

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, DECEMBER 14, 2009**

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. Honorary Council Person: Mike Hokeness.

Staff present: Craig Clark, City Administrator; Brian Kolander, Finance Director; Brad Chapulis, Director of Community/Economic Development; Dwayne Haffield, Director of Engineering.

Others present: Lynn Olson, CEO Sanford Regional Hospital Worthington; Ken Moser; Andy Johnson; Jodi Landgaard; Jerry Perkins; Dan Greve; Linda Sanchez; and several members of Boy Scout Troop 134.

HONORARY COUNCIL PERSON

Mayor Oberloh introduced Mike Hokeness as the Honorary Council Person for the months of November and December, 2009 and January, 2010.

AGENDA APPROVED WITH CHANGES

Staff was requesting that Item H.4. *Extending Current Fixed Base Operator Agreement* be pulled from the agenda for further information, and also requested that an additional license renewal application be added to those listed on the consent agenda for consideration.

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

RESOLUTION NO. 3417 ADOPTED APPROVING TAX ABATEMENT FOR WJTF INVESTMENTS, LLC PURSUANT TO MINN. STAT. 469.1813

Pursuant to notice, this was the time set for a public hearing regarding a request from WJTF Investments, LLC for tax abatement to assist with the cost of demolition and removal of asbestos for their redevelopment project at 607/609 Tenth Street. Estimated cost of demolition and asbestos removal is \$13,500.

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

Brad Chapulis, Director of Community/Economic Development, gave the presentation, noting that staff used the Tax Abatement Guidelines to determine the applicant's eligibility for assistance. Upon completion of the project, the subject property will include a 3,100 square foot pharmacy, five off-street parking stalls, and a drive up window. Total estimated cost of the property is \$400,000, and will generate approximately \$783.62 of city share of property taxes, of which approximately \$282.29 would be abated annually for up to \$13,500 or ten years. Staff was recommending approval of the

abatement with the following conditions:

1. The City of Worthington grants an abatement of City of Worthington share of property taxes up to a total amount of \$13,500 for demolition and asbestos removal.
2. The tax abatement will be for no more than ten (10) years regardless of whether or not the total tax abatement has been utilized.
3. The current City's share of property taxes in the sum of \$501.33 shall remain on the tax roll and shall not be abated.

Mayor Oberloh asked if anyone wished to provide testimony on the hearing; none was received.

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

The motion was made by Alderman Nelson, seconded by Alderman Woll and unanimously carried to move forward with the tax abatement by adopting the following resolution:

RESOLUTION NO. 3417

A RESOLUTION APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN. STAT. 469.1813

(Refer to Resolution File for complete copy of Resolution)

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting November 23, 2009
- Minutes of Boards and Commissions: Housing and Redevelopment Authority Minutes of November 12, 2009; Water and Light Commission Minutes of Special Meeting November 30, 2009 and Regular Meeting December 7, 2009; Airport Advisory Board Minutes of December 1, 2009; Memorial Auditorium Advisory Board Minutes of December 1, 2009; Planning Commission/Board of Appeals Minutes of December 1, 2009; Park Advisory Board Minutes of December 3, 2009.
- Municipal Liquor Store Income Statement for the Period January 1, through November 30, 2009.
- Audit Engagement Letter from Turbes Drealan Kvilhaug Mammen and Co., PA for 2009

year end audit services at an amount not to exceed \$18,000 excluding word processing of the report.

