

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, DECEMBER 10, 2007**

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: Lyle Ten Haken, Mike Woll, Ron Wood, Mike Kuhle, Bob Petrich.

Staff members present: Joseph Parker, City Administrator; Brad Chapulis, Director of Community/Economic Development; Dwayne Haffield, Director of Engineering; Mike Cumiskey, Director of Public Safety; Brian Kolander, Finance Director; Jim Laffrenzen, Superintendent of Public Works; Janice Oberloh, City Clerk.

Others present: Darrell Stitt, KWOA; Amanda Walljasper, Daily Globe; Mel Platt, Worthington Regional Hospital, Ed Weiland, Sanford Health; Lisa Graphenteen, Southwest Minnesota Housing Partnership; Andy Johnson, YMCA; Doctor Beesch.

NUISANCE HEARING CONTINUED FOR 1805 EIGHTH AVENUE

This was the date and time set by Council at their November 13, 2007 meeting to continue the Public Nuisance hearing for the property located at 1105 Eighth Avenue.

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

Brad Chapulis, Director of Community/Economic Development, requested that Council grant another continuance of the hearing as an inspection of the property had been unable to be performed since the last Council meeting. Mr. Chapulis noted to Council that the property has now been registered as a rental property. Some painting has been done at the location, however, the remaining painting cannot be done until spring.

The motion was made by Alderman Ten Haken, seconded by Alderman Wood to close the hearing.

The motion was made by Alderman Kuhle, seconded by Alderman Petrich to continue the hearing until the first regular meeting of the City Council in May, 2008.

RESOLUTION NO. 3316 ADOPTED AUTHORIZING APPLICATION FOR SMALL CITIES DEVELOPMENT PROGRAM GRANT

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

Brad Chapulis, Director of Community/Economic Development, noted that staff had been working with the Southwest Minnesota Housing Partnership on the grant application for the rehabilitation of residential properties located within two specified target areas. Lisa Graphenteen, Southwest Minnesota Housing Partnership, gave a presentation on the grant program. Completion of the grant

application required four specific items: 1) Hold a public hearing (2) Approve the cooperative agreement merging the City of Worthington's application with applications from Round Lake and Wilmont (3) Approve a project budget (total project cost is estimated at \$1,196,790) (4) Approve a resolution authorizing the Mayor and Clerk to submit the application to DEED for consideration. Ms. Graphenteen noted that the City of Worthington would be the lead entity and will adopt the final project policies. Worthington would also be the lien holder regarding the rehabilitated properties, however, each city would keep their program income. A new ruling of the program is that the grant monies received must be spend within two years of their receipt. SMOC would administrate the program.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to close the hearing.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to proceed with the application for the Small Cities Development Program and approve Cooperative Agreement and the Project Budget, and adopt the following resolution authorizing the Mayor and Clerk to submit the application.

RESOLUTION NO. 3316

A RESOLUTION OF THE CITY OF WORTHINGTON IN SUPPORT OF A SMALL CITIES DEVELOPMENT PROGRAM PROJECT

(Refer to Resolution File for complete copy of Resolution)

AGENDA ADDITIONS/CLOSURE

Mayor Oberloh requested an addition to the agenda item G.9 - Additional Nominating Committee recommendations.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to close the agenda with the addition of Additional Nominating Committee Recommendations.

CITY COUNCIL MINUTES

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the City Council Minutes of the Regular meeting November 26, 2007, the City Council Minutes of the Special meeting November 28, 2007, and the City Council Minutes of the Special meeting December 3, 2007.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Petrich, seconded by Alderman Wood and unanimously carried to accept for review the Water and Light Commission Minutes of December 3, 2007; the Worthington Area Convention and Visitors Bureau Minutes of July 23, 2007, August 27, 2007 and September 24, 2007; and Planning Commission/Board of Appeals Minutes of December 4, 2007.

SECOND READING PROPOSED ORDINANCE TO VACATE PART OF A PLATTED PUBLIC UTILITY EASEMENT

Pursuant to published notice, this was the time set for the second reading of a proposed ordinance to vacate a portion of a platted utility easement in Block "1", Country Village Apartments Subdivision as follows:

The south 10.00 feet of Block "1", Country Village Apartments Subdivision, City of Worthington, Nobles County, Minnesota, except the east 10.00 feet thereof.

