

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, DECEMBER 12, 2016**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Scott Nelson, Diane Graber, Larry Janssen, Mike Harmon, Rod Sankey. Honorary Council Member: Rhina Galvez.

Staff present: Steve Robinson, City Administrator; Brian Kolander, Finance Director; Brad Chapulis, Director of Community/Economic Development; Dwayne Haffield, Director of Engineering; Todd Wietzema, Public Works Director; Sgt. Josh McCuen, Public Safety Department; Dan Wycoff, Liquor Store Manager.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hillstrom, Daily Globe; Council Elects Chad Cummings and Amy Ernst; Rick Von Holdt, Fire Chief; Brad Von Holdt; Andy Johnson; Richard Barr; Chrystal Papadopoulos; Roger Westendorf; Darwin Sieve; Tom Lemke; Dennis Gieselman; Doug and Tamra Maras.

The Pledge of Allegiance was recited.

AGENDA CLOSED / APPROVED

The motion was made by Council Member Janssen, seconded by Council Member Harmon and unanimously carried to close / approve the agenda as presented.

CONSENT AGENDA APPROVED

The motion was made by Council Member Harmon and seconded by Council Member Graber to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting November 28, 2016 and Special Joint Meeting-Work Session with the Nobles County Commissioners November 30, 2016
- Minutes of Boards and Commissions - Housing and Redevelopment authority Board Minutes of October 20, 2016; Traffic and Safety Committee Minutes of October 29, 2016; Center for Active Living Committee Minutes of November 14, 2016; Reapproval of Corrected Board of Canvass Minutes of November 14, 2016
- Audit Engagement Proposal from Drealan Kvilhaug Hoefker & Co. , PA. for 2016 year-end audit services
- 2017 License Renewal Applications as presented
- Application for Temporary On-Sale Liquor License - Worthington Elks Club
- Bills payable and totaling \$872,549.08 be ordered paid

Staff requested a correction to the Board of Canvass Minutes approved at the November 28, 2016 meeting to add the passing by the voters of the Sunday liquor question, and to change the term Alderman to Council Member.

Council Member Sankey requested a correction to the November 28, 2016 Council Minutes to add the names of the Council Members who moved and seconded to adopt the 2017 Hangar Lease Rates as they were omitted from the minutes.

Council Members Harmon and Graber accepted those changes to the motion. The motion was unanimously carried.

PUBLIC COMMENT AND RESOLUTIONS ADOPTED APPROVING THE 2016 TAX LEVIES COLLECTIBLE IN 2017

Steve Robinson, City Administrator, presented the proposed 2016 property tax levy of \$3,675,697 for 2017, which represents a 7.32% increase over 2016. The proposed levy includes a General Purpose Tax Levy of \$3,037,009 and Special Tax Levies of \$638,688. The Special Tax Levy includes Economic Development Tax Abatements of \$19,000. The increase is largely due to additional funds for street repairs, salaries and benefits, but also included a decrease in levy debt service.

Mayor Kuhle opened the floor for public comment.

Darwin Sieve - His taxes have gone up 25% - \$132. He has not done anything to his house and wants the assessor to come out and look at it. Mayor Kuhle responded that if he wants to dispute the valuation of his property it would be County Assessor issue, and he should contact that office.

Roger Westendorf - Spoke regarding the increased valuation of his property - was \$77,000 but is now at \$105,000. Mayor Kuhle responded this was also a County Assessor issue - he can request a re-evaluation of the property. Mr. Westendorf was also unhappy about the property next to him.

No other comments were received.

The motion was made by Council Member Janssen, seconded by Council Member Nelson and unanimously carried to adopt the following resolutions approving the 2016 Tax Levies Collectible in 2017:

CITY OF WORTHINGTON, MINNESOTA

RESOLUTION APPROVING 2016 TAX LEVIES COLLECTIBLE IN 2017

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 2017 upon the taxable property in said City of Worthington, Minnesota for the following purposes:

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LIMITED GENERAL PURPOSE TAX:	2016/2017 LEVY	SPECIAL TAX LEVIES	2016/2017 LEVY
General Fund	1,235,902	G.O. Debt Service Funds Including Improvement Bonds MS 275.50 Subd. 5e and MS 429.091)	
Memorial Auditorium Fund	113,479		
Recreation Fund	916,369	PIR Series 2009C \$2,710,000	175,267
Economic Development Authority Fund	112,770	PIR Series 2010A \$1,915,000	188,612
Improvement Construction Fund	648,489	PIR Series 2012A \$2,570,000	223,417
Aquatic Center Facility Fund	10,000	PIR Series 2016A \$2,345,000	<u>32,392</u>
TOTAL GENERAL PURPOSE TAX LEVY-CITY	<u>3,037,009</u>	SUBTOTAL DEBT SERVICE FUNDS	619,688
		Economic Development Tax Abatement	19,000
		TOTAL SPECIAL TAX LEVIES	<u>638,688</u>