- 2010 License Renewal Applications as follows:

On-Sale Beer

2010-10 El Taco Restaurant - Jose Maldonado, 418 Tenth Street
2010-11 Long Branch Saloon - Raul Godinez, 206 Tenth Street

Off-Sale Beer

2010-12 Walmart #2820, 1055 Ryan's Road
2010-13 Bob & Steve's Shell, 1408 Oxford Street
2010-14 Fareway Stores, Inc. #099, 1028 Ryan's Road
2010-15 Long Branch Saloon, Raul Godinez, 206 Tenth Street
2010-16 Top, Asian Food, Inc. - 312 Tenth Street
2010-17 La Morenita, Joe Luis Soto, 1517 Oxford Street

- Establish Olson Campground 2010 Rates as presented.
- Establish 2010 Enclosed Shelter House Fees for Chautauqua and Centennial Parks as presented.
- Establish Fee for Chautauqua Band Shell Usage as presented.
- Approve Supplemental Agreement No. 1 to Tower Street Improvements Contract.
- Approve Supplemental Agreement No. 1 Castlewood Area Sewer and Water Extensions Contract.
- Approve Supplemental Agreement No. 1 to 2009 Storm Sewer Improvements Contract.
- Bills payable and totaling \$1,451,061.21 be ordered paid.

UPDATE FROM SANFORD REGIONAL HOSPITAL - WORTHINGTON CEO LYNN OLSON

Lynn Olson, CEO of Sanford Regional Hospital - Worthington, provided Council with an update on the hospital for the past year. Mr. Olson reported on organizational improvements, steps implemented to improve quality and service, growth, finance and budget, services, community involvement, and looking ahead to 2010.

Council thanked Mr. Olson for his information.

RESOLUTION ADOPTED APPROVING THE 2009 TAX LEVIES COLLECTIBLE IN 2010

Mayor Oberloh asked if there was any public comment to be made regarding the 2009 tax levies

collectible in 2010; none was received.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to adopt the following resolutions approving the 2009 Tax Levies Collectible in 2010:

CITY OF WORTHINGTON, MINNESOTA

RESOLUTION APPROVING 2009 TAX LEVIES COLLECTIBLE IN 2010

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 2010 upon the taxable property in said City of Worthington, Minnesota for the following purposes:

LIMITED GENERAL PURPOSE TAX:	2009/2010 LEVY	SPECIAL TAX LEVIES:	2009/2010 LEVY
General Fund	723,824	G.O. Debt Service Funds Including Improvement Bonds (MS 275.50 Subd. 5e and MS 429.091)	
Community Center Fund	34,070		
Recreation Fund	629,494	PIR Series 2002A \$920,000	45,000
Economic Development Authority Fund	2,800	Public Facility Lease Rev 2004A	97,056
Improvement Construction Fund	75,925	PIR Series 2004A \$3,055,000	250,000
		PIR Series 2007A \$4,370,000	330,000
Aquatic Center Facility Fund	120,000	PIR Series 2009C \$2,710,000	<u>161,189</u>
Airport	4,835		
Memorial Auditorium Fund	66,616		
		SUBTOTAL DEBT SERVICE FUNDS	883,245
GENERAL PURPOSE TAX LEVY-CITY	<u>1,657,564</u>	Economic Development Tax Abatement	450,000
EDA TAX LEVY	<u>86,000</u>		
TOTAL GENERAL PURPOSE TAX	<u>1,743,564</u>	TOTAL SPECIAL TAX LEVIES	<u>928,245</u>
		RECAP OF TAX LEVY TOTALS:	
SPECIAL TAX LEVIES: (Other than Debt Service)		General Purpose Levy	1,743,564
Housing & Redevelopment Authority (MS 462.545 Subd. 6)	Separate Certified Levy	Special Tax Levies	928,245
		TOTAL NET LEVY	<u>2,671,809</u>

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RESOLUTION APPROVING 2009 TAX LEVIES COLLECTIBLE IN 2010

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 2010, upon the taxable property in said City of Worthington, Minnesota, for the following purposes:

SPECIAL TAX LEVY	CERTIFIED LEVY 2009/2010
ECONOMIC DEVELOPMENT AUTHORITY TAX LEVY (Minnesota Statute 469.107, Subdivision 1)	
Special Tax for Operations	\$86,000.00