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

SECOND READING PROPOSED ORDINANCE RELATING TO STORM WATER UTILITY RATES

Pursuant to published notice, this was the time set for the second reading of a proposed ordinance amending Worthington City Code, Title V, Chapter 54, Section 54.04 (C) as follows:

(C) The annual fee per acre for residential is \$192.48.

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

RESOLUTION ADOPTED APPROVING PROPOSED 2007 TAX LEVIES COLLECTIBLE IN 2008

At their September 24, 2007 meeting, Council voted unanimously to cancel the Truth and Taxation hearing as, by certifying the new levy at a rate of less than 4.2853 percent over the previous year's final levy, the City is exempt under Minnesota Statute 275.065 from the requirement to hold such a hearing. Canceling the hearing will result in a savings to the City of a couple of thousand dollars.

In lieu of such a hearing, Brian Kolander, Finance Director, was present at this meeting to present the proposed tax levies and answer any questions Council may have. He reviewed the various funds, personnel, Local Government Aid, and future issues such as infrastructure installation to the recently purchased land north of I-90, the Unions, health care, the Senior Center, Campbell Soup site clean

up, and Airport projects.

The motion was made by Alderman Petrich, seconded by Alderman Wood and unanimously carried to approve the final tax levy in the amount of \$2,548,090 for 2008 (a 3.8% increase over 2007) and adopt the following resolution:

RESOLUTION APPROVING 2007 TAX LEVIES COLLECTIBLE IN 2008

Be it resolved, by the City Council of the City of Worthington, County of Nobles, State of Minnesota, that the following sums of money are to be levied for the current year, collectible in 2008 upon the taxable property in said City of Worthington, Minnesota for the following purposes:

LIMITED GENERAL PURPOSE TAX	2007/2008 LEVY	SPECIAL TAX LEVIES:	2007/2008 LEVY
General Fund	642,076	G.O. Debt Service Funds including Improvement Bonds (MS 275.50 Subd. 5e and MS 429.091)	
Community Center Fund	17,900		
Recreation Fund	898,172	PIR Series	65,100
		Public Facility Lease 2004A	95,350
Improvement Construction Fund	136,703	PIR Series 2004A \$3,055,000	250,300
Airport	42,468	PIR Series 2007A \$4,370,000	<u>301,860</u>
Memorial Auditorium fund	<u>62,161</u>		
TOTAL GENERAL PURPOSE TAX	<u>1,799,480</u>	SUBTOTAL DEBT SERVICE FUNDS	712,610
		Economic Development Tax Abatement	<u>36,000</u>
		TOTAL SPECIAL TAX LEVIES	<u>748,610</u>
SPECIAL TAX LEVIES: (Other than Debt Service)		RECAP OF TAX LEVY TOTALS:	
Housing & Redevelopment Authority (MS 462.545 Subd. 6)	Separate Certified Levy	General Purpose Levy	1,799,480
		Special Tax Levies	<u>748,610</u>
		TOTAL NET LEVY	<u>2,548,090</u>

The City Clerk is hereby directed to transmit a certified copy of this resolution to the County Auditor of Nobles County, Minnesota.

RESOLUTION ADOPTED APPROVING THE HOUSING AND REDEVELOPMENT AUTHORITY TAX LEVY COLLECTIBLE IN 2008

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adopt the following resolution approving Housing and Redevelopment Authority Tax Levy Collectible in 2008:

RESOLUTION APPROVING 2007 TAX LEVIES COLLECTIBLE IN 2008

BE IT RESOLVED, by the City Council of the City of Worthington and the Housing and Redevelopment Authority of the City of Worthington, County of Nobles, State of Minnesota, that the following sum of money be levied for the current year, collectible in 2008, upon the taxable property in said City of Worthington, Minnesota, for the following purposes:

SPECIAL TAX LEVY	CERTIFIED LEVY 2007/2008
HOUSING AND REDEVELOPMENT AUTHORITY TAX LEVY (Minnesota Statute 469.033, Subdivision 6)	
Special Tax for Operations	\$57,059.50
Informational Service and Relocation Assistance	5,662.39
TOTAL	<u>\$62,721.89</u>
NET CERTIFIED LEVY	\$62,721.89

The City Clerk is hereby directed to transmit a certified copy of this resolution to the County Auditor of Nobles County, Minnesota.

