing with Mn DOT to recover costs for the operation and maintenance of the airport.

RESOLUTION NO. 3535 ADOPTED APPROVING 2014 SEWER SERVICE CHARGES

Staff presented the proposed 2014 Sewer Service Rates for Council approval. Dwayne Haffield, Director of Engineering, noted the combined changes in connection and usage charges result in a \$.79 decrease for all non-industrial users, which represents a 3.7% decrease for a 2,000 gallon per month user, and a .4% decrease for a 60,000 per month user. Total revenue to be generated from the 2014 rates is \$1,884,718, which is \$66,505 less than the \$1,951,223 budgeted to be generated from the 2013 rates. The Water and Light Commission approved the proposed rates at their November 18, 2013 meeting.

The motion was made by Council Member Kuhle, seconded by Council Member Graber and unanimously carried to adopt the following resolution approving the changes in the sewer rate schedule:

RESOLUTION NO. 3535

APPROVING CHANGES IN THE SEWER RATE SCHEDULE

(Refer to Resolution File for complete copy of Resolution)

PROCUREMENT OF AIRPORT ENGINEER AUTHORIZED AND SELECTION PROCESS

APPROVED

As a condition to receive Airport Improvements Program (AIP) grants funded by the Federal Aviation Administration (FAA), the City agrees to certain terms and conditions, including those pertaining to the procurement of professional services. Those requirements include:

- The consultant is to be selected through a qualifications based selection process
- The selection process must allow for open and free competition
- The services to be solicited are limited to identified projects that are initiated within five (5) years of the date the contract is signed by the consultant

The current Personal Services contract with the firm of Mead and Hunt was approved by Council on April 14, 2008 following the selection process during the latter part of 2007, and the 5-year period of services has now expired. Staff was recommending that the selection process be initiated at this time to secure a consultant for the next possible construction cycle using the following selection process:

- A request for SOQ's be published and direct mailed to firms known to be providing airport services in the State
- Three to five firms be selected on the basis of specific criteria to request proposals from
- A firm be selected on the basis of specific criteria to enter into fee negotiations with. This may or may not follow interviews with one or more of the firms submitting proposals.

(These preceding steps would be conducted by a selection committee consisting of :

- The Council member of the Airport Committee
- An additional member of the Airport Committee (Chairman)
- A representative of the FBO selected by Integrity Aviation
- The Director of Public Works
- The City Engineer
- Fees will be negotiated by City staff and an independent fee review will be secured if found necessary
- A recommendation will be presented to Council for approval of the selected firm

Council Members Kuhle and Nelson expressed concern that we aren't asking for fee amounts up front for initial consideration. Dwayne Haffield, Director of Engineering, replied that the selection process is dictated by Federal guidelines and we really can't deviate from that if we want to be eligible to receive these federal grants. Mr. Haffield noted it is important to look for someone who can also lead us through a Master Plan development.

Following additional discussion, the motion was made by Council Member Sankey, seconded by Council Member Kuhle and unanimously carried to authorize procurement of an Airport Engineer for the federally funded projects to be conducted in the next five years and approve the selection process.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Attended the Minnesota West open house at the old fire hall - was impressed with

what they had done. Also emceed at the Highway 60 open house in celebration of the completion of this segment of the project - it was very well attended, including Representative Hamilton who worked to get the project done for us.

Council Member Kuhle - nothing to report.

Council Member Graber - Attended the CGMC conference - heard what they will be proposing and lobbying for on their members' behalf. Also attended a CAL meeting, reviewed the racquet ball and other programs. Was unable to attend the Heron Lake Watershed meeting as it conflicted with the last day of the Police Department's Citizen's Academy program - which she recommends everyone should participate.

Council Member Sankey - Attended the CGMC conference - they want cities to know that LGA helps cities to lower their tax bill. The Health Insurance Advisory Board met and seem to be going in circles - looking at a 16% to 20% increase. The Highway 60 project is impressive - kudos to Hamilton.

Council Member Nelson - HRA met and is looking to bring a proposal to Council at the December 9th meeting regarding their 48-unit rental project - they're also close to completing their employee handbook. Also attended the Highway 60 unveiling.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, reported that he had been attending the Blandin Leadership for a Culturally Diverse Community sessions - it has been a good process. The Sports Authority has decided that the Chamber will help facilitate further discussion and will be meeting on December 19th at 5:00 p.m. Regarding the CGMC meeting, there is a big push coming for Economic Development in greater Minnesota. LGA - looking for an inflationary increase to the program. - December 5th he will be participating in a Greater Minnesota Economic Development Partnership meeting. As a result of comments from the CGMC conference, Mr. Clark visited with the Scott County Administrator and he is willing to come down here to facilitate a discussion regarding city/county relationships. Health Care Advisory Committee met - there will be substantial increases for both the City's portion and the employee's portion. We will continue to work on it to control some costs in other ways, but the group did agree to increases deductibles and out of pocket maximums. - Echoed the Mayor's comments about Highway 60 - a lot of effort went in to it - also gave credit to Representative Hamilton.

ADJOURNMENT

The motion was made by Council Member Kuhle, seconded by Council Member Nelson and unanimously carried to adjourn the meeting at 8:07 p.m.

Janice Oberloh, MCMC
City Clerk