NET CERTIFIED LEVY \$86,000.00

RESOLUTION APPROVING 2009 TAX LEVIES COLLECTIBLE IN 2010

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 2010, upon the taxable property in said City of Worthington, Minnesota, for the following purposes:

SPECIAL TAX LEVY	CERTIFIED LEVY 2009/2010
HOUSING AND REDEVELOPMENT AUTHORITY TAX LEVY (Minnesota Statute 469.033, Subdivision 6)	
Special Tax for Operations	\$88,618.40

NET CERTIFIED LEVY \$88,618.40

RESOLUTION N. 3418 ADOPTED APPROVING THE 2010 FUND BUDGETS FOR THE CITY OF WORTHINGTON MINNESOTA

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to adopt the following resolution approving the 2010 Fund Budgets for the City of Worthington, Minnesota:

RESOLUTION NO. 3418

A RESOLUTION FOR THE APPROVAL OF THE 2010 FUND BUDGETS FOR THE CITY OF WORTHINGTON, MINNESOTA

(Refer to Resolution File for complete copy of Resolution)

GARY HOFFMANN APPOINTED TO FILL UNEXPIRED TERM ON WATER AND LIGHT COMMISSION

The motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to appoint Gary Hoffmann to fill the unexpired term of Scott Bradley on the Water and Light Commission, which term will expire March 31, 2011. Mr. Hoffmann will be eligible for reappointment for up to three additional terms at Council's discretion, per the by-laws of the Water and Light Commission.

ORDINANCE NO. 1031 ADOPTED AMENDING WORTHINGTON CITY CODE, TITLE V, CHAPTER 54, SECTION 54.04 (C) - STORM WATER UTILITY RATES

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

ORDINANCE NO. 1031

AN ORDINANCE RELATING TO STORM WATER UTILITY RATES

(Refer to Ordinance File for complete copy of Ordinance)

SOUTHWEST HONOR FLIGHT INFORMATION

Alderman Mike Kuhle presented information on the Southwest Honor Flight, the regional effort on behalf of the national program organized to pay tribute to World War II veterans by providing a no cost visit to the World War II memorial in Washington, D.C. Participants from Rock, Nobles, Pipestone, and Murray Counties will participate in the effort to raise \$120,000 for the program.

REDEVELOPMENT OF FORMER YMCA FACILITY

Council discussed the former YMCA facility and the desire to see the property redeveloped as opposed having it end up as a big “hole” in the downtown area. The Housing Partnership has expressed an interest in participating with an approved project to take the pressure off City staff.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to direct the Administrator to move forward with a purchase plan and a redevelopment plan for the former YMCA facility.

2010 UTILITY DEPARTMENT STRATEGIC FINANCIAL PLANS APPROVED

Scott Hain, General Manager of Worthington Public Utilities, presented the 2010 Utility Department Strategic Financial Plans for Council approval, noting the average residential customer would see a monthly increase of \$9.70 in their utility bill. The Water and Light Commission approved the plans at their regular meeting on December 7, 2009.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the 2010 Utility Department Strategic Financial Plans as presented.

RFP FOR PROFESSIONAL SERVICES FOR INITIAL PUBLIC IMPROVEMENTS OF TH 59 NORTH COMMERCIAL/INDUSTRIAL PARK APPROVED

Staff presented a Request for Proposals (RFP) for design services for the initial public improvements associated with establishing the TH 59 north commercial and industrial park area. The RFP addresses improvements that involve the need for somewhat specialized professional services and require agency approvals with extended review time, and include:

- Collection of all field information needed for preliminary and final design.
- Development of a layout plan for the construction of the TH 59 improvements.
- Development of a project or feasibility report to define the project elements established in preliminary design, identify issues requiring resolution by the City Council, and provide an estimated cost for each project element.
- Seek conditional approval of floodway modifications from the Federal Emergency Management Agency.
- Develop project plan sheets needed for construction.
- Develop and assemble draft contract general provisions and technical specifications.
- Upon identification of funding, finalize plans and specifications for all contracts as they may advance.
- The consultant is also to provide cost distributions and other information as may be needed to explore and pursue funding options.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously

carried to approve the Request for Proposals for Professional Services for Initial Public Improvements of TH 59 North Commercial/Industrial Park.

