

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, DECEMBER 13, 2010**

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, Ron Wood, Mike Woll.

Staff present: Craig Clark, City Administrator; Brian Kolander, Finance Director; Jim Laffrenzen, Public Works Superintendent; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk Scott Hain, General Manager Worthington Public Utilities (7:12 p.m).

Others present: Tom Jansa, Dakota Golf Management, Inc.; Bryan Page, Mead & Hunt, Inc.; Rolin Sinn, Mn DOT; Rod Elsing, Rich Lowe and Rod Sankey, Airport Advisory Board.

AGENDA APPROVED

Staff requested that items E6, G6 and H1 be taken out of order as those case items had outside representatives present.

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to approve the agenda with the requested changes.

CONSENT AGENDA APPROVED

Alderman Kuhle requested that item 3.b.5. *Establish 2011 Airport Hangar Lease Fees* be pulled from the consent agenda and added to the regular agenda for separate action.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to approve the consent agenda as follows, with item 3.b.5. moved to the regular agenda:

- City Council Minutes - Regular meeting November 22, 2010 and Special Meeting November 30, 2010.
- Minutes of Boards and Commissions - Water and Light Commission Minutes of November 22, 2010; Fire Department / Ambulance Program Minutes of November 15, 2010.
- 2011 On-Sale / Off-Sale Beer License Renewals as follows:

On-Sale

Long Branch Saloon
La Azteca Restaurant
Pizza Hut #27
Panda House
Worthington Country Club
The Ground Round Grill & Bar
Hickory Lodge Bar & Grill
Queen Sheba Restaurant

Off-Sale

Travel Express
Fareway Stores, Inc.
Interstate Cenex
Hy-Vee Food Store
La Azteca Grocery Store
Top Asian Food Store
Casey's General Store #1686
Casey's General Store #2166

Fraternal Order of Eagles
A & T Tap
El Taco Restaurant

Worthington Travel Plaza
Wal-Mart
Bob & Steve's Shell
Ban Lo Market
La Morenita Grocery Store
A & T Tap

- Application for Exemption from Lawful Gambling Permit for the Worthington Area YMCA to conduct raffles on April 8, 2011 at the Minnesota West Community & Technical College, 1450 Collegeway, Worthington, Minnesota - Andrew P. Johnson, Chief Executive Officer.
- Established 2011 Olson Campground 2011 rate as presented.
- Established 2011 Enclosed/Open Shelter House Fees as presented.
- Established 2011 User Fee for Chautauqua Band Shell Usage as presented.
- Established 2011 Special Event User Fee for Open Green Spaces within the City's Parks.
- Bills payable and totaling \$652,418.20 be ordered paid.

AGREEMENT ESTABLISHED WITH DAKOTA GOLF MANAGEMENT FOR THE CLUBHOUSE OPERATION OF PRAIRIE VIEW GOLF LINKS

Council discussed a proposal from Dakota Golf Management, Inc. for their operation of the clubhouse at Prairie View Golf Links. The agreement spells out the following provisions for the City and Dakota Golf as follows:

Dakota Golf Management

- Employment of all clubhouse personnel from March 1 - October 31 and would include a professional golf pro.
- Payment of all annual membership fees and annual cart fees to the City of Worthington.
- Personnel costs include wages, taxes, insurance and management services for the clubhouse.
- Operations and expenses related to the food and beverage service, with the City getting
- 10 % of the net profit of sales of food and beverage to cover equipment expenses and electricity.
- Staffing the course April-October with an adjusted schedule as indicated.
- Overseeing the golf carts, driving range and clubhouse as well as cleaning the clubhouse and golf carts.
- Sale of golf related merchandise with an agreement to have DGM buy back any remaining merchandise from 2011.
- Marketing the course above current baseline expenditures.
- Providing youth programs.
- Organizing league play.
- Coordination with the Superintendent of the grounds.

