

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, JULY 24, 2017**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Pro Tem Larry Janssen with the following Council Members present: Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon. Honorary Council Member: Josh Langseth.

Staff present: Steve Robinson, City Administrator; Troy Appel, Public Safety Director, Todd Wietzema, Public Works Director; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk; Police Officers Dustin Roemeling, Tyler Olson, Nicholas Heimer, Lucky Saveo; Sgt. Brett Wiltrout.

Others present: Jacoba Nagel; Andy Johnson; Kathleen Kusz; Kevin Donovan; Al and Jean Heimer; Darby Biesemeier; Darlene Macklin; Nancy Vaske; Gary Brandt; Saeng Sayveo; Day Sayveo; Ryan McGaughey; Karl Evers-Hallstrom, The Globe.

The Pledge of Allegiance was recited.

**HONORARY COUNCIL MEMBER**

Mayor Pro Tem Janssen welcomed Josh Langseth as the Honorary Council Member for June, July and August, 2017.

**AGENDA CLOSED / APPROVED**

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to close / approve the agenda as presented.

**PUBLIC HEARING AND RESOLUTION NO. 2017-07-02 ADOPTED CONFIRMING  
INTENT TO ISSUE DEBT - HALF-CENT SALES TAX EXTENSION**

Pursuant to published notice, this was the time and date set for a public hearing regarding extension of Worthington's half-cent sales tax.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to open the hearing.

Steve Robinson, City Administrator, provided information on the sales tax extension, noting that at their June 24, 2017 meeting, Council had adopted Resolution No. 2017-06-02 Approving the Enactment of Laws 2017 First Special Session, Chapter 1, Article 5, Sections 14, 15 and 16, and calling for a public hearing. The legislation authorized the City to extend the tax and issue additional debt in an additional amount up to \$1.3 million, plus the cost of issuance of the bonds, including interest on the bonds. Also included was the additional use of the funds to construct public athletic facilities. In previous Council / staff discussion, it was determined that \$100,000 of the additional \$1.3 million would be used for seat replacement at Memorial Auditorium, with the remaining

amount to be used for athletic facilities. Mr. Robinson noted that, following adoption of the resolution, it would not go in to effect for 30 days, and if within those 30 days a petition signed by voters equal in number to ten percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters in a general or special election and a majority of the votes cast on the question of approving the resolution are affirmative.

Mayor Pro Tem Janssen asked if there was anyone present who wished to present testimony for or against the resolution:

Andy Johnson - representing the Chamber of Commerce/Visitors and Convention Bureau - spoke in favor of the resolution.

No further testimony was received.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to close the hearing.

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to adopt the following resolution confirming intent to issue additional debt:

RESOLUTION NO. 2017-07-02

A RESOLUTION CONFIRMING INTENT TO ISSUE ADDITIONAL DEBT PURSUANT TO LAWS 2017 FIRST SPECIAL SESSION, CHAPTER 1, ARTICLE 5, SECTIONS 14, 15 AND 16

(Refer to Resolution File for complete copy of Resolution)

Mr. Robinson read the resolution following its adoption.

**CONSENT AGENDA APPROVED**

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

- City Council Minutes of Regular Meeting July 10, 2017 and Special Meeting July 17, 2017
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting July 3, 2017; Heron Lake Watershed Board of Directors Minutes of May 16, 2017; Joint Law Enforcement Center Board Minutes of April 20, 2017
- Financial Statements - Municipal Liquor Store Income Statement for the Period January 1, 2017 through June 30, 2017; General Fund Statement of Revenues and Expenditures -

- Budget and Actual - for the Period January 1, 2017 through June 30, 2017
- Application for On-Sale Beer License - Nobles County Fair Association
- Bills payable and totaling \$934,921.25 be ordered paid

**PURCHASE AGREEMENT DEADLINE EXTENDED BY NEW AGREEMENT FOR PBK INVESTMENTS, INC. MOVIE THEATER DEVELOPMENT, PARCEL 31-3786-551**

