

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, MAY 14, 2018**

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. Honorary Council Member: Ryan Weber.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Todd Wietzema, Public Works Director; Janice Oberloh, City Clerk.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hillstrom, the Globe; Kathy Kutz, Marv Spomer; Mike Stoll; Oscar Pecino; Lindsey Schenck.

The Pledge of Allegiance was recited.

HONORARY COUNCIL MEMBER

Mayor Kuhle welcomed Ryan Weber as the Honorary Council Member for the months of May, June and July, 2018.

AGENDA CLOSED / APPROVED WITH CHANGES

Staff was requesting the addition of item E.5. *Applications for New On-Sale Liquor Licenses* to the agenda, and the renumbering of Administrative Case Items to list the Closed Session Case Item as number 6.

The motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to close / approve the agenda with the requested changes.

CONSENT AGENDA APPROVED

Staff noted they had received notice from the Worthington Area Chamber of Commerce that their application for a temporary on-sale liquor license for the 2018 Regatta failed to list the alternate rain location for the event as the Worthington Arena.

Honorary Council Member Ryan Weber pointed out an error in the Board of Appeals / Equalization Minutes of May 2nd regarding the appeal of Jared Rademacher, that the proposed valuation per Mr. Rademacher is \$211,000, not \$21,000 as stated in the minutes.

The motion was made by Council Member Janssen, seconded by Council Member Oberloh and unanimously carried to approve the consent agenda, with the added notation and correction, as follows:

- City Council Minutes of Regular Meeting April 23, 2018

- City Council/Water and Light Commission Minutes of Joint Special Meeting May 8, 2018
- Minutes of Boards and Commissioners - Park and Recreation Advisory Board Minutes of April 17, 2018; NEON Minutes of April 12, 2018; Center for Active Living Committee Minutes of April 9, 2018; Worthington Area Convention and Visitors Bureau Minutes of March 28, 2018; Worthington Housing and Redevelopment Authority Board Minutes of March 27, 2018; Worthington Economic Development Authority Minutes of April 23, 2018; Water and Light Commission Minutes of May 7, 2018; Board of Appeals / Equalization Minutes of May 2, 2018
- Municipal Liquor Store Income statement for the Period January 1, 2018 through April 30 2018
- Application to Block Street(s) - Worthington Okabena Windsurfers
- Application for Temporary On-Sale Intoxicating Liquor License - Worthington Okabena Windsurfers
- Application to Block Street(s) - Solid Rock Assembly
- Application to Block Street(s) - Worthington International Festival
- 2018 Private Dock Applications
- Bills payable and totaling \$372,423.03 be ordered paid

NOBLES COUNTY ATTORNEY UPDATE AND 2019 BUDGET PRESENTATION

Kathy Kusz, Nobles County Attorney, was at the meeting to present her annual budget request, provide Council with a case load update and to give an update on her office. Ms. Kusz noted the budget as presented is an estimate as there is still one union still left to settle. In addition, the City was not paying anything toward the match for the two-year Crime Victim Witness Coordinator grant in 2018 as the position was just hired in January, but it will be added to the 2019 proposed budget. The City's quarter share of that match is \$250 per month. The City's monthly one quarter share of the 2019 proposed budget is \$17,954.54. Ms. Kusz also noted contract between her office and the City for services expires at the end of this year. She will send a revised draft and meet with the City Administrator for a discussion. The proposed 2019 budget is included in her draft.

Steve Robinson, City Administrator, noted the proposed budget represents an increase of approximately 3.5%.

CONDITIONAL USE PERMIT APPROVED - AMERICAN LUTHERAN CHURCH

Mayor Kuhle stated that this item would be taken out of order to accommodate those present for it.

American Lutheran Church was seeking issuance of a conditional use permit for the construction of a 7,705 square foot addition to the existing church located at 915 Winifred Street. The property is zoned "R-3" - Low Density Preservation Residential. Religious institutions are permitted in the "R-3" district through the issuance of a conditional use permit. The legal description of the property is:

Lots 1 through 4, Block 1, Auditor's Plat of Schumm's Addition, City of Worthington, Nobles County, Minnesota

AND

Lots 1 through 4, Block 1, North Lake Subdivision, City of Worthington, Nobles County, Minnesota.

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said the Planning Commission considered the request at their May 8, 2018 meeting, and after holding a public hearing, voted unanimously (with Commissioner Weber abstaining) to approve the conditional use permit subject to the following conditions:

1. The applicant agrees to prohibit simultaneous use of the facility in writing;
2. The applicant maintains an exterior trash enclosure as required by City Code;
3. The applicant complies with the provisions of the Flood Plain Ordinance; and
4. All other site improvements are completed as were illustrated.

