

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, OCTOBER 28, 2019**

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, Chad Cummings, Amy Ernst, Mike Harmon, Alan Oberloh.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Assistant City Administrator/Director of Economic Development; Jeremiah Cromie, City Planner; Mindy Eggers, City Clerk.

Others present: Leah Ward, The Globe; Ben Weber; Dale Moerke; Jane Doe; Jessica Velasco; Ivan Parga; Andrea Durante; Aida Simon; Issac Semene; Johnnton; Jessica Muniz; Nayzeth Muniz; Selam Gebrehiwot; Saleen Thempontry; Jocelyn Thempontry; Nessa Johnson; Habsom Gebranelhim; Nibyna Hayelom; Tedros Gabremeskec; John Doe; Rebecca Banuza; Mekdelawit Tilahun.

The Pledge of Allegiance was recited.

**AGENDA CLOSED / APPROVED**

Staff was requesting the addition of Item F.2.1. *Outdoor Aquatic Center City Council/YMCA MOU*, F.2.2. *Hotel Thompson Update* and F. 5. *Entertainment Spec Building Project Change Order No. 1*

The motion was made by Council Member Ernst, seconded by Council Member Harmon and unanimously carried to close / approve the agenda with the additions of Items F.2.1. *Outdoor Aquatic Center City Council/YMCA MOU*, F.2.2. *Hotel Thompson Update* and F.5. *Entertainment Spec Building Project Change Order No. 1* as presented.

**PUBLIC HEARING - CHARTER COMMISSION RECOMMENDATION TO AMEND CHAPTER VI, SECTION 6.03 OF THE WORTHINGTON CITY CHARTER ENTITLED "APPOINTMENT OF A WATER & LIGHT COMMISSION" BY ORDINANCE**

Pursuant to published notice, this was the time and date set for a public hearing regarding a recommendation from the Worthington City Charter Commission to amend the City Charter, Chapter VI, Entitled "Appointment of Water & Light Commission."

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

Steve Robinson, City Administrator, explained the City's Charter Commission considered a recommendation from the General Manager of Worthington Public Utilities to amend Section 6.03, "Appointment of Water and Light Commission." As currently written, the charter does not specify that membership of the W&L Commission shall include City Council member(s). The Charter Commission recommends that Section 6.03 be amended striking language addressing staggering the terms of the initial members and adding that at least one but not more than two current City Council

members may hold a seat on the W&L Commission. He said staff received a letter from the Commission's Chairman, Martin Rickers, advising us of their action. The full text of amended Section 6.03 is as follows:

*The Water and Light Commission shall consist of five members appointed by the City Council for a three-year term commencing on April 1 of the year in which appointed. At least one, but not more than two, current City Council members may hold a seat on the Commission. In the event that a City Council member holding a seat on the Commission ceases to serve on the City Council, they shall forfeit their seat on the Commission. The City Council shall have the power to fill all vacancies. The members of the Commission shall receive such compensation as the City Council shall provide and shall be reimbursed for actual expenses incurred while absent from the City on business of the Commission. The Commission shall elect a President from its membership. The Commission shall be responsible for seeing that records of all proceedings are kept.*

*Minnesota Statute 410.12 regulates the process for cities to adopt amendments to their City Charters. Subdivision 7 of the Statute outlines the process for amendment by ordinance of the City Council, which includes that the City must publish notice of a public hearing on the proposal, and the notice must contain the text of the proposed amendment. The public hearing must be held at least two weeks but not more than one month after the notice is published, which was October 9, 2019.*

Mayor Kuhle asked if there were any comments or questions from Council. Council Member Oberloh stated he has a concern with the proposed language change in the Charter, while there are no problems now with the Commission, changing the Charter would take the ability from Council to become the Water & Light Commission if Council would choose to do so. The Charter does not say that members on the commission have to be others than Council in fact in other communities it is Council. Mayor Kuhle stated that the way the Charter is written right now there would not have to be any representation by Council on the Commission, this would make sure that Council would have to have representation.

Mayor Kuhle asked if there was anyone present who wished to present testimony and speak for or against the recommendation. None was received.

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

A proposed ordinance amending the Worthington City Charter will be presented for Council action later in the meeting.