PBK Investments, Inc. was seeking extension of the purchase agreement with the City for their movie theater development, located on property identified as Parcel 31-3786-551. The agreement terminated on June 1, 2017 as the buyer failed to close on or before that date. PBK was requesting extension of the agreement to April 1, 2018. The City Attorney reviewed the request and suggested if Council wished to extend the date they should direct staff and the City Attorney to prepare a new agreement for consideration and approval by both parties. Kevin Donovan, on behalf of PBK, said the intent is to complete the architectural plans as the civil is done, and complete the other requirements and obtain building permits over the winter to get them going in the spring.

Council Member Ernst questioned if financing was in place, noting it has been seven months and we haven't seen any plans. Mr. Donovan said the purchase agreement was for the property purchase only and the plans will be submitted when they apply for the building permit. The delay for the land purchase occurred because of some actions going on, but they are ready to move on it again. They put earnest money down with the City, which they are still holding.

Council Member Ernst said the City has since implemented a new policy for property sales, which includes earnest money of 10%. Mr. Robinson said PBK's payment was approximately 6%. When asked for a time line for completion of the plans, Mr. Donovan said SEH has completed the majority of their work and just needed to consult with the architect, then those plans would go to Fullerton and go from there.

The motion was made by Council Member Oberloh to draw up a new agreement that would expire April 1, 2018. Council Member Cummings seconded the motion. Council Member Ernst questioned giving them that much time - do we want to keep dragging this out. Council Member Harmon told Mr. Donovan that, with his partner's performance and history, he would not support an extension. Council Member Ernst said she agreed - we've dealt with him in the past and there are things going on in the city right now with him and it's not positive. Mr. Donovan questioned if they were saying they don't want a theater? Council Member Ernst said no, but we had a group in here two weeks ago, and they were pushing us for time lines instead of us pushing them. We want to see something up front instead of deadlines passing with nothing happening. If people think you guys are putting up a movie theater no one else will look at doing it. Council Member Ernst asked if we could do this for three months. Mr. Donovan said they were not delaying the project - it was his efforts to get the group together and put aside the lawsuit between Pellowski and Marthaler to get this moving. Council Member Oberloh said we need to take the personalities out of this and

consider the issue at hand. Council Member Ernst again stated that the extension should be shorter. Mr. Donovan said that in light of what the former mall owner got away with, it is unreasonable to hold this against them, it would only defer having a movie theater.

The following Council Members voted in favor of the motion: Oberloh, Cummings - and the following Council Members voted against the motion: Ernst, Harmon. With the tie, Mayor Pro Tem Janssen cast his vote against the motion. Motion failed.

Steve Robinson asked Council if he could work with the developers to see if there is a shorter time frame - a reasonable time to develop the architectural plans so they could go to closing. Getting the plans submitted for permits is the big deadline so closing could take place. Council Member Oberloh asked if, in theory, could another group come forward on the property in the next two weeks? Mr. Robinson said yes, the property would be back on the market. Council Member Oberloh responded that we are asking them to spend money on plans for property they don't have a hold on.

Following additional discussion, the motion was made by Council Member Oberloh for a December 1<sup>st</sup>, 2017 purchase agreement and to let them work with Mr. Robinson. Council Member Ernst pointed out that the new agreement should call for earnest money in an amount according to the City's new policy. Council Member Oberloh said the City already had earnest money from them and he wasn't going to get hung up on that. The motion was seconded by Council Member Cummings and unanimously carried.

