

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, OCTOBER 22, 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: Mcnay Nkashama.

Staff present: Steve Robinson, City Administrator; Dwayne Haffield, Director of Engineering; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Janice Oberloh, City Clerk.

Others present: Julie Buntjer, The Globe; Justine Wettschreck, KWOA; Chris Kielblock; Benjamin Weber, Ryan Weber.

The Pledge of Allegiance was recited.

HONORARY COUNCIL MEMBER

Mayor Kuhle introduced Mcnay Nkashama as the Honorary Council Member for the months of October, November and December, 2018.

AGENDA CLOSED / APPROVED WITH ADDITIONS

Staff requested the addition of the following item to the agenda:

1. Consent Agenda - D.1.b. - City Council Minutes of Special Meeting October 17, 2018
2. Regular Agenda - E.6 - Set Date and Time for City of Worthington Board of Canvass

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

CONSENT AGENDA APPROVED

Council Member Oberloh requested that Item 4.b.1 *Authorize Execution of Temporary Easement Agreement* be pulled off of the consent agenda and added to the regular agenda under Engineering for separate consideration.

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

- City Council Minutes of Regular Meeting October 8, 2018 and Special Meeting October 17, 2018
- Minutes of Boards and Commissions - Law Enforcement Center Joint Powers Board Minutes of April 19, 2018; Heron Lake Watershed Board Minutes of August 28, 2018 and Heron

- Lake Watershed Board (Budget) Minutes of August 28, 2018
- Financial Statements - General Fund Statement of Revenues and Expenditures - Budget and Actual - for the Period January 1, 2018 through September 30, 2018; Municipal Liquor Store Income Statement for the Period January 1, 2018 through September 30, 2018
- Application for Parade Permit / to Block Street(s) - Downtown Holiday Parade
- Bills payable and totaling \$2,569,222.41 be ordered paid

THIRD READING AND ORDINANCE NO. 1124 ADOPTED AMENDING THE WORTHINGTON CITY CODE TO ADD BREWERY/BREW PUB LICENSING

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance amending Section 111 of the Worthington City Code to add Brewery / Brewpub to the City's requirement for alcohol licensing. The Liquor Committee discussed the proposed ordinance at their September 14, 2018 meeting and determined that the amendment go forward to City Council for approval.

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. 1124

AN ORDINANCE TO AMEND TITLE XI OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA TO INCLUDE BREWERIES AND BREWPUBS IN LICENSING REQUIREMENTS

(Refer to Ordinance File for complete copy of Ordinance)

SECOND READING PROPOSED ORDINANCE AMENDING WORTHINGTON CITY CODE TITLE XV, CHAPTER 155.186 TO ADD SECTION E, "SPECIFIC DEVELOPMENT STANDARDS"

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance amending Title XV of the Worthington City Code as follows:

Chapter 155.186, Section E of the Worthington City Code to add Section E *Specific development standards*. Permitted and conditional uses identified in Appendix J: Specific Development Standards shall be subject to the specific development standards listed in Appendix J.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to give a second reading to the proposed ordinance.

SECOND READING PROPOSED ORDINANCE AMENDING WORTHINGTON CITY CODE TITLE XV, CHAPTER 155, TO ADD APPENDIX J, "SPECIFIC DEVELOPMENT STANDARDS"

Pursuant to published notice, this is the time and date set for the second reading of a proposed ordinance amending Title XV of the Worthington City Code as follows:

Title XV, Chapter 155 of the Worthington City Code is hereby amended to add
Appendix J - Specific Development Standards

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to give a second reading to the proposed ordinance.

FEE ADJUSTMENT FOR ADDITIONAL PROFESSIONAL SERVICES APPROVED - LIQUOR STORE PROJECT

Based on owner initiated changes to the Liquor Store project that were requested after bids were received and that resulted in modifications to the architectural and engineering documents, the project Architect requested a fee modification for the additional services. Steve Robinson, City Administrator, said two of the items resulted in net overall savings to the project. The request was for an additional \$6,480 in fees, and staff has reviewed the request to ensure they were accurate and reasonable.

The motion was made by Council Member Ernst, seconded by Council Member Janssen and unanimously carried to approve the requested fee adjustment.

DISPOSAL OF PERSONAL SURPLUS PROPERTY

At their October 17, 2018 Special Meeting, Council was asked to declare an 8-door cooler and a 13-door cooler from the former Liquor Store as surplus property, and to authorize disposal of them via Sale by Quotation per the City's Property Disposal Policy. The estimated value of the coolers was less than \$10,000. Council Member Oberloh had expressed concern that when the purchase of the larger cooler was approved five years ago it was after being told that it would be moved to the new Liquor Store. Additional information regarding purchase price and depreciation was requested.

