

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING - WORK SESSION, JULY 14, 2015**

The meeting was called to order at 5:30 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Mike Harmon, Diane Graber, Rod Sankey, Larry Janssen, Scott Nelson.

Staff present: Steve Robinson, City Administrator; Brian Kolander, Finance Director; Troy Appel, Public Safety Director; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Mindy Eggers, Assistant City Clerk.

COUNCIL PRIORITIES AND INITIATIVES

Steve Robinson, City Administrator stated that the following list are projects that have been identified by Staff for Council discussion and consideration as to whether or not they fall within their vision of the City and if there others that Council would like to add.

Mayor Kuhle explained he would like to go through each item and have discussion and then rank them at the end on importance.

LIQUOR STORE

Mayor Kuhle stated that the municipal liquor store has been successful and profitable. Each year, funds are transferred from the Liquor Store fund to the City's General fund. This year, it is budgeted to transfer \$225,000 to the General Fund and still enjoy an additional profit of more than \$200,000. The existing store is in need of improvements and is thought to be too small. Staff is exploring options to either undertake major renovations to the store or construct a new store in a more desirable location. Council discussed both options and agreed a more visible location would be more advantageous than a renovation at the current location. Mr. Robinson explained that the time frame would be 1-3 years.

HIGHWAY 59 WEST DEVELOPMENT

Mayor Kuhle explained that the current City's comprehensive plan has identified the area west of Highway 59 and north of Interstate 90 for commercial/retail development. The infrastructure costs to fully develop the area would be in excess of \$5 million dollars depending on layout options. Estimated costs for the Phase I project is approximately \$2.6 million dollars which would only be developing the portion of the property abutting I-90. Funds for this project would come from bonds with revenue for debt service coming from the tax levy and special assessments. The debt service costs would be about \$225,000 to \$250,000 annually. The Special Assessments would be an annual cost for Economic Development Authority (City) for all unsold properties. There has been one party that has expressed tentative interest in relocating to this area but we have not received formal communication from them.

Another option for the project would be to construct a roadway with storm sewer from Highway 59

to the ditch which would allow for immediate development of the property that abuts Highway 59. The estimated cost for this phase would be approximately \$650,000. Staff recommends that the trunk sewer be extended through the Phase 1 project at an additional cost of approximately \$360,000. Mr. Haffield explained that the extension of the trunk sanitary sewer is recommended as a priority due to its depth. After a lengthy discussion Council directed staff to move forward with the project from Highway 59 to the ditch and extending the sewer through Phase 1 as shown.

PRAIRIE VIEW GOLF COURSE

Mr. Robinson explained that the Prairie View Golf Course Long Range Planning Committee will be presenting their recommendation regarding the City's municipal golf course as soon as they receive the water study from Wenck & Associates.

LOCAL OPTION SALES TAX

Mr. Robinson explained that the City's ½ cent local option sales tax will meet the obligations of the Memorial Auditorium and Event Center in late 2017. The 2014 Legislature gave Worthington the option to extend the sales tax through the end of 2039 for the sole purpose of paying the City's share of debt service to fund the Lewis and Clark project. Lobbying will also continue at the legislature for the additional funds needed for the Lewis & Clark project. Council discussed a sports complex and lake improvements as possible items that the ½ cent sales tax could be used for.

LEWIS & CLARK

Mr. Robinson explained that the legislature approved funding of \$19 million dollars for the Lewis & Clark project during the special session in June. With the \$9 million available non-state matching funds, the project will now proceed to the Adrian area plus engineering plans and finishing land acquisition to Worthington. The estimate is \$20-\$22 million additional dollars will be needed to get water from Adrian to Worthington and become operational in 2018.

NORTHLAND MALL

Mayor Kuhle explained that the transfer of ownership of the mall has taken place and demolition is scheduled for later this summer. Mr. Robinson stated that from a fiscal standpoint the worst case scenario would be that the City would get the property back if something would fall through. Council agreed that a fund reserve should be kept in the event the City would have to step in and take over the development.

HOUSING

Mayor Kuhle stated that the housing shortage is having an impact on our workforce. What should

the City be doing to develop or move forward with improving this situation? Council discussed what kind of housing there is a need for. Brad Chapulis, Director of Community/Economic Development stated that right now in Worthington there are 33 lots available, 27 that are in a developed area ready for construction and 7 that are in an undeveloped area. Council discussed what role the City should play concerning housing and possible options that could be used to move forward.

SPORTS COMPLEX

Mayor Kuhle stated that in 2013, the Council identified using the future ½ cent local option sales tax to help in funding a sports complex. Council agreed that this is an amenity that is important for the community and should be worked towards.

PUBLIC SAFETY PERSONNEL

Mr. Robinson explained that LGA cuts in 2011 resulted in the reduction of one uniformed police officer. With the increased population it is resulting in more calls with a need to replace the position.

Police Chief Troy Appel stated that adding one more officer would help in the reduction of over-time as this would be a second float position which would help when there is time off, medical leave, etc.

Public Safety staff has also been investigating the benefit of having a full-time fire chief. The ideal person could fill the role of fire marshal and director of emergency management.

Chief Appel stated that hiring a full-time Fire Chief would allow for that person to also serve as the fire marshal and direct emergency management. This would allow for opportunities to offer enhanced training, with truck maintenance and become more of a regional training center. The City of New Ulm has just added the full time Fire Chief and will be sending the information to us.

Council discussed the need and suggested that we compare with other cities our size. Mr. Robinson noted that this is a budgetary item and will be brought forward at that time.

EQUIPMENT REVOLVING SCHEDULE

Mr. Robinson stated that vehicle and equipment purchases have been delayed to accommodate budget cuts and the reserve funds area also inadequate. This will continue to be discussed and brought forward at budget time.

OTHER

The City has been contacted by a private party about a possible marina for boat slips that could be available for rent. Nothing formal has been brought forward at this time. Council agreed that this

would be a positive addition and it was noted the City of Albert Lea allows this and it is successful.

Council discussed possible downtown improvements related to bump out areas for outdoor seating at the eating establishments. Upgrading the old Campbell Soup parking lot if the City is looking to retain it for the Farmer's Markets. Mayor Kuhle noted it is important that the City be vigilant in preserving \$9-12 million dollars in the hospital reserve fund and to make sure what is borrowed can always be repaid. Council agreed.

ADJOURNMENT

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to adjourn the meeting at 8:07 p.m.

Mindy L. Eggers, MCMC
Assistant City Clerk