RESOLUTION NO. 3315 ADOPTED APPROVING THE 2008 FUND BUDGETS FOR THE CITY OF WORTHINGTON, MINNESOTA

Staff presented a resolution for approval of the separate city budget funds in the following amounts:

General Fund	\$ 7,022,104
--------------	--------------

Special Revenue Funds	\$ 1,656,753
Debt Service Funds	\$ 1,772,847
Capital Project Funds	\$ 4,606,332
Enterprise Funds	\$ 3,064,039
Data Processing Fund	\$ 317,438
Cable TV Fund	<u>\$ 90,000</u>
TOTAL 2008 BUDGET	\$18,529,513

The motion was made by Alderman Wood, seconded by Alderman Petrich and unanimously carried to approve the 2008 budgets as presented and adopt the following resolution:

RESOLUTION NO. 3315

A RESOLUTION FOR THE APPROVAL OF THE 2008 FUND BUDGETS FOR THE CITY OF WORTHINGTON, MINNESOTA

(Refer to Resolution file for complete copy of Resolution)

AUDIT ENGAGEMENT LETTER APPROVED

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to accept the Turbes Drealan Kvilhaug Mammen & Co., PA proposal for the 2007 year end audit services. The maximum would not exceed \$15,500 excluding word processing of the report, which is a \$450 increase over 2006.

LICENSE RENEWAL APPLICATIONS APPROVED

The motion was made by Alderman Petrich, seconded by Alderman Wood and unanimously carried to approve the following license renewal applications for the period January 1, 2008 through December 31, 2008:

On-Sale Beer

2008-11 El Taco Restaurant, 418 Tenth Street

Off-Sale Beer

2008-15 La Morenita, 1517 Oxford Street

Dance

2008-2 VFW Post 3958, 1117 Second Avenue
2008-3 Stephanie's Restaurant & Lounge, 2015 Humiston Avenue

Pawn Shop

2008-1 Pawn-It, Inc., 1730 Oxford Street

NOMINATING COMMITTEE RECOMMENDATIONS APPROVED

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to approve the following Nominating Committee recommendations:

Housing & Redevelopment Authority-	Appoint Jose Lamas for a three-year term to replace Larry Janssen, term to expire November, 2012
Nominating Committee-	Reappoint Mike Harmon for a three-year term to expire December, 2010
Police Civil Service Commission-	Reappoint Jerry Eykyn to a three-year term to expire December, 2010

2008 YMCA CONTRACT APPROVED

The 2008 agreement with the YMCA for management of the City's summer youths recreation programs, adult softball programs and the municipal swimming pool was presented for Council consideration. The contract represents a 3% increase over the previous contract for a total contract amount of \$59,983. The amount was included in the 2008 budget discussions.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the 2008 YMCA Contract and to authorize the Mayor and Clerk's signatures.

2008 OLSON PARK CAMPGROUND RATES ESTABLISHED

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the 2008 Olson Park Campground Policy and Rates as follows:

1. The campground attendant will be responsible for all reservations and assignment of sites.
2. Reservations guaranteed and a site assigned only upon receipt of payment.

3. No refund will be given, however, rain checks will be issued for use during the current camping season. The only exception would be a family emergency.
4. National holiday weekends, a minimum three night stay be required.
5. Reservations will be made until 95% of the electric sites are filled. Tent sites will be 100% as space is available to accommodate overflow.
6. The attendant will attempt to honor a specific site requested, however, the attendant will guarantee a site when prepaid reservation is made.
7. Maximum 7 day stay unless arrangements have been made with the park supervisor or designated person or if during off season as established by policy and fee structure.
8. Increase the 2007 fee of \$20 to \$20.50 for an electric site, with the exception of sites 1-13, the Sunset Bay sites, increase from \$20.00 to \$25.00 per site. Increase the weekly and monthly off season fee of \$120 and \$360 to \$130 and \$370 respectively.
9. Establish a 10% group discount for a group of 10 or more prepaid reservations.

