

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, MAY 22, 2017**

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: Larry Janssen, Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon.

Staff present: Todd Wietzema, Public Works Director; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk.

Others present: Annette Fiedler, Southwest Regional Development Commission; Lori Guinnink; Justine Wettschreck, KWOA; Karl Evers-Hallstrom, Daily Globe; Mike Smith (7:05 p.m.).

The Pledge of Allegiance was recited.

AGENDA CLOSED/APPROVED WITH ADDITION

Staff requested the following changes to the agenda:

- Addition of item *E.4. Workforce Housing Program Application*.
- Remove item *E.3. Award Contract for Municipal Liquor Store Remodel Project*

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to a close/approve the agenda with the requested addition of item *E.4. Workforce Housing Program Application*, and the removal of Item *E.3. Award Contract for Municipal Liquor Store Remodel Project*.

CONSENT AGENDA APPROVED

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Special Meeting May 8, 2017 and Regular Meeting May 8, 2017
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting May 15, 2017; YMCA Board Minutes of March 27, 2017; Public Arts Commission Minutes of March 21, 2017; City of Worthington Board of Appeals/Equalization Minutes of May 11, 2017
- Municipal Liquor Store Income Statement for the Period January 1, 2017 through April 30, 2017
- Private Dock on Public Property Permit - 625 Lake Avenue, Herman Kremer
- Bills payable and totaling \$589,467.53 be ordered paid

**THIRD READING AND ORDINANCE NO. 1104 ADOPTED AMENDING CHAPTER 116
OF THE WORTHINGTON CODE - LAWFUL GAMBLING**

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance that would amend Chapter 116 of the Worthington City Code by changing the gambling tax from 3% to 1% as follows:

(A) A local gambling tax of 1% of the gross receipts from lawful gambling, lawful gambling less prizes actually paid by the organization, shall be paid to the City for the purpose of regulating such gambling. Such payment shall be made on a monthly basis, accompanied by a monthly report containing the following information upon such form as may be required:

- (1) The total amount of receipts from lawful gambling activities during the reporting period.
- (2) The total amount of prizes actually paid out by the organization during the reporting period.
- (3) The signature of the person filing the return.
- (4) The period covered by the return.

Following publication, the ordinance will be effective June 1, 2017.

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

ORDINANCE NO. 1104

AN ORDINANCE RELATING TO LAWFUL GAMBLING

(Refer to Ordinance File for complete copy of Ordinance)

CONSIDERATION FOR INITIATION OF REZONING

Annette Fiedler, Southwest Regional Development Commission, introduced herself to Council, noting she was assisting the City with zoning issues following the resignation of Brad Chapulis as Community / Economic Development Director for the City. Ms. Fiedler said there are two ways to receive an application for rezoning - 1) application as applicant / land owner; or 2) City Council initiated. Staff was requesting that Council discuss initiating rezoning of a parcel identified as 31-3824-000, currently zoned as transitional, to M2 to allow for an asphalt plant. The request is being driven by Smith Trucking, who wishes to purchase the current site of the asphalt plant which would allow their Trucking company to expand. Ms. Fiedler suggested that any transition zone should be looked at as a whole and not individual properties.

Following discussion, the motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to send this to the Planning Commission to look at a review of the whole area along County Road 5 between County 33 and County 35 within the corporate limits of the city, including the piece in question.

WORKFORCE HOUSING APPLICATION APPROVED - 2227 CASTLEWOOD DRIVE

Council considered an application for a forgivable loan through the City's Workforce Housing Program for eligible developer installed infrastructure improvements for a newly constructed house they purchased at 2227 Castlewood Drive. Following a review of the infrastructure costs submitted by the Developer, staff determined the value of the eligible expenditures was \$18,664.00. After reviewing the application, staff determined the applicants meet the eligibility criteria and are eligible for the forgivable loan. Interest rate on the loan will be 5%, but for each year the applicants own and reside in the home, the annual mortgage payment would be forgiven. After five years, the loan is fully forgiven.

The motion was made by Council Member Harmon, seconded by Council Member Ernst and unanimously carried to approve the Workforce Housing Application submitted by Erika Melgar Aguilar and Jose Menendez Munoz, 2227 Castlewood Drive.