#### **NOBLES COUNTY ATTORNEY REQUEST FOR CITY PARTICIPATION IN MATCHING FUNDS FOR CRIME VICTIM GRANT APPROVED**

Nobles County Attorney Kathy Kusz was at the meeting to make a request to Council for consideration of additional City funding. Ms. Kusz said she learned of a \$70,000 Crime Victim grant opportunity after her budget presentation to Council earlier this year. The grant will allow crime victims to work with a dedicated staff member at the County level. The money is marked for Nobles County and would require the County to pledge a 25% cash or in-kind match (\$17,500). The City of Worthington's share of that amount would be 25%, or \$4,375. The grant money is not only for the position but for helping crime victims and witnesses.

The motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to approve the request for the additional City participation in the amount of \$4,375 for the 2018 budget year.

The County approved it with the proviso that if the state and federal funding went away, the position would also be eliminated. No one has been de-funded that she is aware of. Ms. Kusz indicated that the budget year starts in September and if funds become available yet this year there will be a City share for that too, but it will be nominal.

**MODIFICATION OF POSITION CLASSIFICATION FOR ENGINEERING TECHNICIAN  
APPROVED**

Steve Robinson, City Administrator, told Council that positions at the City and Public Utilities are classified for salary grade based on nine separate factors. Over the years the required qualifications have changed for the Engineering Technician positions at the City, and the changes will result in an increase in salary grade according to our wage and compensation plan. The position is currently a salary grade 8, and with the certification requirements that are necessary for the position now, the points will increase the position to a salary grade 9. Mr. Robinson said the control point hourly salary for a salary grade Non-Exempt 8 is \$26.27 per hour, while the control point salary for a Non-Exempt 9 is \$27.37 per hour. The change will effect two current employees.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the modifications to the position classification for Engineering Technician.

**AUTHORIZATION PROVIDED TO ADD ENGINEERING CAD/GIS TECHNICIAN AND  
ADVERTISE TO FILL THE POSITION**

Staff was requesting the addition of an additional full-time engineering technician to assist with the workload and backlog in the City's engineering department. The position would be a CAD/GIS Technician and would be at a Salary Grade 9, with a minimum hourly wage of \$23.26 per hour and a control point wage rate of \$27.37 per hour. The position was included in the department's 2017 budget so does not require a budget amendment.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the Engineering CAD/GIS Technician position and to advertise to fill the position.

**AUTHORIZATION PROVIDED TO AMEND EMPLOYEE ADVISORY COMMITTEE BY-  
LAWS**

Council reviewed a request from the Employee Advisory Committee for approval of the following changes to the Committee's By-Laws:

- In order to more equitably represent each employee group, the Committee shall be comprised of one member rather than two of the non-bargaining unit of regular full-time and regular 3/5 time or mor part-time hourly. This will reduce the total committee membership from six to five.
- A Committee quorum shall consist of three voting members rather than four.
- Each employee group may designate an alternate representative who may serve as a voting

- member in the absence of the regular representative.
- The Chairperson shall become a voting member of the Committee.
- References to terms of office have been deleted.
- Meetings will be held every other month rather than quarterly.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to authorize amendment to the Employee Advisory Committee By-Laws as requested, subject to review by the City Attorney and approval by the Water and Light Commission.

### **INTRODUCTIONS AND OATHS OF OFFICERS NICK HEIMER AND LUCKY SAYVEO**

Troy Appel, Public Safety Director, introduced the two newest members of his department, Officers Nicholas Heimer and Lucky Sayveo. The Officers started April 17<sup>th</sup> and have completed their field training and are working as full-time Patrol Officers. Following administering of the Oath of Police Officer by the City Clerk, Council welcomed the new Officers to the City.

### **RESOLUTION NO. 2017-07-03 ADOPTED ACCEPTING FLOATING DOCK DONATION**

Todd Wietzema, Public Works Director, stated that the Lake Okabena Improvement Association was proposing to donate a new floating dock to be placed in Sunset Park. The dock would be used by boaters to unload persons and gear, and would greatly improve the traffic flow at the busiest boat landing dock on Lake Okabena by allowing boaters who are not immediately loading or unloading to get to Sunset Park without causing any unwanted delays. Mr. Wietzema said the donation meets all the requirements set forth in the Park Donation policy, and the Park and Recreation Advisory Board was recommending Council approval of the donation.