A selection committee will be appointed at a later date.

PROPOSAL FOR PROFESSIONAL SERVICES FOR EVALUATION OF QUIET ZONE APPROVED

A motion was made by Alderman Woll and seconded by Alderman Ten Haken to accept a proposal from TKDA for professional services for evaluation of a railroad quiet zone at 12th Street and Flower Lane crossings, at a not to exceed fees of \$5,000. The following voted in favor of the motion: Ten Haken, Kuhle, Wood, Woll; with the following voting against the same: Nelson. Motion carried.

PROPOSAL FOR EVENT CENTER FEASIBILITY STUDY APPROVED

Staff presented two proposals for an Event Center feasibility study as recommended by the Event Center Committee for the purpose of determining the size, scope, configuration and services of the event center as well as the size and quality of a hotel that should accompany the center. The proposal from Hospitality Consulting Group (HCG) of Excelsior, Minnesota and a proposal from JLC Hospitality Consulting of Cave Creek, Arizona both called for base fees of \$25,000, however, JLC's proposal did not include expenses estimated to be 7-8% of the contract value, or approximately \$2,000. Staff reviewed both proposals and completed due diligence on each firm and was recommending approval of the proposal from Hospitality Consulting Group should Council determine to proceed with the study.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to approve the proposal from Hospitality Consulting Group and to authorize the Mayor to execute the agreement.

2010 MINNESOTA CITY PARTICIPATION PROGRAM APPLICATION AUTHORIZED

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to authorize City Administrator Craig Clark to execute the 2010 Minnesota City Participation Program Application.

REITECH FORBEARANCE AGREEMENT APPROVED

In response to a Motion for Default Judgement filed by the City against ReiTech Corporation of Burnsville, an attorney representing ReiTech contacted the City Attorney and they negotiated a revised repayment schedule and a proposed Forbearance Agreement which included a Confession of Judgement by ReiTech Corporation. The agreement provides that the City will cease collection

efforts if ReiTech makes a \$20,000 payment via wire transfer by December 15, 2009; an additional \$5,000 payment via wire transfer by December 31, 2009; and a monthly \$5,000 payment via wire transfer on or before the 15th of each month beginning on January 15, 2010 until the loan has been fully repaid on April 15, 2011. Should ReiTech fail to make the payments, the City is allowed to forego the default hearing and have a judgement immediately entered. The City Attorney was recommending approval of the Forbearance Agreement.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the Forbearance Agreement with Rietech, and authorize the Mayor's and Clerk's signatures.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - wished everyone a Merry Christmas.

Alderman Ten Haken - attended an LEC meeting earlier, will be receiving proposals soon for the computer aided dispatch and for the computers in the cars.

Alderman Kuhle - nothing to report.

Alderman Nelson - nothing to report.

Alderman Wood - nothing to report.

Alderman Woll - nothing to report.

CITY ADMINISTRATOR'S REPORT

Craig Clark, Administrator, reported there would be no further LGA cuts in December for 2009. Mr. Clark also noted to the public who may be watching that we were looking for someone to fill a term on the WGTN Cable 3 Board. The Memorial Auditorium expansion project will be coming forward in January for a spring construction start. Reminded Council of an upcoming special meeting on Wednesday at 6:00 p.m. to discuss the hospital sale proceeds, and also of the special meeting on December 21st to complete the strategic planning process. Mr. Clark also noted that City Hall would be closing at noon on December 24th and would be closed on December 25th and January 1st.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adjourn the meeting at 9:10 p.m.

Janice Oberloh
City Clerk