CONTRACT AWARDED FOR McMILLAN STREET RECONSTRUCTION AND RYAN'S ROAD WALK PROJECT

Bids were received on May 19, 2017 for the McMillan Street Reconstruction and Ryan's Road Walk project, which includes:

- Reconstruction and narrowing of McMillan Street to Ryan's Road
- Construction of a 5' walk (west side) and an 8' multi-use trail (east side) on McMillan Street
- Construction of a 5' walk on the south side of Ryan's Road from McMillan Street to Ray Drive
- Storm sewer modifications on McMillan Street
- Modifications to the McMillan Street and Oxford Street traffic signal system

Dwayne Haffield, Director of Engineering, noted the following bids were received:

<u>Engineer's Est.</u>	<u>Duininck, Inc.</u>	<u>Larson Crane Service, Inc.</u>
\$1,006,333.85	\$974,808.48	\$1,082,672.25

Staff was recommending award of the bid to Duininck, Inc. as the low qualified bidder with a bid

of \$974,808.48.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to award the bid for the McMillan Street Reconstruction and Ryan's Road Walk project to Duininck, Inc. as the low qualified bid at \$974,808.48.

PROFESSIONAL SERVICES AGREEMENT APPROVED FOR McMILLAN STREET AND RYAN'S ROAD PROJECT CONSTRUCTION PHASE

With the award of the bid for the McMillan Street Reconstruction and Ryan's Road Walk project, staff was recommending that SEH continue to provide professional services for the project during the construction phase, and submitted a proposed contract for construction phase services for estimated fees of \$128,400, which include \$74,000 for the on-sight representative, and an additional \$25,000 for staking to be provided by the subcontractor. Dwayne Haffield, Director of Engineering, noted the fees are high due to anticipation of a lot of hours, but the hourly rates are typical. The original project estimate of \$1,258,000 included ordinary engineering fees and contingencies, but Mr. Haffield said with the higher fees, the contingency would be around 5% instead of the usual 10%.

The motion was made by Council Member Cummings and seconded by Council Member Ernst to approve the Professional Services Agreement for the McMillan Street and Ryan's Road Project Construction Phase with SEH, with the following Council Members voting in favor of the motion: Janssen, Cummings, Ernst, Harmon; and the following Council Members voting against the same: Oberloh. Motion carried.

APPROVAL OF PLANS AND AUTHORIZATION TO ADVERTISE FOR BIDS FOR 2017 DIAGONAL ROAD RESURFACING

The 2017 Capital Improvements Budget includes the resurfacing of Diagonal Road from near Oxford Street to 10th Avenue, and 10th Avenue from Diagonal Road to 110 feet east of Diagonal Road. It's a deep mill and overlay - 4.5" of bituminous overlay, and modifying pedestrian crossings to meet current ADA standards. Plans for the project were completed by staff and have been approved by MnDOT. Total estimated cost of the project is \$831,565, including engineering and contingencies. Of that, Federal funding is \$532,374, Municipal State Aid is at \$160,965 and County State Aid is \$138,226. Staff is looking to take bids on June 21st and considered by Council on June 26th. The final of that award is subject to MnDOT approval of the contract. The project will be done under traffic. Staff was requesting Council approval of the plans and authorization to advertise for bids.

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the plans and authorize advertisement for bids for the 2017 Diagonal Road Resurfacing project.

**APPROVAL OF PLANS AND AUTHORIZATION TO ADVERTISE FOR BIDS FOR
RUNWAY 11/29 & 18/36 REHABILITATION PROJECT**

Dwayne Haffield, Director of Engineering, said the 2017 Airport Budget includes maintenance/rehabilitation of Runways 11/29 and 18/36 - which includes going in and removing actual mix from joints that are faulting, the rest will get sealed, and both runways will get a seal coat. The current project estimate and funding is as follows:

Federal Aviation Administration:	\$1,012,583
MnDOT Aviation:	\$56,255
Local Share:	<u>\$56,255</u>
TOTAL	\$1,125,093

Mr. Haffield said the 2017 airport budget included only \$48,915 for the local share of the project, which are funded through use of reserves for capital improvements. Should the bids come in as high as estimated, the airport budget should be amended to increase the project budget with additional use of reserves. The project is in anticipation of receipt of an FAA grant, and you need to go through the bidding process to get a grant.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to approve the plans for the Runway 11/29 and 18/36 Rehabilitation project and authorize staff to advertise for bids to be received on June 21, 2017 and considered by Council at its June 26, 2017 meeting. Award of a contract is subject to receipt of a federal grant.

