

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, DECEMBER 12, 2011**

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 Kuhle, Scott Nelson, Mike Woll. Honorary Council Member: Keith Wilson. Aldermen absent: Ron Wood (excused).

Staff present: Craig Clark, City Administrator; Brad Chapulis, Director of Community/Economic Development; Mike Cumiskey, Public Safety Director; Dan Wycoff, Liquor Store Manager; Janice Oberloh, City Clerk; Scott Hain, General Manager Worthington Public Utilities (8:13 p.m.)

Others present: Julie Buntjer, Daily Globe; Jim Bunner, KWOA; Tom Jansa, Dakota Golf Management; Jim McComb, McComb Group LTD.

HONORARY COUNCIL MEMBER

Mayor Oberloh welcomed Keith Wilson as the Honorary Council Member for the months of December, 2011 and January and February, 2012. Mr. Wilson noted he would not be attending the special City Council meeting on December 14th.

AGENDA APPROVED

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to accept the agenda as presented.

CONSENT AGENDA APPROVED

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

- City Council Minutes - regular meeting November 28, 2011 and special meeting December 7, 2011
- Minutes of Boards and Commissions - Water and Light Commission Minutes of regular meeting December 5, 2011; Worthington Economic Development Authority Minutes of November 28, 2011; Worthington Housing and Redevelopment Authority Board of Commissioners Minutes of November 17, 2011; Planning Commission / Board of Appeals Minutes of December 6, 2011
- Municipal Liquor Store Income Statement for the Period January 1, 2011 through November 30, 2011
- Annual License Renewals as follows:
 - On-Sale Beer
 - 2012-1 Long Branch Saloon - 206 Tenth Street
 - 2012-2 La Azteca Restaurant, 223 Tenth Street
 - 2012-3 Pizza Hut #2747, 1551 N. Humiston Avenue

- 2012-4 Panda House - 913 Fourth Avenue
- 2012-5 The Ground Round Grill & Bar, 1290 Ryan's Road
- 2012-7 Hickory Lodge Bar & Grill, LLC - 2015 N. Humiston Avenue
- 2012-8 Tacos Lupe, 415 Ninth Street
- 2012-9 Fraternal Order of Eagles Aerie #3282, 205 Oxford Street

Off-Sale Beer

- 2012-1 Travel Express, 2021 Highway 59 North
- 2012-2 Fareway Stores, Inc., 1028 Ryan's Road
- 2012-3 Interstate Cenex, 1710 N. Humiston Avenue
- 2012-4 Hy-Vee Food Store, 1235 Oxford Street
- 2012-5 La Azteca Grocery Store, 219 Tenth Street
- 2012-6 Top Asian Food Store, 312 Tenth Street
- 2012-7 Casey's General Store #1686, 1704 Oxford Street
- 2012-8 Casey's General Store #2166, 1007 Oxford Street
- 2012-9 Worthington Travel Plaza, 2411 Highway 60 NE
- 2012-10 Walmart - 1055 Ryan's Road
- 2012-11 Bob & Steve's Shell, 1408 Oxford Street
- 2012-12 Hy-Vee Gas Station, 1245 Oxford Street
- 2012-13 Sterling Drug, 511 Tenth Street
- 2012-14 El Mexicano #3, 310 Tenth Street
- 2012-15 Long Branch Saloon, 206 Tenth Street

Dance

- 2012-1 Fraternal Order of Eagles Aerie #3282, 205 Oxford Street
- 2012-2 VFW Post 3958, 1117 Second Avenue
- 2012-3 Long Branch Saloon, 206 Tenth Street
- 2012-4 Hickory Lodge, 2015 North Humiston Avenue

Pawn

- 2012-1 Pawn-It, Inc., Vance F. Johannig, 1730 Oxford Street

- Established 2012 Olson Campground rates as follows:

<u>Location</u>	<u>2011 Fee</u>	<u>Increase</u>	<u>2012 Fee</u>
Sites 1-12 (Bay electric sites)	\$ 26.50	\$.50	\$ 27.00
Sites 13-63 (Electric sites)	\$ 22.00	\$ 1.00	\$ 23.00
Sites 64-68 (Tent sites)	\$ 17.00	\$.50	\$ 17.50

Weekly rate	\$155.00	\$ 5.00	\$160.00
Monthly rate	\$390.00	\$10.00	\$400.00

*No changes to extended stay policies

*Groups of 10 or more will continue to receive a 10% discount

*All reservations are required to be paid in advance and are non-refundable unless approved by Superintendent of Public Works, with the exception of a death or medical emergency, etc.