CHAUTAUQUA AND CENTENNIAL PARK SHELTER HOUSE FEES APPROVED

The current fee for using one of the enclosed shelter houses is \$40, in addition to a \$40 “key deposit/clean up” fee which is refundable provided the user returns the key in the drop box and cleans up the shelter. The deposit/clean up fee had been raised in 2007 to \$40 from the previous amount of \$20 charged in 2006, and staff had seen a significant increase in compliance with the clean up of the shelters. Staff was recommending no change in the fee structure for 2008.

The motion was made by Alderman Wood, seconded by Alderman Ten Haken and unanimously carried to approve current shelter house fee structure for 2008 with no increase.

2008 UTILITY DEPARTMENT STRATEGIC FINANCIAL PLANS APPROVED

Scott Hain, General Manager of Worthington Public Utilities, presented the 2008 Utility Department Strategic Financial Plan for Council consideration. The Electric, Water and Wastewater budgets were previously approved and adopted by the Water and Light Commission. Included in the summary provided to Council were projected sales and non-sales revenues, projected debt service, operating and maintenance costs, capital improvement expenses, operating and capital flow of funds summaries, proposed 2008 rates and impact to rate payers, and the reserve account policy.

Following the presentation, the motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to concur with the Water and Light Commission recommendation to approve the financial plan and the proposed rates as presented.

REDEVELOPMENT GRANT PROJECT CONCEPT FOR FORMER CAMPBELL SOUP SITE APPROVED

State legislation allocated \$800,000 for a grant to the City to “remediate contaminated soil and redevelop the site of the former Campbell Soup factory”. Unless altered by additional legislation, the grant will be for 50% of project costs as provided for in the grant program and may only be expended for “public facilities”. Department of Employment and Economic Development (DEED) staff will prepare the grant agreement in accordance with a model provided by the Department of Finance, but the City must provide certain basic information for preparation of the agreement including a legal description and number of acres of the real property on which the facility will be situated, a map of the site with boundaries shown, project proposal, and budget. Earlier this year, it was determined that the proposed fire station is the most appropriate project to identify in the grant agreement. Referencing a map based on the contamination map prepared by Peer Engineering, it was suggested that Area 1 be associated with the fire station as a public use. Although the site plan for the fire station has not been developed, it is anticipated that the site needs for the fire station can be met within that area. Area one covers the primary structure but excludes the former manufactured gas plant restricted area and accessory structures identified for demolition. The area which grant funds can be expended could be expanded to include a second area located southwest of the primary structure, which would also be restricted for public use, but may not be required as part of the fire station site. A potential use of a portion of that area would be parking facilities.

Dwayne Haffield, Director of Engineering, presented the following two scenarios expending grant funds only in Area 1 with a portion of the 50% match being funds expended in Area 2:

Scenario 1 - Fire Station in Area 1, similar building in Area 2

	Area 1 Eligible Costs	Area 2 Eligible Costs	Total Eligible “Project” Costs	Available for Area 1	Local Cost
Through Building Demo	\$1,024,431	\$168,611	\$1,193,042	\$596,521	\$596,521
Through Development	\$1,311,365	\$724,171	\$2,035,537	\$800,000	\$1,235,537

Scenario 2 - Fire Station in Area 1, parking lot in Area 2

	Area 1 Eligible Costs	Area 2 Eligible Costs	Total Eligible “Project” Costs	Funding Available for Area 1	Local Cost
Through Building Demo	\$1,024,017	\$173,590	\$1,197,607	\$598,803	\$598,803
Through Development	\$1,334,364	\$307,306	\$1,641,669	\$800,000	\$841,669

Area 1 would have a restriction on it for 50 years for use as a public facility. The scenarios were prepared using concept level/planning cost estimates prepared by Peer Engineering. Where there are no specific project plans they must not be regarded as engineer’s estimates and are intended to only suggest possible costs. The scenarios demonstrate one possible range of remediation needs but cannot be considered to reflect all possibilities. The grant period ends December 31, 2010, so necessary activities must be undertaken by that time to maintain grant eligibility.

Alderman Wood said he thinks we should move forward as there is \$800,000 to at least remediate Area 1 and put a parking lot on Area 2 if that’s what the final decision is. Alderman Woll said he

also thinks it makes sense to start the project and get moving, but is concerned that we may be tucking the fire station into a corner along the railroad tracks, are we creating a slower response time.