City of Worthington

- Payment to DGM of a \$50,000 management fee from the first \$50,000 in revenue from daily fees.
- A share of revenue above the \$50,000 in the following ranges and percentages that provide a financial incentive to DGM to grow revenues:
 - \$50,000-\$80,000 - City 90%, DGM 10%
 - \$80,000-\$90,000 - City 80%, DGM 20%
 - \$90,000-\$100,000 - City 70%, DGM 30%
 - \$100,000-\$110,000 - City 60%, DGM 40%
 - \$110,000 and over - City 50%, DGM 50%
- Maintaining golf course grounds and related operational expenses.
- Maintenance of other operational expenses for the Clubhouse such as utilities, maintenance and supplies.
- Some administrative services during the winter months and for the Golf Advisory Board.
- Trash removal from the receptacles on the course.
- Fueling of motor carts.

Additional costs to the City over the current 2011 budget would be \$6,939, however some expenses will be limited within the grounds budget to accommodate this amount, resulting in no change to the budget. Included in the discussion was whether Dakota Golf would be interested in some involvement during the period of November through March. Tom Jansma, President of Dakota Golf Management, indicated he would be willing to discuss such an arrangement with the City.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the Agreement with Dakota Golf Management for the clubhouse Operation of Prairie View Golf Links for 2011.

PROFESSIONAL SERVICES AGREEMENT APPROVED WITH MEAD & HUNT ENGINEERING, INC. FOR AIRPORT HANGAR DESIGN AND CONSTRUCTION SERVICES

Council considered a Professional Services Agreement with Mead & Hunt for Airport Hangar Design and Construction Services, with actual cost for services not to exceed \$54,465. Bryan Page, Mead and Hunt, was at the meeting and noted that his firm would design the project, put together documents to let out to bidders, then evaluate the bids for content and make a recommendation to Council. They would also be construction manager for the project.

The motion was made by Alderman Kuhle, seconded by Alderman Nelson and unanimously carried to approve the professional services agreement with Mead & Hunt Engineering, Inc. for airport

hangar design and construction services, and to authorize the Mayor and Clerk to sign the agreement.

RESOLUTION NO. 3453 ADOPTED FOR FINAL LAYOUT APPROVAL

Rolin Sinns, MnDOT, was at the meeting to request consent from the City of Worthington for the final layout of the Trunk Highway 60 Phase II improvement project. Mr. Sinn noted Phase II is more complicated and detailed than the first phase because of the number of utilities that need to be relocated. A good faith estimate showed the current City's obligation range as \$1,411,000 to \$1,712,000 of the estimated project bid total of \$15,822,000. The lighting portion of the project has yet to be discussed - MnDOT has included some lighting in their plans but additional lighting may be necessary.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to adopt the following resolution approving the final layout of TH 59/60 Phase II:

RESOLUTION NO. 3453

RESOLUTION FOR LAYOUT APPROVAL

(Refer to Resolution File for complete copy of Resolution)

RESOLUTIONS ADOPTED APPROVING 2010 TAX LEVIES COLLECTIBLE IN 2011

Staff presented a resolution approving the 2010 tax levies collectible in 2011 for Council consideration. The proposed levy is \$2,757,307 which reflects a 3.2% increase over the previous year. The levy includes a General Purpose Tax Levy of \$1,768,862 and Special Tax Levies of \$988,445. The General Purpose Tax Levy includes an Economic Development Levy of \$86,000 and the Special Tax Levy includes Economic Development Tax Abatements of \$25,000. As provided by legislation, this was the time for public comment on the proposed levy. Mayor Oberloh asked if there was anyone in attendance who wished to comment - no comments were received.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to adopt the following resolutions approving the 2010 Tax Levies Collectible in 2011:

RESOLUTION

RESOLUTION APPROVING 2010 TAX LEVIES COLLECTIBLE IN 2011

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 2011 upon the taxable property in said City of Worthington, Minnesota for the following purposes:

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LIMITED GENERAL PURPOSE TAX:	2010/2011 LEVY	SPECIAL TAX LEVIES:	2010/2011 LEVY
General Fund	598,398	G.O. Debt Service Funds including Improvement Bonds (MS 275.50 Subd. 5e and MS 429.091	
Community Center Fund	44,346		
Recreation Fund	593,320	PIR Series 2002A \$920,000	40,000
		Public Facility Lease Rev 2004A	66,152
Improvement Construction Fund	291,244	PIR Series 2004A \$3,055,000	263,700
		PIR Series 2007A \$4,370,000	370,000
Aquatic Center Facility Fund	100,000	PIR Series 2009C \$2,710,000	182,593
		PIR Series 2010A \$1,915,000	41,000
Airport	5,485		
Memorial Auditorium Fund	<u>50,069</u>	SUBTOTAL DEBT SERVICE FUNDS	963,445
GENERAL PURPOSE TAX LEVY-CITY	1,682,862	Economic Development Tax Abatement	25,000
EDA TAX LEVY	<u>86,000</u>	TOTAL SPECIAL TAX LEVIES	<u>988,445</u>
TOTAL GENERAL PURPOSE TAX	<u>1,768,862</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	1,768,862
		Special Tax Levies	988,445
		TOTAL NET LEVY	<u>2,757,307</u>

RESOLUTION

RESOLUTION APPROVING 2010 TAX LEVIES COLLECTIBLE IN 2011

BE IT RESOLVED, by the City Council of the City of Worthington and the Economic Development 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 2011, upon the taxable property in said City of Worthington, Minnesota, for the following purposes:

SPECIAL TAX LEVY	CERTIFIED LEVY 2010/2011
ECONOMIC DEVELOPMENT AUTHORITY TAX LEVY (Minnesota Statute 469.107, Subdivision 1)	
Special Tax for Operations	\$86,000.00

NET CERTIFIED LEVY \$86,000

RESOLUTION

RESOLUTION APPROVING 2010 TAX LEVIES COLLECTIBLE IN 2011

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 2011, upon the taxable property in said City of Worthington, Minnesota, for the following purposes:

SPECIAL TAX LEVY	CERTIFIED LEVY 2010/2011
HOUSING AND REDEVELOPMENT AUTHORITY TAX LEVY\ (Minnesota Statute 469.033, Subdivision 6)	
Special Tax for Operations	\$93,241.38

NET CERTIFIED LEVY \$93,241.38

RESOLUTION NO. 3454 ADOPTED APPROVING THE 2011 FUND BUDGETS FOR THE CITY OF WORTHINGTON, MINNESOTA

The motion was made by Alderman Wood, seconded by Woll and unanimously carried to adopt the following resolution approving the 2011 fund budgets for the City of Worthington, Minnesota:

RESOLUTION NO. 3454

(Refer to Resolution File for complete copy of Resolution)

2011 LEGISLATIVE PRIORITIES APPROVED

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the 2011 Legislative priorities, as follows, for the City of Worthington to be included with those of the County, School District, WREDC, and the Chamber of Commerce to be shared with the Governor and state legislators who represent Worthington and our area:

- Economic Development Infrastructure
- MN West Center for Health, Wellness and Lifelong Learning
- Public Safety ARMER
- Trail Development
- This Old House Program

2011 UTILITY DEPARTMENT STRATEGIC FINANCIAL PLANS APPROVED

Scott Hain, General Manager Worthington Public Utilities, presented the 2011 Utility Department Strategic Financial Plans for Council approval, noting the average residential customer would see a monthly increase of \$4.31 overall. Mr. Hain stated that 99% of the electric rate increase was due to increased transmission costs, which accounts for 9% of their electric budget in 2011.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the 2011 Utility Department Strategic Financial Plans.

