

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, DECEMBER 27, 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; Brad Chapulis, Director of Community/Economic Development; Mike Cumiskey, Public Safety Director; Janice Oberloh, City Clerk; Scott Hain, General Manager Worthington Public Utilities.

Others present: Darlene Macklin, Worthington Area Chamber of Commerce; Troy Hoekstra, Cornerstone Construction; Bob Pace, Central Group Companies; Jacob Holck, with Governor Elect Mark Dayton's office.

**AGENDA APPROVED WITH ADDITION**

Staff requested an addition to the agenda under City Council Business - Administration, Item E.4. - Set Time and Date for Alcohol Compliance Violations Hearing.

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to approve the agenda with the addition of Item E.4.

**CONSENT AGENDA APPROVED**

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

- City Council Minutes of Regular Meeting December 13, 2010
- Minutes of Boards and Commissions - Water and Light Commission Minutes of December 20, 2010; Worthington Economic Development Authority Minutes of November 22, 2010 and December 13, 2010; Fire Department/Ambulance Program Minutes of December 3, 2010; Airport Advisory Board Minutes of December 7, 2010.
- Additional 2010 License Renewals as follows:

Off-Sale Beer

Mini Market Lupita

Dance

Long Branch Saloon

VFW

Eagles Club

Pawn Shop

Pawn It

- Change Orders No.'s 3 and 4 to the Memorial Auditorium Project at a net change amount of an additional \$9,977,352 or .6% of the original contract amount.
- Bills payable and totaling \$813,963.50 be ordered paid.

### **2011 APPROPRIATIONS FOR SOUTHWEST INITIATIVE FOUNDATION**

Council discussed the 2011 appropriations for the Southwest Initiative Foundation in the amount of \$7,500. Although the amount was included and approved in the 2011 budget, Council members who had attended the Foundation's 25<sup>th</sup> anniversary meeting expressed disappointment in the presentation they were given and suggested further discussion was merited. Council felt it might be a good idea to have someone from the Foundation's Corporate office present additional information at a future meeting to support their request.

### **FINANCIAL COMMITMENT TO ISD 518 TENNIS COURT COMPLEX AND APPROVAL OF OVERLAY FOR CENTENNIAL AND PLEASANT PARK COURTS**

At their October 25, 2010 meeting, Council authorized committing up to \$300,000 towards the ISD 518 Tennis Court project as well as appropriately rebuilding the existing Pleasant Avenue and Centennial Park courts, without focusing on the location for the complex.

The City Engineer's estimate for rebuilding the existing courts is \$100,000+ each, leaving little to put towards the proposed eight court project. The Parks Advisory Board met and determined that an overlay would be sufficient for our existing courts as they did not need to be at a "tournament" level surface. The estimated total cost of the overlay for both courts is \$65,000.

Following discussion, the motion was made by Alderman Woll and seconded by Alderman Wood to authorize up to \$235,000 for the proposed tennis court project and \$65,000 for the overlay of the existing Pleasant Avenue and Centennial Park courts. The following Aldermen voted in favor of the motion: Kuhle, Nelson, Wood, Woll; with the following Aldermen voting against the same: Ten Haken. Motion carried.

### **TIME AND DATE SET FOR PUBLIC HEARING FOR ALCOHOL COMPLIANCE VIOLATIONS**

The Liquor Committee met on December 16, 2010 regarding the 2009 Alcohol Compliance checks performed by the Police Department, which resulted in five violations, one of which was dismissed. Of the remaining four two were second time violations. The Liquor Committee delayed taking action on the violations until they moved through the court system. City Ordinance states those found to be in violation have a right to a public hearing before City Council. The Liquor Committee was requesting that Council set the time and place for the public hearing as 7:00 p.m. on Monday, January 10, 2011 at the regular City Council meeting. The Liquor Committee will again be meeting

with those in violation on Tuesday, December 28, 2010 to give them an opportunity to waive their right to a public hearing should they choose.

The motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried to set the time and place for the public hearing for alcohol compliance violations as 7:00 p.m. on Monday, January 10, 2011 at the regular City Council meeting. The Liquor Committee will submit their recommendations for action on the violations at that time.