A motion was made by Ron Wood and seconded by Bob Petrich to approve the Redevelopment Grant Project. Alderman Ten Haken noted we have incurred a lot of expense to try to fix this public property. Mr. Haffield pointed out that as the grant dollars are being expended the City would have to come up with half of it. At this point nothing has been set aside for this. Council discussed the possibility of bonding for the project. Alderman Kuhle said we need to get going on this paperwork but want to have a meeting as there is a lot of cost here that we don't have the money for, and we need to look at going after the people who caused this contamination - we've never visited with an environmental attorney. Mayor Oberloh responded that it looked like a long shot, adding he wouldn't be opposed to having the City Administrator contact the Attorney General's office to ask them about it, but would not want that process to stop this process. Mr. Haffield noted that to be successful we would need to prove who caused the contamination. The motion was unanimously carried.

PRE-DEMOLITION ABATEMENT WORK AT FORMER CAMPBELL SOUP COMPANY SITE APPROVED

PEER Engineering has completed the specifications for the work necessary to remove asbestos, lead-based paint, and hazardous materials as well as other regulated and special waste items from the former Campbell Soup Company's site to prepare the buildings for demolition. The lead-based paint removal includes only loose material and does not assure that crushing material on site may not require further abatement. The total estimated cost of the pre-demolition work is \$230,210, including professional services and a 20% contingency fee. The only funding source for this work continues to be the redevelopment grant in the previous case item, and all local funding will need to be from the general fund undesignated unreserved fund balance as have been all other costs associated with the site to date. Peer Engineering has submitted a proposed amendment to their contract to include the professional services during the pre-demolition work for fees not exceed \$55,000. Staff was requesting Council approval of the pre-demolition specifications, authorization to advertise for bids to be received January 10, 2008 and considered at the January 14, 2008 Council meeting, and authorization to execute Amendment No. 3 with Peer Engineering.

The motion was made by Alderman Wood and seconded by Alderman Petrich to approve the pre-demolition specifications, authorize advertisement for bids to be received January 10, 2008 for consideration at the January 14, 2008 Council meeting, and authorize execution of Amendment No. 3 with Peer Engineering. Alderman Ten Haken stated it seems to be an awfully high contingency and consultation fee for a contract of this size. It covers asbestos removal and flaking paint, while the adhering paint can be crushed in the demolition. It seems like silliness to him to hire someone to do this and then pay someone \$55,000 to make sure they do it. Mr. Haffield responded there is no doubt this is a high percentage but it is a lot of strictly on-site observations, monitoring and testing. This is a heavy-ended professional phase. Alderman Kuhle noted we really don't have any

choice. The motion was unanimously carried.

RESOLUTION ADOPTED APPROVING APPLICATION FOR FEDERAL FUNDING OF BIKE TRAIL PROJECT

In anticipation of continued authorization of the federal transportation act providing federal funding for transportation projects, applications for projects are being solicited for years 2009 through 2012, with funding being available in year 2012. A portion of the available funding is set aside for enhancement projects that address certain historic, scenic, environmental, and pedestrian and bicycle traffic issues. Funding is available for up to 80% of construction costs, excluding engineering and right-of-way costs. At their July 23, 2007 meeting, Council approved a bikeway concept for a trail lying generally along C.S.A.H. 35 and C.S.A.H. 10 (Crailsheim Road). Due to the total cost of the project exceeding a \$400,000 federal funding limit, and the benefits of demonstrating a collaborative effort, it is now proposed to split the project for separate applications by the City and the County. The City segment is proposed to be from the north end of the existing Centennial Park trail near Cynthia Avenue to C.S.A.H. 10 at an estimated total cost of \$423,526, with a federal share of \$295,000 and a local share of \$128,526 which includes engineering. To move forward with the application, Council would need to adopt a resolution establishing the City's willingness to fund the local share, identify the project agent, and set out an agreement to maintain the facility for its useful life.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adopt the following resolution and authorize submittal of the application:

RESOLUTION OF SPONSORSHIP OF SPONSORING AGENCY AND OF AGREEMENT TO MAINTAIN FACILITIES

WHEREAS, The Federal Highway Administration (FHWA) requires that states agree to operate and maintain facilities constructed with federal transportation funds for the useful life of the improvements and not change the use of right of way or property ownership acquired without prior approval from the FHWA; and;

WHEREAS, Transportation enhancement projects receive federal funding from the Surface Transportation Program (STP); and

WHEREAS, The Minnesota Department of Transportation (MnDOT) has determined that for projects implemented with enhancement funds, this requirement should be applied to the project proposer; and

WHEREAS, The City of Worthington is the project proposer for the transportation enhancements project identified as Northwest Worthington Trail.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WORTHINGTON, THAT the City of Worthington agrees to act as sponsoring agency for a "Transportation Enhancements" project identified as Northwest Worthington Trail and has reviewed and approved the project as proposed. Sponsorship includes a willingness to secure and guarantee the local share of costs associated with this project and responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF WORTHINGTON, THAT Dwayne Haffield is hereby authorized to act as agent on behalf of this applicant.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF WORTHINGTON, THAT the Project Proposer hereby agrees to assume full responsibility for the operation and maintenance of property and facilities related to the aforementioned enhancement project.

WORTHINGTON REDISCOVERED GRANT FOR 1021 GRAND AVENUE APPROVED

On December 6, 2007, the Worthington Rediscovered Committee considered an application from Doug Nau for a redevelopment project at 1021 Grand Avenue, and unanimously recommended the Council commit an amount not to exceed \$5,200 toward the demolition of the existing residential structure. Staff presented a development agreement that outlines the obligations for both parties. Because the Committee does not have the authority to enter into a binding agreement on behalf of the City, it is requesting Council to authorize the Mayor to execute the development agreement.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to authorize the Mayor to execute the development agreement for the redevelopment project at 1021 Grand Avenue.

WORTHINGTON REDISCOVERED GRANT FOR 620 LAKE STREET APPROVED

On December 6, 2007, the Worthington Rediscovered Committee considered an application from Doug Nau for a redevelopment project at 620 Lake Street. The Committee unanimously recommended the Council commit an amount not to exceed \$4,500 toward the demolition of the existing residential structure. Because the Committee does not have the authority to enter into a binding agreement on behalf of the City, it is requesting Council to authorize the Mayor to execute the development agreement.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to authorize the Mayor to execute the development agreement for the redevelopment project at 620 Lake Street.

2008 MINNESOTA CITY PARTICIPATION PROGRAM APPLICATION APPROVED

The Minnesota City Participation Program (MCP) is offered through the Minnesota Housing Finance Agency (MHFA), and is an annually funded program that provides below market interest rate home mortgage loans for low to moderate income first-time home buyers purchasing homes within awarded communities. In 2006, the City applied and received an exclusive allocation of \$163,362, and the five local MHFA contracted lenders executed 22 MCP loans worth \$1,637,950. In 2007 the exclusive allocation is \$151,806. As of September 1st the lenders have executed four MCP loans worth \$324,675. Staff was recommending that Council apply for MCP funds for 2008 by authorizing the City Administrator to execute the application.

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried to authorize Joseph Parker, City Administrator, to execute the application for the 2008 Minnesota City Participation Program.

2008 PURCHASE PLUS PROGRAM APPLICATION APPROVED

The Southwest Minnesota Housing Partnership submitted a request for financial assistance from the City of Worthington to offset expenses it will incur in the preparation of two grant applications it is planning to submit to the Minnesota Housing Finance Agency (MHFA) for proposed Worthington projects. If awarded, the Partnership would be able to leverage the MHFA grants to purchase, rehab, and sell four single family homes to qualified home buyers as well as provide down payment/closing cost assistance to an additional four qualified minority home buyers. The project will help free up rental units within the community by moving households into home ownership, and meets several goal and objectives of the 2005 Housing Study related to single family rehabilitation and financial assistance to assure affordable home ownership. Staff was recommending Council contribute \$2,500 to the Partnership and utilize the grant writing funds within the Community Development budget for the payment. The Housing Partnership is also contacting local lenders for contributions of \$1,000 to offset the expenses. Brad Chapulis, Director of Community/Economic Development, introduced Lisa Graphenteen from the Housing Partnership to discuss the program with Council.