2011 AIRPORT HANGAR LEASE FEES APPROVED

Following discussion, the motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried to approve the 2011 Airport Hangar Lease fees as follows:

Hangar #1, Stalls 1-6 (Dirt Floors)	\$ 46.67/month \$ 500 paid in full January 1
Hangar #2, Stalls 1-6 (40 ft. Door)	\$ 90/month \$ 1,020 paid in full January 1
Hangar #3 Stalls 1-6 (49 ft Door)	\$ 120/month \$ 1,380 paid in full January 1

Ohlsen Hangar

\$ 75/month
\$ 840 paid in full January 1

COLLEGEWAY RECONSTRUCTION PROJECT FUNDING AND PROJECT SCHEDULE CHANGE APPROVED

Based on negative reaction received from adjoining property owners to the project, staff had contacted MnDOT for the possibility of moving the Collegeway reconstruction project back to 2012 or 2013 without jeopardizing the funding. The delay would allow for further evaluation of the project and additional public involvement. MnDOT determined the project could be switched with the 2013 funding of a north Mankato project which is being advanced funded by that city. Worthington could then advance fund the project for 2012 construction or delay the project to 2013 if needed.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to approve the funding and project schedule change.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - had a meeting with Senator Elect Doug Magnus and Representative Rod Hamilton, as well as members of the Coalition of Greater Minnesota Cities - it was a quite lively discussion. People in the southwest corner of the state feel now is the time to get something done here, especially in the next two years because of the redistricting that will occur after the census numbers are out. We're projected to lose 9,000 people in district 22. He was also contacted by a representative from an outer ring suburb of the cities regarding the sale of our hospital - they're looking at selling theirs strictly because of LGA cuts. Attended the WREDC annual meeting - good to see what they're doing for the community.

Alderman Ten Haken - Councilman Wood, Mr. Clark and he attended a PSAP meeting with Rock, Murray and Nobles Counties - the consultant laid out some of the financing options for what we have in store for us. Based on population and number of calls, Worthington is not in a very good position as far as saving money. It's going to cost us quite a bit more under this, where the other communities under this model either saved a little bit or came out about even. We ended up substantially increasing our costs. Some of that could be because we participate in the cost of 911, where the other counties take on that responsibility. They are going to pull together a meeting of the Prairie Justice Committee to have a discussion about our participation as the County is required by statute to provide that service.

Alderman Kuhle - nothing to report.

Alderman Nelson - attended a Cable 3 meeting with Craig Clark - they're working on the website - sent them back for some redesign. Attended an Economic Development Ad Hoc Committee meeting - discussed campus housing, and spent a lot of time on how to create higher paying jobs. They will try to wrap this up in the next couple of months and deliver it back to the respective departments.

Alderman Wood - HRA, they're working on some housing pieces.

Alderman Woll - nothing to report but wanted to note that the Liquor Store numbers are dazzling with a 33% increase in operating income for the month.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, reminded everyone of Alice Hoffman's retirement coffee on Friday. Reported also there will be no additional unallotments at the end of the year. Mr. Clark also noted the Mayor was elected as the First Vice President for the Coalition of Greater Minnesota Cities which will put him in line for the Presidency the next year. He will be meeting tomorrow regarding student housing at Minnesota West. The fire station project is moving forward with layout and design - they hope to hear soon from Sanford on their participation with an ambulance service. The Memorial Auditorium project is three-quarters complete and is on target to the completion date.

CLOSED SESSION FOR CONSIDERATION OF PARCEL #31-3935-000 AND PARCEL #31-3936-000

Mayor Oberloh stated Council would be going into closed session for consideration of parcels 31-3935-000 and 31-3936-000. Present for the closed session were: Janice Oberloh, Lyle Ten Haken, Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll, Craig Clark, Alan Oberloh, Dwayne Haffield.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to close the meeting at 9:22 p.m.

Following discussion, the motion was made by Alderman Nelson, seconded by Alderman Wood and unanimously carried to re-open the meeting at 9:29 p.m.

ADJOURNMENT

The motion was made by Alderman Kuhle, seconded by Alderman Ten Haken and unanimously carried to adjourn the meeting at 9:30 p.m.

Janice Oberloh
City Clerk