The motion was made by Council Member Harmon, seconded by Council Member Ernst, and with Council Member Cummings abstaining from the vote as a Board Member of the Fishing Club, was unanimously carried by the remaining members to adopt the following resolution accepting the donation of the floating dock:

RESOLUTION NO. 2017-07-03

#### **A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY**

(Refer to Resolution File for complete copy of Resolution)

### **BUDGET AMENDMENT APPROVED FOR NEW TURF EQUIPMENT**

Staff was requesting Council approval of a budget amendment for the purchase of a turf aerator and a grass seeder to be used on the new soccer fields and also in some of the park areas. Quotes were

received for both pieces of equipment. The quote for the aerator was for a demo model at a cost of \$17,182.16. The state purchase price for the seeder was \$14,896.00, for a total cost of \$32,078.16. Todd Wietzema, Public Works Director, said he was proposing to use funds in the Prairie View E.R.S. fund to purchase the equipment, which has a current balance of \$55,700.00.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to approve a budget amendment for use of \$32,078.16 from the Prairie View ERS funds for the purchase of a demo model aerator and a seeder.

**RESOLUTION NO. 2017-07-04 ADOPTED APPROVING MINNESOTA DEPARTMENT OF TRANSPORTATION PARTNERSHIP CONTRACT**

Staff presented a Master Partnership Contract between the State of Minnesota Department of Transportation and the City of Worthington, which provides for a variety of services to the City through MnDOT's district office. Services include professional services pertaining to bridge inspection and design, certain types of surveying and other land management support, roadway maintenance, and materials testing. The agreement will replace the current contract which expires this year. The agreement is much the same as the 2013 agreement, but also allows for the City to provide services to MnDOT. Sections 9 through 24 of the agreement were reviewed by the City Attorney.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt the following resolution approving the Master Partnership Contract with the Minnesota Department of Transportation:

RESOLUTION NO. 2017-07-04

(Refer to Resolution File for complete copy of Resolution)

**COUNCIL COMMITTEE REPORTS**

Mayor Pro Tem Janssen - Nothing to report.

Council Member Oberloh - Nothing to report.

Council Member Cummings - Reported on a Joint Law Enforcement Center meeting.

Council Member Ernst - Reported on a NEON meeting held July 13<sup>th</sup>.

Council Member Harmon - Reported on the Joint Law Enforcement Center meeting, a Joint City/County/College/School District meeting, and a Water and Light Commission meeting

**CITY ADMINISTRATOR REPORT**

Steve Robinson, City Administrator, reported that representative from the U.S. Commerce

Department was here last Thursday - they talked about potential grant opportunities, including some that Worthington qualifies for through EDA - 90% of job growth comes from existing businesses so the focus would be on them. It would involve a study and require a 50% match. We're working with the SRDC to put together a grant application that would be under high consideration. Last Friday was the closing for first round consideration for the Community Development Planning and Zoning position - we received several applications but not many met some of the minimum qualifications requirements. We'll be looking at going out to recruit other applicants and at how to proceed.

We have received a request from the developers of the Minnesota West Housing project for funding from the City's housing stock fund - we still have questions on the terms they are asking for and whether their financial pro-forma justifies those terms. Ehlers staff will help evaluate the request. They asked for a 30-year term at 1% interest, but looking at their financials it would seem that those terms are justified. Mr. Robinson also noted that there are four single-family homes under construction on Grand Avenue, along with two that have been recently completed, and a twin home at the South Lake Development is now under construction. In response to a question from Council, Mr. Robinson reported that the North Development Group is moving forward with their project. Their new application for a Nobles Home Initiative five-year tax abatement will come forward in August.

### **ADJOURNMENT**

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 8:08 p.m.

Janice Oberloh, MCMC  
City Clerk