**RENEWAL OF CONTRACT FOR WELFARE FRAUD INVESTIGATIVE SERVICES BETWEEN WORTHINGTON POLICE DEPARTMENT AND NOBLES COUNTY FAMILY SERVICES FOR 2011/2012 APPROVED**

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the contract renewal for Welfare Fraud Investigative Services between the Worthington Police Department and Nobles County Family Services for 2011/2012, and to authorize the Police Chief, Mayor and Clerk to execute the contract.

**CONTRACTS FOR PROFESSIONAL SERVICES FOR AIRPORT ZONING UPDATE APPROVED**

Council considered proposals from Mead & Hunt and the Southwest Regional Development Commission (SRDC) for professional services to facilitate a proposed airport zoning ordinance update. Both the proposal from Mead and Hunt and from the SRDC contain not to exceed fees, the total of which is \$28,341. The zoning update is necessary to allow for construction of an overhead power line proposed by Worthington Public Utilities that will interconnect between two substations. Council was asked to also amend the 2011 airport budget to include the zoning update expenditures, which will be reimbursed by Worthington Public Utilities. Approval of the proposals does not guarantee the outcome of the project.

The motion was made by Alderman Kuhle, seconded by Alderman Wood and unanimously carried to approve the proposals from Mead & Hunt and the Southwest Regional Development Commission at a total not to exceed amount of \$28,341 and to authorize the Mayor to execute the agreements, and to amend the 2011 airport budget to include the expenditures.

**AUTHORIZATION FOR LETTER OF INTENT WITH CORNERSTONE CONSTRUCTION OF ST. CLOUD**

Brad Chapulis, Director of Community/Economic Development, presented Council with information on three proposals from Lexington Hotel Development Group, Cornerstone Construction, and One Hospitality, received in response to the City's solicitation for a proposed public-private partnership for an event center and hotel. Mr. Chapulis noted that all three proposals include some level of

financial assistance from the City to make the hotel component viable. With several components of the project are yet to be negotiated, the companies were requesting that the City agree to enter into a Letter of Intent or Memorandum of Understanding for the purpose of negotiating.

Cornerstone and its investors are proposing a 64 unit Country Inn & Suites, with an indoor pool/water park. The facility would be managed by Central Group Companies. Troy Hoekstra, of Cornerstone Construction, was present at the meeting and gave a presentation on his company's background, noting that they are either partner or sole owner of 95% of the projects they construct. Mr. Hoekstra introduced Bob Pace, CEO of Central Group Companies (CGC), who also gave a presentation on his company. Mr. Pace said CGC's proposal includes management of the City's proposed event center, which would result in several efficiencies.

After review of the proposals, with the assistance of Ehlers and Associates, as well as reference checks, staff concluded that the Cornerstone proposal was the strongest and was recommending Council authorization for the Mayor to execute a Letter of Intent or Memorandum of Understanding with Cornerstone for 60 days to negotiate a final agreement for future Council consideration.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to authorize the Mayor to sign a Letter of Intent with Cornerstone Construction.

### **COUNCIL COMMITTEE REPORTS**

Mayor Oberloh - nothing to report but noted there was a representative from Governor Elect Mark Dayton's office in attendance - Jacob Holck, who noted he would be our "eyes and ears" and would carry our concerns back to the Governor as he feels it's about time that Southwest Minnesota has equal representation.

Alderman Ten Haken - attended a meeting of the PSAP group, the cooperation between everyone seems like it is hitting some substantial bumps in the road - doubtful it will come together as originally intended.

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, City Administrator, reported the City had received an alarming alert from the CGMC regarding the Minnesota Chamber's stance on LGA, which they feel strongly should be reduced or eliminated. He and the Mayor contacted the local Chamber representative who was very good at understanding the importance of it. The MN Chamber was calling for dramatic reform of LGA, significantly cutting it back if not eliminating it - saying it was contributing to our budget deficit.

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The local Chamber took a position in support of LGA in their Legislative Priorities, which we appreciate.

**ADJOURNMENT**

The motion was made by Alderman Nelson, seconded by Alderman Woll and unanimously carried to adjourn the meeting at 8:55 p.m.

Janice Oberloh  
City Clerk