Steve Robinson, City Administrator, noted now that the 8-door cooler was purchased in 2003 at a cost of \$26,115, expected life was 10 years for the compressor and 20 years for the cooler. The 13-door cooler was purchased in 2013 at a cost of \$85,545, expected life was 10 years for the compressor and 20 years for the cooler. Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said that using a simple depreciation schedule, the value of the larger cooler after five years would be approximately \$43,000. Mr. Robinson noted that if we

go over \$10,000 it would need to be disposed of in a different process per policy. Following additional discussion, Council determined to not take formal action but to allow staff to continue to work on the disposal.

TIME AND DATE SET FOR CITY OF WORTHINGTON BOARD OF CANVASS FOR THE 2018 GENERAL ELECTION

Section 2.05 of the Worthington City Charter states that “The City Council shall meet within three days after any city election and canvass the returns and declare the result thereof.” Minnesota Statute sets the time period for the canvass of ballots as between the third and 10th day following the general election. The general election is on Tuesday, November 6th, which means the Charter requires the canvass to be held sometime Wednesday, November 7th through Friday, November 9th. State Statute would require the canvass to be between Friday, November 9th and Friday, November 16th.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to set the time and date for the City of Worthington Board of Canvass as 9:00 a.m. on Friday, November 9, 2018, in City Hall Council Chambers.

AUTHORIZATION GRANTED TO EXECUTE TEMPORARY EASEMENT AGREEMENT

Dwayne Haffield, Director of Engineering, said the proposed Kwik Trip will be permitted a temporary drive onto Oxford Street (TH 59) until Oxford Street is reconstructed and the Grand Avenue intersection is modified for truck movements. In order to accommodate ADA sidewalk standards regarding the cross slope through the drive, Kwik Trip proposed to offset the driveway outside the right-of-way. Because the sidewalk is a public walk it was determined that a temporary easement should be granted to ensure public use of the walk is perpetuated.

Council Member Oberloh said he didn't agree with the easement as it would seem that we are agreeing that Kwik Trip will not have a drive on Oxford Street once that street is reconstructed. Mr. Haffield said the easement is for the sidewalk only, as a means of explanation on why they are going a little above ADA standards for the walk, and that it is a temporary condition until addressed with a permanent driveway.

Following discussion, the motion was made by Council Member Cummings and seconded by Council Member Ernst to approve and authorize execution of the Temporary Limited Right-of-Way Easement Agreement, with the following members voting in favor of the motion: Janssen, Cummings, Ernst, Harmon; and the following Council Members voting against the motion: Oberloh. Motion carried.

FIRST READING PROPOSED ORDINANCE TO VACATE VARIOUS PLATTED PUBLIC UTILITY EASEMENTS AND PUBLIC DRAINAGE AND UTILITY EASEMENTS IN

MERCK ADDITION, AND RESOLUTION NO. 2018-10-08 ADOPTED VACATING CERTAIN EASEMENTS IN MERCK ADDITION

Dwayne Haffield, Director of Engineering, noted that Merck Addition (a single lot - Lot 1, Block 1) was once a subdivision serving multiple owners who were similar but different, and included a street. Over time it evolved in to a single business campus. It is mutually beneficial for what was public services to become the campus' private services. In order to do that we should remove all the public utility easements over those services so there is no documentation that states that we are obligated to maintain them. Mr. Haffield said the Water and Light Commission has already addressed the other part of this and authorized the release of those sewer and water mains to the property owner. The Commission also concurred with a recommendation that Council adopt a resolution vacating the easements granted when the street was vacated - they are not platted easements. Staff was also recommending that Council give a first reading to a proposed ordinance vacating those portions of the platted easements dedicated in the plat of Oxford addition and in the plat Merck Addition as follows:

Section I.

An ordinance vacating all those portions of the public utility easements and the public drainage and utility easements dedicated in the plat of Merck Addition, City of Worthington, Nobles County, Minnesota, lying southeast of a line 20.00 feet southeast of and parallel to the northwesterly line of Block 1, of said Merck Addition.

Section II.

An ordinance vacating all those portions of the public utility easements and the public drainage and utility easements dedicated in the plat of Oxford Addition, City of Worthington, Nobles County, Minnesota, lying southeast of a line 20.00 feet southeast of and parallel to the northwesterly line of Block 1, Merck Addition, City of Worthington, Nobles County, Minnesota.

The ordinance would not remove the easement along the railroad that houses the well line that comes in to the community. Mr. Haffield said the final reading of the proposed ordinance should be subject to completion of the addition of manholes that need to be added.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to give a first reading to the proposed ordinance.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt the following resolution vacating certain easements in Merck Addition:

RESOLUTION NO. 2018-10-08

VACATING CERTAIN EASEMENTS IN MERCK ADDITION

(Refer to Resolution File for complete copy of Resolution)

FIRST READING PROPOSED ORDINANCE TO AMEND THE STORM WATER UTILITY RATE

At their October 17, 2018 Special Meeting, Council approved the proposed 2019 Storm Water Utility Fund operating budget. The budget required \$659,613 in utility operation revenue, or \$25,885 more than the 2018 budget. Changes include the addition of debt service payments, and a partially offsetting decrease in the amount set aside for capital improvements. The debt service is associated with the financing a portion of the CD 12 Flood Mitigation project. As proposed, the storm water fund budget will require a 4.55% storm water utility rate increase to the current annual residential rate of \$264.00 per acre. An ordinance is required to amend the storm water utility rate.