- Established 2012 Enclosed/Open Shelter House Fees with no changes as follows:

Centennial and Chautauqua Park shelters - \$40 fee with \$40 key/clean up deposit
Open shelters surrounding Lake Okabena - \$25 fee with \$25 clean up deposit

- Established 2012 User fee for Chautauqua Band Shell usage as follows:

\$40 user fee and a required application

- Established 2012 Special Event User Fees for Open Green Spaces within the City's parks as follows:

*Family reunions, smaller birthday parties, etc. - no application required unless inflatables will be used

*Larger events - application required

*50 people or less - \$40 user fee

*more than 50 people - evaluation on a case by case basis

- RESOLUTION NO. 3486 APPROVING THE DECERTIFICATION OF TA INCREMENT FINANCING DISTRICT NO. 7 (DARLINGS THIRD ADDITION) IN THE CITY OF WORTHINGTON, MINNESOTA

(Refer to Resolution File for complete copy of Resolution)

- Bills payable and totaling \$581,646.17 be ordered paid.

AGREEMENT WITH DAKOTA GOLF MANAGEMENT FOR THE CLUBHOUSE AND GREENS OF PRAIRIE VIEW GOLF LINKS

Council reviewed a proposed agreement with Dakota Golf Management for the Clubhouse and Greens of Prairie View Golf Links for 2012. The agreement includes adjustments from the previous contract to the revenue schedule and the items subject to sharing. The base management fee is from

the first amount of gross revenue and has increased from \$50,000 to \$55,000.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve an agreement with Dakota Golf Management for the Clubhouse and Greens of Prairie View Golf Links as presented.

LIQUOR STORE FEASIBILITY PRESENTATION

Jim McComb, of the McComb Group, presented the results of the Liquor Store Feasibility Study to Council. The report was based on market studies, traffic counts, size of trade area, and estimated an additional \$3.5 million in sales for the period 2013 to 2017 with a new store. Staff noted that Council would need to address several issues before making a decision on a new facility, such as capital replacement issues at the current facility, physical limitations of the current store, and other considerations. Council thanked Mr. McComb for his presentation.

RESOLUTION NO. 3487 ADOPTED REGARDING NONCOMPLIANCE - MEDIACOM

Based on the impending expiration dates of the City's franchise agreements, The WGTN Board has requested, through legal representatives Moss & Barnett, franchise fee payment history so a subscriber audit desk review can be performed. To date, Mediacom has not provided the information, which is a violation of their franchise agreement. Staff presented a resolution finding Mediacom in violation of the agreement, and giving them 30 days to cure the violations.

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

RESOLUTION NO. 3487

A RESOLUTION REGARDING FRANCHISE NONCOMPLIANCE

(Refer to Resolution File for complete copy of Resolution)

CONTRACT NEGOTIATION AUTHORIZED FOR CONTINUATION OF ARCHITECTURAL SERVICES FOR NEW FIRE HALL

On December 7, 2011, staff was informed that Buetow & Associates, who have been providing Construction Administration services for the new fire hall project, is closing its doors as a company and will no longer provide services beyond December 15, 2011. Randy Engel, Primary Architect for Buetow & Associates, submitted a proposal under his new firm of Buetow 2 for continuation of services through completion of the project. City Attorney Mark Shepherd reviewed the proposal and provided advise to staff on how to proceed.

Following discussion on potential future issues and/or claims, the motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to authorize staff to negotiate a contract with Randy Engel or his firm's representative for continuation of architectural services for the new fire station.

2012 LEGISLATIVE PRIORITIES APPROVED

As in the past, staff has worked together with the County, School District, WREDC and the Chamber of Commerce to put together a list of legislative priorities for 2012, to be shared with the Governor and state legislators who represent Worthington and our area. Staff was requesting Council approval of the identified priorities that included: MN West Center for Health, Wellness and Lifelong Learning, Public Safety ARMER system, trail development, and the This Old House program.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve the 2012 Legislative Priorities as identified.