Mr. Brisson said prior to approval of the permit, the applicant received a variance on May 8, 2018 from the City of Worthington Board of Zoning Appeals to exceed the 30% maximum building coverage in the "R-3" zoning district and to encroach up to 6.17 feet into the 8-foot required side yard. The Planning Commission decided to combine the parcel with the parking lot parcel and the existing parcel they own to the southwest that has an existing house on it. Mr. Brisson said even with that they couldn't get to the 30%, so they looked across the street to the north to four parcels the church owns there, currently a parking lot. The agreement with the applicant was that they agree to retain common ownership with the parking lot across the street, and agree to keep it free of structures. By incorporating that parcel they were able to get to the 30% building coverage. They also wanted to encroach closer to the road than allowed. Mr. Brisson said the Planning Commission discussed the variance at length, and once it was approved by the Commission, they considered the Conditional Use Permit.

Council Member Oberloh asked about the existing home on the 10th Avenue parcel they own. Mike Stoll, representing the church, said the house would need to be demolished no later than March 31st of next year. Council Member Ernst, who is a Planning Commission member, said it was her understanding that the house would need to be demolished prior to the Church receiving its occupancy permit for the addition. Mr. Stoll said they would agree to that.

Following discussion, Council Member Oberloh moved to support the Conditional Use Permit as recommended by the Planning Commission, with the added condition that the gravel driveway and portion of sidewalk, on the parcel where the house will be demolished, would also be removed and the parcel would remain green space. The motion was seconded by Council Member Cummings and

unanimously carried.

NOMINATING COMMITTEE RECOMMENDATION FOR COMMITTEE APPOINTMENT APPROVED

The Nominating Committee met on April 30, 2018 and were making the following recommendation for Committee appointment:

Wgtn. Housing & Redev. Authority:	Appoint Marty Rickers to fill the unexpired term of Royce Boehrs who is moving from the community - term to expire October 31, 2020
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The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to approve the appointment to Worthington Housing and Redevelopment Authority Board as recommended by the Nominating Committee.

AUTHORIZATION PROVIDED TO ADVERTISE FOR MOVIE THEATER DEVELOPMENT PROPOSALS

Steve Robinson, City Administrator, said the Economic Development Sub-Committee was recommending that Council give Staff authorization to advertise for movie theater development proposals. Mr. Robinson said the goals and objectives of the RFP state that the theater shall be multi-screen, show first run movies, are open seven days each week and that operations shall be financially self sustaining. Proposals will be received by 5:00 p.m. on June 29, 2018, with review and scoring to occur in early July, and a proposal to be brought back to Council at the second meeting in July.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to authorize staff to advertise for movie theater development proposals as presented.

FIRST READING PROPOSED ORDINANCE REPEALING CURRENT LOCAL OPTION SALES TAX

At their December 22, 2008 meeting, Council adopted Ordinance No. 1021 adopting a sales and use tax for the City of Worthington as was authorized by the Minnesota State Legislature and approved by the voters of the city. Steve Robinson, City Administrator, said it is anticipated that the maximum amount of collections allowed from the current local option sales tax by the City will occur sometime in the 2nd quarter of 2018. As such, the following steps must be taken to end the tax, as provided by the State of Minnesota:

1. The Council must pass an ordinance or resolution indicating their intent to end the

- sales and use tax
2. A notification must be sent to the Commissioner of Revenue at least 90 days before the projected end date
 3. The tax must end on the last day of a quarter
 4. All cost associated with ending the tax must be reimbursed by the local government to the Department of Revenue

Staff presented a proposed ordinance that would repeal Ordinance No. 1021 as follows:

Effective October 1, 2018 Ordinance No. 1021, codified as Worthington City Code, Chapter 32, Sections 32.30; 32.31; 32.32; 32.33; 32.34; 32.35; 32.36; 32.37; 32.38; 32.39; and 32.40, is repealed in its entirety.

Following the anticipated adoption of the ordinance at the June 11, 2018 Council meeting, a letter will be issued to the Commissioner of Revenue notifying him of the sunset of our local option sales tax.

The motion was made by Council Member Oberloh and seconded by Council Member Harmon to give a first reading to the proposed ordinance.

Council Member Oberloh noted the success of the current sales tax and its impact on the community, listing the Event Center, the Memorial Auditorium addition and seat replacement project, and the soccer field project that were all possible because of the tax. He hoped the community would support a future local sales tax.

The motion was unanimously carried.

**APPLICATIONS APPROVED FOR NEW ON-SALE INTOXICATING LIQUOR LICENSES
- LUPAZO MEXICAN GRILL**

Council considered applications submitted by Oscar H. Piceno, dba Lupazo Mexican Grill, 304 Tenth Street, for the following new licenses:

On-Sale Intoxicating Liquor
Intoxicating Liquor Sunday On-Sale

Following approval the licenses would expire June 30, 2018, as set by the State of Minnesota. Staff noted that all of the required paperwork, fees, and insurance certificate listing the City of Worthington as additional insured have been received, and a successful background check was performed.

The motion was made by Council Member Harmon and seconded by Council Member Cummings

to approve the applications for On-Sale Intoxicating Liquor and Intoxicating Liquor Sunday On-Sale for Lupazo Mexican Grill.

Oscar Piceno was present at the meeting and introduced himself to Council.