RECAP OF TAX LEVY TOTALS

General Purpose Levy 3,037,009
 Special Tax Levies 638,688

TOTAL NET LEVY 3,675,697

RESOLUTION APPROVING THE 2016 TAX LEVY COLLECTIBLE IN 2017

BE IT RESOLVED, by the City Council 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 2017 upon the taxable property in said City of Worthington, Minnesota for the following Purposes:

SPECIAL TAX LEVY

CERTIFIED LEVY
 2016/2017

HOUSING AND REDEVELOPMENT
 AUTHORITY TAX LEVY
 (Minnesota Statute 469.033, subdivision 6)

Special Tax for Operations

\$106,000.00

NET CERTIFIED LEVY

\$106,000.00

RESOLUTION NO. 3705 ADOPTED APPROVING THE 2017 FUND BUDGETS FOR THE CITY OF WORTHINGTON

Staff presented a resolution approving the 2017 Fund Budgets for the City of Worthington.

The motion was made by Council Member Janssen, seconded by Council Member Nelson and unanimously carried to adopt the following resolution approving the 2017 Fund Budgets for the City of Worthington:

RESOLUTION NO. 3705

A RESOLUTION FOR THE APPROVAL OF THE 2017 FUND BUDGETS FOR THE CITY OF WORTHINGTON, MINNESOTA

(Refer to Resolution File for complete copy of Resolution)

THIRD READING AND ORDINANCE NO. 1101 ADOPTED AMENDING STORM SEWER UTILITY RATES

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 as follows:

The annual fee per acre for residential is \$249.00

The proposed rate is an increase from the current residential storm sewer utility rate of \$243.00 per acre. Following successful readings, the ordinance would go into effect January 1, 2017.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to give a third reading to, and subsequently adopt the following ordinance:

ORDINANCE NO. 1101

AN ORDINANCE RELATING TO STORM WATER UTILITY RATES

(Refer to Ordinance File for complete copy of Ordinance)

THIRD READING AND ORDINANCE NO. 1102 ADOPTED AMENDING CHAPTER 155 OF THE WORTHINGTON CITY CODE (SPECIAL USE/CONDITIONAL USE)

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance amending Chapter 155 of the Worthington City Code as follows:

Chapter 155 of the Worthington City Code is hereby amended so as to replace the term "special use" with the term "conditional use" in every section, subsection, table, and appendix where such term is found.

The purpose of the text amendment is to eliminate confusion caused by the use of both terms in the Ordinance.

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

ORDINANCE NO. 1102

AN ORDINANCE TO AMEND CHAPTER 155

(Refer to Ordinance File for complete copy of Ordinance)

SECOND READING PROPOSED ORDINANCE AMENDING CHAPTER 111 TO ADD SECTION 111.29 - SUNDAY INTOXICATING LIQUOR LICENSES

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance amending Chapter 111 of the City Code of the City of Worthington to add section 111.29 - Sunday Intoxicating Liquor Licenses, as follows:

Sunday on-sale intoxicating liquor licenses were authorized by voter approval at the November 8, 2016 General Election. Sunday on-sale intoxicating liquor licenses may be issued only to those establishments which hold an intoxicating liquor license. All state and local laws which apply to intoxicating liquor licenses shall apply to Sunday on-sale intoxicating liquor licenses. The maximum fee for this license, which shall be ~~not to exceed \$114, shall not exceed \$100, or a minimum amount of \$30, shall be set and~~ ~~shall be set and~~ from time to time.

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

PURCHASE AGREEMENT APPROVED FOR PARCEL NO. 31-3882-000 - FORMER DOLLAR GENERAL STORE

Staff was requesting final approval from Council for acquisition of Parcel No. 31-3882-000, the

former Dollar General Store site, for the purpose of relocation of the City's Liquor Store, and presented concept plans for the building and site. Purchase price of the property is \$1,000,000, and estimated costs of improvements and equipment is \$1,044,602. Steve Robinson, City Administrator, noted that as of November 30, 2016, the Liquor Store Enterprise Fund had \$1,778,090 in reserves and \$317,895 in the Equipment Revolving Schedule Fund.

Staff's recommendation was to fund the purchase of the real estate through an internal loan at an interest rate of 3%. The loan will be paid with profits in excess of General Fund Transfers of approximately \$150,000 per year, and will be repaid in approximately 7 ½ years. Questions on the sewer service at that location were investigated and no deficiencies were observed.