LIQUOR COMMITTEE RECOMMENDATION APPROVED FOR ADDITIONAL ALCOHOL COMPLIANCE CHECK VIOLATION PENALTY

Council considered a recommendation from the Liquor Committee to amend the penalty options for first time compliance violations, which is currently a \$500 fine or a weekend long license suspension. To make owners and employees of licensed establishments more aware that checking i.d.'s of suspected underage persons should be first and foremost, the Committee approved the addition of an option to purchase a card reader that would scan and quickly identify an age violation. The device would need to be a model approved by Council, or its designee, that would read both magnetic stripes and bar codes.

The motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried to approve the card reader as an additional penalty option for first offense alcohol compliance check violations.

ORDINANCE NO. 1049 ADOPTED AMENDING TITLE V, CHAPTER 54, SECTION 54.04(C) OF THE WORTHINGTON CITY CODE - STORM WATER

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

SECTION I.

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 \$228.00.

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

ORDINANCE NO. 1049

AN ORDINANCE RELATING TO STORM WATER UTILITY RATES

(Refer to Ordinance File for complete copy of Ordinance)

FIRST READING PROPOSED ORDINANCE AMENDING CHAPTER 111, SECTION 111.33 OF THE WORTHINGTON CITY CODE PERTAINING TO RESTRICTIONS UPON PERSONS UNDER THE AGE OF 21

Council considered a proposed ordinance amending Title XI, Section 111.33, Section (C) (1) of the Worthington City Code, regarding persons under the age of 21. Currently, as written, persons under the age of 18 are not allowed in any establishment licensed for the sale of alcoholic beverages or the municipal liquor store unless the child is:

(a) Under the direct supervision of the child's parent, grandparent or legal guardian who is present with and accompanying the child; and

(b) In the case of establishment holding an on-sale intoxicating liquor or 3.2 malt liquor license, the child may only attend social functions that are held in the portion of the establishment where liquor is not sold.

The language basically precludes children under 18 from entry into licensed establishments with the City of Worthington, even for events and celebrations. The proposed ordinance cleans up some language and makes the following changes:

(C) Restriction. The following restrictions shall also apply.

(1) No person under the age of 21 years may enter an establishment licensed for the sale of alcoholic beverages or the municipal liquor store for the purpose of purchasing, or having served or delivered to him or her, any alcoholic beverage. Persons 18, 19 and 20 years old may enter a licensed establishment or the municipal liquor store as authorized by state law to perform work for the establishment, to consume meals and attend social functions that are held in a portion of the establishment where liquor is not sold. No child under the age

of 18 years may enter any establishment licensed for the sale of alcoholic beverages or the municipal liquor store unless such child is:

(a) Under the direct supervision of the child's parent, grandparent, or legal guardian who is present with and accompanying the child; or

(b) Under the direct supervision of another responsible adult who has written permission from the child's parent, grandparent, or legal guardian which written permission is in the possession of such responsible adult; or

(c) Under the direct supervision of a responsible adult while attending a social function that is held in a portion of the establishment where liquor is not, at the time of the function, being sold.

The Liquor Committee approved the proposed change at their December 2, 2011 meeting.

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

2012 UTILITY DEPARTMENT STRATEGIC FINANCIAL PLANS RECEIVED AND ADOPTED

Scott Hain, General Manager of Worthington Public Utilities, presented the 2012 Utility Department Strategic Financial Plans for Council review and approval, as required by the City Charter. Mr. Hain reported the following, noting all three of the utility budgets (Water, Wastewater, and Electric) had been adopted by the Water and Light Commission:

Water Department - the proposed 2012 budget was adopted by the Water and Light Commission at their November 7, 2011 meeting. Operation and Maintenance costs increased by \$12,500, or .9%. Non-revenue financed fixed assets expenditures were up about 1.2%, but based on projected water sales revenue for 2012 there was no need indicated for a retail rate increase in water rates for 2012. The 2012 Water Department budget shows no increase in any of the retail water rates for 2012.