The motion was made by Alderman Wood and seconded by Alderman Woll to approve the contribution of \$2,500 to the Housing Partnership for the preparation of the MHFA applications, and to utilize grant writing funds within the Community Development budget to make payment. Alderman Ten Haken questioned if he understood correctly that this was for minorities only. Ms. Graphenteen replied that of the eight Community Activity Set Aside (CASA) grants they are applying for, four of them would be restricted to minorities. Alderman Ten Haken suggested it appeared to be a discrimination issue and urged Ms. Graphenteen to push for making programs like this available to all people as opposed to just targeting a minority class or a Caucasian class. The motion was unanimously carried.

RESOLUTION APPROVED AUTHORIZING EXECUTION OF GRANT AGREEMENT FOR BUFFALO RIDGE TASK FORCE

The City of Worthington is the financial agent for the Buffalo Ridge Drug Task Force, which was awarded funding for 2008 through the Department of Public Safety. The City reimburses each agency expended monies in accordance with the grant agreement. Staff presented a resolution authorizing Michael J. Cumiskey, Director of Public Safety, to enter into this grant agreement on behalf of the City of Worthington.

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to adopt the following resolution authorizing Michael J. Cumiskey, Director of Public Safety, to enter into the grant agreement:

RESOLUTION RELATING TO BUFFALO RIDGE DRUG TASK FORCE GRANT AGREEMENT

WHEREAS, the Counties of Nobles, Rock, Murray and Pipestone, by and through their Sheriff's Departments, and the Cities of Adrian, Fulda, Slayton and Worthington, by and through their police departments (sometimes referred to herein as the "parties") have formed and operated a task force for the purpose of coordinating regional drug enforcement efforts; and

WHEREAS, the parties have determined that, pursuant to Minn. Stat. § 471.59, they should form a Joint Powers Agreement for the purposes of coordinating and administrating Buffalo Ridge Drug Task Force efforts, and to receive law enforcement funds available for regional narcotics task forces through the State and Federal Government; and

WHEREAS, by the Worthington City Council resolution, the City of Worthington entered into a Joint Powers Agreement with the parties for the purpose of forming and operating the "Buffalo Ridge Drug Task Force".

NOW THEREFORE BE IT RESOLVED, Worthington Police Department, on behalf of Buffalo Ridge Drug Task Force, enter into an agreement with the Minnesota Department of Public Safety, Office of Justice Programs and that Michael J. Cumiskey, Worthington Public Safety Director, is authorized to execute such agreement and any amendment thereto;

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to the task force grants administrator of Minnesota Department of Public Safety, Office of Justice Programs.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Attended a trail meeting, discussed bike trail project. Also noted that Steve Jackson, owner of the local McDonald's, told him it had been a joy working with City staff on their new facility. Noted the December 17th Special City Council Meeting to discuss the Sanford offer, looking at possible action December 26, 27, or 28th, or January 14th as the Legislature would need our decision by then.

Alderman Ten Haken - Attended a Joint Transit Authority meeting. They discussed a request from the Taxi Service to discontinue the late night hours for service as they've met with very limited success and it is not cost effective. The Transit Authority wants to pursue the intent of getting people safely home from bars and increase ridership - they are working with the bar owners and looking at using subsidies.

Alderman Woll - Attended a Sidewalk Committee meeting - development of a policy is going slow, discussed maintenance. Also the time line of the hospital is putting the pressure on to have that discussion as soon as possible.

Alderman Wood - nothing to report.

Alderman Kuhle - nothing to report.

Alderman Petrich - SEH has submitted the preliminary drawings for the auditorium renovation/addition.

CITY ADMINISTRATOR'S REPORT

Joe Parker, City Administrator, had nothing to report.

BILLS PAYABLE

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried that bills payable and totaling \$389,123.80 be ordered paid.

CLOSED SESSION - MONTIEL VS. LIEPOLD LITIGATION UPDATE (CLOSED UNDER MINN. STAT. § 13D.05)

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to enter into closed session to receive an update from Jason Hiveley of Iverson Reuvers on the Montiel vs. Liepold Litigation.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to adjourn the meeting at 10:20 p.m.

Janice Oberloh
City Clerk