**COOPERATIVE CONSTRUCTION AGREEMENT APPROVED FOR IMPROVEMENT
OF AN ALLEY**

In 2004 and 2006 Council entered into cooperative construction agreements for improving the easterly portion of the alley immediately north of Trojan Field, south of Oxford Street and east of Oslo Street. The School district is now proposing to collaborate with the owners of the future Papa Murphy's site and of the properties at the corner of Oxford Street and Oslo Street to pave the remainder of the alley. Dwayne Haffield, Director of Engineering, noted that under agreement, the abutting property owners would pay for the improvement, and the City would provide engineering services to ensure compliance with the City, as the City will be taking over the maintenance following completion of the improvement. Plans for the improvement were developed by Midwest Engineering. The project will result in the alley being shifted 7.5 feet south through a partial alley vacation (utility easement retained) and conveyance of 7.5 feet from the School District, which was also completed in the previous alley segment improvement. In addition, staff was recommending that Council waive the fee for the alley vacation on the basis that it is intended to be a cooperative effort to shift the alley to better reflect use of the alley rather than a loss of right-of-way.

The motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to approve the cooperative construction agreement between Janine and Keith Bremer, THK Properties of MN, LLC, and the City of Worthington for improvement to the remainder of the alley immediately north of Trojan Field, and to waive the fee for the future alley vacation.

FINAL PLAT APPROVED - SOUTH LAKE DEVELOPMENT

South Lake Development, LLC was seeking final plat approval of the South Lake Subdivision - a two lot residential subdivision located south of 1st Avenue SW near Knollwood Drive, consisting of 6.5 acres. Council approved the preliminary plat at their May 8, 2017 meeting. Before a final plat can be approved and recorded, the subdivider is required to install all public infrastructure improvements required to provide service to the lots being created. In lieu of the completion of the public improvements prior to final plat approval, the subdivider may submit a financial guarantee to the City to assure that the improvements will be installed within one year. The engineer's estimate for the identified public improvements is \$54,010. Dwayne Haffield, Director of Engineering, stated that because the final plat conforms to the preliminary plat it does not need to go back to the Planning Commission for approval.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the final plat for South Lake Development, subject to the applicant's submission of a financial guarantee in the amount of the engineer's estimate or the amount of the awarded contract(s) should a contract be executed prior to the submission of the financial guarantee.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - reported on a joint City/County/School Board/College meeting - college housing was discussed, along with possible collaboration of athletic fields - bringing the current fields under one entity for scheduling and maintenance, etc. Also discussed the proposed Campbell Soup site redevelopment - although the paper reported that the County and the School District were moving ahead with studies, he made it clear to them that Council has not had the opportunity to discuss it. It will be a work session item.

Council Member Janssen - Attended the Board of Equalization on May 11th, and a NEON meeting at 5:30 that day. Also attended a Heron Lake Watershed Board meeting for the first time - it was interesting and well attended. Read a proclamation for Nursing Home week at Crossroads in the absence of the Mayor.

Council Member Oberloh - nothing to report.

Council Member Cummings - attended a YMCA Board meeting - they discussed the Cruise Dinner. The new climbing wall at the Y will be installed mid to late June.

Council Member Ernst - attended a NEON meeting- they had a good discussion on making Nobles County and the City more attractive to people.

Council Member Harmon - attended a Water and Light Commission meeting - there were two local Missouri River Energy Services scholarship winners, Mathias and Micah Johnson. Attended the

joint City/County/ School meeting - the housing initiative program was brought up again - they would like it renewed as it sunsets December 31st of this year.

CITY ADMINISTRATOR'S REPORT

City Administrator Steve Robinson was absent from the meeting.

ADJOURNMENT

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 7:49 p.m..

Janice Oberloh, MCMC
City Clerk