Council Member Oberloh asked, because the facility is being sub-leased by the new business owner, do we care if the person he is sub-leasing from, and the owner of the building, are covered under his insurance too - would the City be responsible to make sure. The Clerk will check with the City Attorney regarding his question. Council Member Cummings asked if approval should be conditional upon agreement from the City Attorney. Council Member Oberloh said he didn't want to make it a condition if it's not our responsibility. Council Member Cummings clarified that if the Attorney was in agreement that we have what we need it's good.

The motion was unanimously carried.

RESOLUTION NO. 2018-05-01 ADOPTED ACCEPTING DONATION FROM WORTHINGTON REGIONAL HEALTH CARE FOUNDATION

As part of the fund raising efforts of the Noon Kiwanis group for a Splash Pad facility in the city, the group requested a matching grant from the Worthington Regional Health Care Foundation, which was granted. Todd Wietzema, Public Works Director, said City Staff was informed that the fund raising effort towards the splash pad project has been completed and the City would be receiving a total donation of \$111,972.27 towards a new splash pad in Centennial Park. All donations and grant funds will be forwarded to the City of Worthington through the Worthington Regional Health Care Foundation. Staff presented a resolution accepting the donation and authorizing the Mayor and Clerk to sign any necessary agreements.

The motion was made by Council Member Janssen, seconded by Council Member Harmon and unanimously carried to adopt the following resolution accepting the donation:

RESOLUTION NO. 2018-05-01

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

PROFESSIONAL SERVICES AGREEMENT APPROVED FOR SPLASH PAD ENGINEERING DESIGN

At their April 23, 2018 meeting, Council directed City staff to explore additional proposals for engineering services for a design for the proposed splash pad project to be located in Centennial Park.

Todd Wietzema, Public Works Director, said of the four firms contacted, only two submitted proposals: Bolton and Menk and WSB. Both met the City's requirements for the following services:

- Preliminary Design and Site Layout
- Final Design
- Permitting
- Bidding Services

Staff was recommending that Council accept the proposal from Bolton and Menk as the lowest cost proposal, and because the Beach Nook architect has hired Bolton and Menk for the civil engineering on the Beach Nook project, which would be a benefit as the two projects will be sharing utility infrastructure. Total project budget is \$500,000, with funding coming from the Community Growth budget. That Committee did not bring forward a recommendation regarding the proposals.

The motion was made by Council Member Cummings, seconded by Council Member Janssen and unanimously carried to accept the proposal from Bolton and Menk, at the flat rate of \$27,500 for engineering and design services for the splash pad project.

RESOLUTION NO. 2018-05-02 ADOPTED REAPPORTIONING SPECIAL ASSESSMENTS

South Lake Development LLC, the owner of that part of Lot 1, Block 1, South Lake Subdivision not included in the South Lake Condominium (C.I.C. 26), has expanded the condominium plat. The expansion is identified as C.I.C. 26-A. As such, South lake Development LLC has petitioned for reapportionment of the special assessments for Sanitary Sewer Improvement No. 109 Trunk and Lateral, and Water Main Improvement No. 96 Trunk and Lateral between that part of Lot 1 not included in the expanded condominium plat and C.I.C.26-A. The assessments are petitioned to be distributed with 2/25's of the assessment balance to the condominium plat and the remainder of the assessment balances to the property described as Lot 1 except C.I.C. 26 and 26-A. The distribution is based on the second reapportionment being for a condominium plat containing two of 25 planned condominium units on Lot 1.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adopt the following resolution reapportioning the special assessments:

RESOLUTION NO. 2018-05-02

RESOLUTION REAPPORTIONING THE SPECIAL ASSESSMENTS FOR SANITARY SEWER IMPROVEMENT NO. 109 AND WATER MAIN IMPROVEMENT NO. 96

(Refer to Resolution File for complete copy of Resolution)

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Attended the Special City Council/Water and Light Commission Joint meeting and the Economic Development Authority meeting last week. Also attended the Boy Scout dedication at Prairie View on Saturday.

Council Member Janssen - Attended the NEON meeting last Thursday, had no comments. Attended the same meetings mentioned by the Mayor.

Council Member Oberloh - Attended most of the same meetings as well. Also mentioned the recent dropping of a twin cities news station from the VAST cable line up.

Council Member Cummings - Nothing to report.

Council Member Ernst - Cable 3 has a summer intern, Kaylee Wendland - who will help promote the city. The Public Arts Commission's ice cream social on the 6th had a nice turnout, they will probably do it again.

Council Member Harmon - Attended a Water and Light Commission meeting May 8th, along with attending the other meetings mentioned. Well 26 is the highest it's been since 1993.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, reminded everyone to go on-line and vote in the Timberwolves' contest for rehabbing Millard-Walker Park here in Worthington - we're falling behind in the voting.

CLOSED SESSION UNDER MINN STAT § 13D.05, SUBD. 3(A) PERFORMANCE EVALUATION - CITY ADMINISTRATOR

Mayor Kuhle announced that Council would be going into closed session under Minn. Stat § 13D.05, Subd. 3(a) Performance Evaluation of the City Administrator. Those not entitled to stay left the meeting.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to close the meeting at 8:22 p.m.

The meeting was reopened at 8:57 p.m.

ADJOURNMENT

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 8:58 p.m.