Wastewater Department - the Commission reviewed and approved the proposed Wastewater Department budget at their November 21, 2011 meeting. The total O & M budget for the Wastewater Department for 2012 showed an increase of about 1%. The non-revenue financed fixed assets portion of the budget for capital improvements showed an increase of about 6.3%, for total "new money" Wastewater requirements for 2012 up about 2.3%. Mr. Hain reminded Council that, at the November 28, 2011 City Council meeting, Dwayne Haffield, Director of Engineering, presented the 2012 Sewer Service Charge System to the Council, which they approved. The proposal showed about a 1.95% increase in the connection charge and a .2% increase in the usage charge, which resulted in a net effect of about \$.33 per month (or 1%) increase in the retail cost for the average residential customer.

Electric Department - the Water and Light Commission reviewed and approved the proposed 2012 Electric Department budget at their regular meeting December 5, 2011. The 2012 O & M expenses were up approximately 1%, or about \$166,000. Mr. Hain noted that about \$150,000 of that increase is due to increased costs in purchased power and transmission. New revenue fixed assets for capital improvements for 2012 was down about 3.5%. The proposed budget called for no change in the electric retail rates for residential or commercial customers, and a very slight increase in the industrial retail rate of about 1% to 1.5%

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to receive and adopt the proposed 2012 Utility Department Strategic Financial Plans.

ARCHITECTURAL CONTRACT AMENDMENT FOR FORMER YMCA PROJECT APPROVED WITH EXCEPTION

Staff presented an architectural contract amendment submitted by I & S Group for Council's consideration. The change resulted from additional services for breaking down the redevelopment of the former YMCA project into three separate contracts, after the initial bids were rejected by Council. The cost for the additional services was \$9,200. The amendment also included a \$5, 632 change in the cost for construction administration, based on I & S completing another local project, resulting in lost opportunity for cost savings from sharing. Council determined that the tax payers should not have to pay for lost opportunity because the contractor finished another project they were piggy-backing on with this project.

The motion was made by Alderman Kuhle and seconded by Alderman Nelson to approve the amendment for the \$9,200 for the additional services but not the additional \$5,632 in charges. The following Aldermen voted in favor of the motion: Ten Haken, Kuhle, Nelson, Wood; with the following voting against the same: Woll. Motion carried.

Council agreed they would need to discuss the project before bidding the reconstruction part of the project.

TAX ABATEMENT PROPOSAL REVISION APPROVED

In July of 2011 Council adopted an Economic Development Strategic Plan brought forward by the ED Ad HOC Committee on the City's behalf. After several meetings with the County and School Representatives, including a meeting November 28th, staff was proposing the following revision to the plan:

A 3-year 100% tax abatement from the City, County, and School District for a 3-year period for each single family home constructed with an assessed market value for tax purposes of \$200,000, excluding lot value. Abatement may not be used in conjunction with any other program offered by the responsible parties.

Brad Chapulis, Director of Community/Economic Development, reported that the County met on the abatement program at their December 8th meeting and rejected the proposal. The revised proposal will be considered by the School Board at their next meeting.

Council discussed whether to eliminate the \$200,00 provision as long as the “no double dipping” provision was included. Mr. Chapulis noted the “double dip” provision was for local programs only and would not affect the ability to use federal programs, and that there are still some details to be worked out.

Following discussion, the motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to offer the proposal with the 3-year time line and eliminate the \$200,000 requirement (on a bare lot), with the School District’s participation.

Should the School District not approve the revised proposal, staff will bring the issue back to Council.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - met with Rod Hamilton, Tim Flaherty, and Dan Dorman and discussed the loss of LGA - the budget surplus doesn’t necessarily mean the re-establishment of LGA but if the February forecast is solid they will push for it.

Alderman Ten Haken - congratulations to Glenn Thuringer on the BAC open house - he heard great comments from people.

Alderman Kuhle - nothing to report.

Alderman Nelson - attended a Chamber planning session.

Alderman Woll - nothing to report.

CITY ADMINISTRATOR’S REPORT

Craig Clark, City Administrator, reported he had a good conversation with Representative Rod Hamilton regarding the City’s budget.

ADJOURNMENT

The motion was made by Alderman Ten Haken, seconded by Alderman Nelson and unanimously carried to adjourn the meeting at 9:45 p.m.

Janice Oberloh, MCMC
City Clerk