Based on Council's approval, Staff presented a proposed ordinance amending the Worthington City Code, Title V, Chapter 54.04 (C) as follows:

(C) The annual fee per acre for residential is \$276.00

The motion was made by Council Member Harmon, seconded by Council Member Janssen and unanimously carried to approve the 2019 Storm Water Utility Fund operating budget as proposed at a 4.55% increase, and to give a first reading to the proposed ordinance.

PROPOSAL FOR PROFESSIONAL SERVICES WITH SEH, INC. APPROVED REGARDING RE-ROOFING PROJECT AT THE THOMPSON HOTEL APPROVED

At their October 8, 2018 regular meeting, Council discussed a request from the Fifth District Court to the City of Worthington for pest remediation at the Hotel Thompson along with a discussion regarding a proposal for preparing construction plans for a replacement roof for the building. Based on the high cost of the proposal received, Council directed staff to seek additional proposals.

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, stated that Staff had solicited and received two additional proposals for professional consulting services associated with preparation of roof construction and bid documents and assistance with the bid review and award process. The bids will be to remove the existing roof and construct a new 60mil, fully adhered EPDM roof on the Hotel Thompson. Both proposals include a site visit during and after construction. Mr. Brisson said one proposal was approximately \$8,000 more but did include things that were not in the other bid. The less expensive proposal did include an 11-month warranty review that was not included in the more expensive proposal.

Staff was recommending that Council enter into an agreement with SEH, Inc. for an amount not to exceed \$19,800 for professional services as outlined. The costs incurred for the services will be assessed back to the property to allow the City to recover the costs.

Steve Robinson, City Administrator, said in visiting with Wells Fargo and Lighthouse, it seems they have little or no intent on anything about these issues. SEH would start the week of October 29th, and would then have plans for bidding by November 16th. Council Member Janssen disagreed with the City proceeding with the roof repair, asking "what's next?" Mr. Robinson responded that all the City is planning is the roof repair and pest control. Mayor Kuhle pointed out there is still a mold issue to address - based on the court order, we are only dealing with the health and safety issues. Council Member Oberloh asked if the City could put a lien on the property so Wells Fargo couldn't sell it before we get our money back - we should talk to our Attorney to see if we could file a lien to get our money back at the time of sale. Council Member Janssen agreed noting if Wells Fargo walks away, how would we collect the assessments? Steve Robinson, City Administrator suggested that we get a lien on it right away. Council Member Oberloh requested that the agreement with SEH also include a project completion date.

The motion was made by Council Member Oberloh and seconded by Council Member Cummings to accept the proposal from SEH, Inc. for Professional Services at a not to exceed fee of \$19,800 and to request that a completion date be added to the agreement, with the following Council Members voting in favor of the motion: Oberloh, Cummings, Ernst, Harmon; and the following Council Members voting against the motion: Janssen. Motion carried.

FIRST READING PROPOSED ORDINANCE AMENDING PLANNING COMMISSION VOTING REQUIREMENTS FOR COMPREHENSIVE PLAN ADOPTION OR AMENDMENT

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, reminded Council that at their October 2, 2018 meeting, the Planning Commission considered an amendment to City Code Section 151.03, regarding voting requirements for Comprehensive Plan Adoption or Amendment. After holding a public hearing, the Commission voted unanimously to recommend approval of a proposed ordinance to require a five-sevenths (5/7) vote of all members present and voting for a Comprehensive Plan adoption or amendment. At the October 8th City Council meeting, Council considered the request and voiced concern about a potential situation where a four-member quorum is present and only three members would need to support the motion. Council requested that Staff modify the proposed amendment to require a unanimous decision in the case of a four-member Commission, but otherwise to only require five-sevenths of members present and voting.

The motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to give a first reading to the proposed ordinance amending the voting

requirements for Comprehensive Plan Adoption or Amendment with the modifications.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - No report.

Council Member Janssen - No report.

Council Member Oberloh - No report.

Council Member Cummings - No report.

Council Member Ernst - The Community Image Committee discussed the Holiday Parade scheduled for November 30th - they need more entries into the parade.

Council Member Harmon - Water and Light met last Monday - they received a request from the City of Brewster for assistance with their waste water system which is a pond system - we had no experience with a pond system but our newest Waste Water employee had the experience and is able to help them.

CITY ADMINISTRATOR REPORT

Steve Robinson, City Administrator, noted that a couple of steps for the splash pad project required de-watering - the underground water tank for that project is not coming for a couple of weeks yet. There is a candidate forum scheduled for tomorrow evening at 6:30 p.m. in the High School Band Room for the District 22B candidates. Mr. Robinson also noted that there are several sales tax presentations coming up and an open house. The sales tax request is getting a very positive reception.

ADJOURNMENT

The motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to adjourn the meeting at 8:03 p.m.

Janice Oberloh, MCMC
City Clerk