The motion was made by Council Member Janssen, seconded by Council Member Nelson and unanimously carried to approve the execution of the purchase agreement for Parcel No. 31-3882-000.

The City will be required to take possession of the property on or before December 30, 2016.

PURCHASE AGREEMENT TERMS APPROVED FOR SALE OF CITY-OWNED PROPERTY PARCEL NO. 31-3786-551 TO PBK INVESTMENTS, INC.

Council considered a purchase agreement between the City of Worthington and PBK Investments, Inc. for the sale of City-owned property, Parcel No. 31-3786-551 to PBK Investments, Inc. for development of a movie theater. Purchase price of the parcel is \$77,924.00. Steve Robinson, City Administrator, said Council would not be approving the sale at this time, but terms of the agreement that need to be met before the sale would be completed. Terms of the agreement include:

- The City shall receive earnest money in the sum of \$5,000.00;
- Closing shall occur on or before June 1, 2017; and
- Closing shall not occur until the buyer has submitted all required architectural and engineering construction documents, complied with all applicable regulatory requirements and secured approval of a building permit from the City of Worthington.

The motion was made by Council Member Janssen, seconded by Council Member Harmon and unanimously carried to approve the terms of the purchase agreement between the City of Worthington and PBK Investments, Inc. for Parcel No. 31-3786-551.

PRESENTATION OF LIFE SAVING AWARD - RICHARD BARR

Fire Chief Rick Von Holdt presented a Life Saving Award to Richard Barr for his quick actions during a fire at Okabena Towers on August 31, 2016. Mr. Barr's selfless actions saved a female victim from a situation that could have resulted in loss of life.

Council thanked Mr. Barr for his actions, and Mr. Barr indicated that if it is possible for him to help someone in need, he always tries to do that.

YMCA SUMMER YOUTH RECREATION PROGRAMS AGREEMENT APPROVED

Todd Wietzema, Public Works Director, presented the 2017 Summer Youth Recreation Programs Agreement between the City of Worthington and the YMCA, for the YMCA to promote, manage and operate the City's summer youth recreation programs for our residents. The agreement commences on January 1, 2017 and terminates December 31, 2017, and establishes a contract fee of \$49,200, which represents a 3% increase over the contract amount for 2016. Andy Johnson, Executive Director of the YMCA, was present at the meeting and reviewed registration and attendance information to Council regarding the summer programs.

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to approve the 2017 YMCA Summer Youth Recreation Programs Agreement.

2017 PARK USER FEES AND OLSON PARK CAMPGROUND RATES APPROVED

At their November 30, 2016 meeting, the Park and Recreation Advisory Board reviewed and recommended no rate increase to the 2017 Park User and Concession fees, but did recommend an increase in the Olson Park Campground rates from \$0.50 to \$1.00 per site per night, which is a 1.5% to 3% increase.

The motion was made by Council Member Nelson, seconded by Council Member Harmon and unanimously carried to set the 2017 user fees and Olson Park Campground rates as follows:

2017 Park User Fees and Olson Park Campground Rates

<u>Item</u>	<u>Proposed 2017 Fees</u>	<u>Comments</u>
Chautauqua, Centennial Shelter	\$ 50.00	\$40.00 Key, Damage, Clean up Deposit
Park Open Shelters	\$ 30.00	\$40.00 Damage, Clean up Deposit
Chautauqua Band Shell	\$ 50.00	\$40.00 Damage, Clean up Deposit (add)
Park Open Space	\$ 50.00	99 People or Less
	\$110.00	100 to 499 People
	\$220.00	500 to 1,000 People
		\$40.00 Damage, Clean up Deposit For Park Open Space.
 <u>Olson Park</u>	 <u>2017 Proposed</u>	 <u>2016</u>
Sites 1-12 (Bay Electric)	\$ 32.00	\$ 31.00

Sites 13-63 (Electric)	\$ 27.00	\$ 26.50
Sites 64-68 (Tent)	\$ 21.00	\$ 20.50
Weekly	\$ 185.00	\$ 180.00
Monthly	\$ 475.00	\$ 465.00

<u>Concession Fees</u>	<u>2017 Proposed</u>	
One Day, Non-Profit	\$ 65.00	
One Day, Profit	\$ 75.00	All one day permits require \$100 Clean-Up Deposit
Annual, Non-Profit	\$ 80.00	
Annual, Profit	\$ 175.00	All annual permits require \$300 Clean-Up Deposit
Annual Mobile, Non-Profit	\$ 275.00	
Annual Mobile, Profit	\$ 375.00	

EXECUTION OF AIRPORT HAY LAND LEASE AUTHORIZED

Todd Wietzema, Public Works Director, said the current lease for the approximately 100 acres of hay land and 22 acres of agricultural land at the Worthington Municipal Airport expires on February 28, 2017. In order to have a new lease proposed and executed by the annual payment date of March 1st, staff requested proposals for a new 3 year lease. The following proposals were received and opened Monday, November 28, 2016 in City Hall Council Chambers:

Tom Martin	Reading, MN	\$13,859.00
Justin Freking	Reading, MN	\$ 8,101.00

The motion was made by Council Member Nelson, seconded by Council Member Janssen and unanimously carried to award the Airport Hay Land Lease to Tom Martin with an annual payment of \$13,859.00 for a three-year period commencing on March 1, 2017 and ending on February 28, 2020, and to authorize the Mayor and Clerk to execute the lease.

PROPOSAL FOR PROFESSIONAL SERVICES FOR ALLEY IMPROVEMENT APPROVED

Dwayne Haffield, Director of Engineering, presented a proposal from Midwest Engineering for improvements to the alley on the north side of Trojan Field. A portion of the alley had previously been surfaced under to separate cooperative construction agreements in 2004 and 2006 and in conjunction with development on the north side of the alley. Mr. Haffield said the School District was now proposing to collaborate with the owners of the future Papa Murphy's site and to extend it to the west all the way to Oslo Street. Under the cooperative construction agreement the abutting owners finance the project and pay for it directly, and the City agrees to maintain it as if it were any other alley. It must be done to City standards. Design for the alley improvement adjacent to the Papa Murphy's site has been developed by Midwest Engineering as part of that site development.

However, the design of the portion of the alley west of the Papa Murphy's site has not been initiated and Mr. Haffield said there are drainage and grading issues to be solved to get it there. A reasonable cost estimate is desired before the abutting owners are able to commit to entering into a cooperative construction agreement for the improvement. As Midwest Engineering had undertaken design for a portion of the potential alley improvement, staff requested a proposal from them to complete the alley design. The total amount of the proposed not to exceed fees is \$5,100. Funding would come from the undesignated reserves in the 401 Construction Fund.

The motion was made by Council Member Janssen seconded by Council Member Harmon and unanimously carried to approve the proposal for professional services from Midwest Engineering at an amount not to exceed \$5,100.00, and to approve a budget amendment of \$5,100.00 for the City's contribution to the project with funding from use of reserves.

GRANT EASEMENT FOR LEWIS AND CLARK WATER PROJECT APPROVED

The Lewis and Clark water pipeline will enter the city on the south side of First Avenue Southwest and, through a planned route, will proceed to the water treatment plant site. Because the pipeline is Lewis and Clark infrastructure, an easement across City property is needed for construction and maintenance of the pipeline. Staff, including the Water Superintendent, reviewed the plans and proposed easement location. The City Attorney has also reviewed the easement document.

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to authorize the Mayor and Clerk to execute the easement document.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Reported on the Joint City Council/Nobles County Commissioners Work Session meeting November 30, 2016.

Council Member Nelson - Reported on a Park Board meeting and a Housing and Redevelopment Authority Board meeting. Also noted there will be a Clean Water Partnership Joint Powers Board meeting this Friday.

Council Member Graber - Noted the Joint City/County meeting on November 30th. Will be attending a Chamber of Commerce / CVB meeting tomorrow - it will be a planning session. Attended a Memorial Auditorium Advisory Board meeting.

Council Member Janssen - Nothing to report.

Council Member Harmon - Attended the Joint City/County meeting November 30th; also reported on the Cable 3 meeting held December 2nd; noted the Water and Light Commission meeting scheduled for December 5th was cancelled.; attended a Center for Active Living Committee meeting this morning at the CAL.

Council Member Sankey - Reported on a Liquor Committee meeting held December 8th.

CITY ADMINISTRATOR REPORT

Steve Robinson, City Administrator, noted that this would be the last night for Rhina Galvez, Honorary Council Member, as she will be unable to attend the second meeting in December. Council thanked her for her service. Ms. Galvez thanked Council for the opportunity.

Mr. Robinson noted the Cable 3 Board reviewed their 2017 budget and approved a list of equipment improvements or replacements they approved. He reminded Council of the Open House that was held last week for the McMillan/Ryan's Road project, and would like Council in the next day or two to take a look at it and voice their preferences of the three options that were presented. Last week he attended a meeting in Mankato with the MPCA - they put together a group of municipal representatives to develop a recommended strategy for chloride discharge limits. The group will meet four times over the next several months and put together a recommendation that will go to the MPCA Citizen Advisory Committee and then to the MPCA Commissioner.

ADJOURNMENT

The motion was made by Council Member Sankey, seconded by Council Member Nelson and unanimously carried to adjourn the meeting at 8:32 p.m.

Janice Oberloh, MCMC
City Clerk