**CONSENT AGENDA APPROVED**

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

- City Council Minutes of Special City Council Meeting Minutes of October 16, 2019
- City Council Minutes of Regular Meeting Minutes of October 14, 2019
- Water & Light Commission Meeting Minutes of October 21, 2019
- Water & Light Commission Minutes of October 7, 2019
- Heron Lake Watershed Budget Meeting Minutes of August 20, 2019
- Heron Lake Watershed Board Meeting Minutes of August 20, 2019
- Joint Powers Transit Authority Meeting Minutes of July 7, 2019
- Application for Parade Permit / to Block Street (s) - Downtown Holiday Parade
- Application for Exemption from Lawful Gambling Permit - Frosty Riders, Inc.
- Bills payable and totaling \$4,914,592.48 be ordered paid

**FIRST READING AND ORDINANCE NO. 1154 ADOPTED AMENDING CHAPTER VI, SECTION 6.03 OF THE WORTHINGTON CITY CHARTER ENTITLED “WATER AND LIGHT COMMISSION”**

Following the public hearing earlier in the meeting, and based on the recommendation of the City’s Charter Commission, staff presented a proposed ordinance that would amend Chapter VI, Section 6.03 of the Worthington City Charter entitled “Water & Light Commission as follows:

*The Water and Light Commission shall consist of five members appointed by the City Council for a three-year term commencing on April 1 of the year in which appointed. At least one, but not more than two, current City Council members may hold a seat on the Commission. In the event that a City Council member holding a seat on the Commission ceases to serve on the City Council, they shall forfeit their seat on the Commission. The City Council shall have the power to fill all vacancies. The members of the Commission shall receive such compensation as the City Council shall provide and shall be reimbursed for actual expenses incurred while absent from the City on business of the Commission. The Commission shall elect a President from its membership. The Commission shall be responsible for seeing that records of all proceedings are kept.*

The ordinance would be enacted if it receives the affirmative vote of all members of the City Council and is approved by the Mayor and published as in the case of other ordinances. If within 60 days of the passage and publication of the ordinance, a petition signed by registered voters equal in number to at least five percent of the registered voters in the city, or 2,000, whichever is less, requesting a referendum on the ordinance is filed with the City Clerk, the ordinance shall not become effective until it is approved by the voters.

Council Member Cummings asked the procedure that would need to be followed if the first reading would not pass. Steve Robinson, City Administrator, stated that it would have to be brought back

to the Charter Commission and brought forward again because it would be outside of the thirty day time period.

Mayor Kuhle stated the reason for the change is to ensure that at least one Council member serves as a representative on the Commission.

Council Members agreed that more discussion should take place on this and referred back the Charter Commission. No action was taken on the first reading.

**MEMORANDUM OF UNDERSTANDING FOR DISTRIBUTION OF DESIGN AND CONSTRUCTION COSTS FOR W.E.L.L. COLLABORATIVE PROJECT APPROVED**

Steve Robinson, City Administrator, stated the Memorandum of Understanding (MOU), details the formula for financial cost sharing for professional design and construction services between the City of Worthington, Nobles County and Independent School District 518 for the WELL project at the former Campbell Soup site. The distribution of costs in the MOU is based on preliminary estimates of the square footage attributed to each of the above entities. Actual costs for each entity will be determined based on the final design. The preliminary estimate, based on square footage, is as follows:

City of Worthington:	5 percent
Nobles County:	40 percent
ISD 518:	50 percent
Others:	5 percent

He said site work (drives, parking, storm water, etc.) will be divided equally among the three entities. Both the Nobles County Commissioners and ISD 518 Board members have approved the MOU.

A motion was made by Council Member Harmon, seconded by Council Member Ernst and unanimously carried to approve the Memorandum of Understanding for Distribution of Design and Construction Costs for W.E.L.L. Collaborative Project.

**SECOND READING PROPOSED ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA**

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance that would amend Title XV of the City Code, Title XV, Section 155 Table 5 (Schedule of Use of Regulations) as follows:

The City Council of the City of Worthington, Do Ordain:

Section I

The Worthington City Code, Title XV, Section 155 Table 5 (Schedule of Use Regulations), shall be

amended to read as follows:

Table 5: Schedule of Use Regulations  
Subtitle: Residential Use Group

Letter S - Recreational be amended to allow the land use as a conditional use permit in the "B-2" – Central Business District.

## Section II

The City Clerk is hereby directed to file a certified copy of this ordinance in the office of the Recorder in and for the County of Nobles, State of Minnesota

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

### **ENTERTAINMENT SPEC BUILDING PROJECT CHANGE ORDER NO. 1**

Steve Robinson, City Administrator, stated that Tri-State General Contracting, Inc. has submitted a change order proposal, to provide for an additional 6-inch subgrade excavation and 6-inch compacted, crushed concrete fill throughout the parking lot and Darling Drive extension. The existing soils were found to be unsuitable for long term durability, stability and compaction. This additional work is based the recommendation of American Engineering and Testing, the City's geotechnical consultant.

The change order is based on estimated quantities. Payment will be for actual measured quantities. The estimated quantities and unit prices are as follows:

- Excavation and removal from site: 2,100 CY @ \$9.00/CY = \$18,900
- Furnish, place and compact crushed concrete: 4,050 tons @ \$22.50/ton = \$91,125
- General Contractor mark-up: 5.0% = 5,501.25
- Bond cost increase: 2.0% = 2,200.50

The total estimated change is \$117,726.75.

He said in addition, the Contractor has requested extending the final completion date for the parking lot and Darling Drive to June 12, 2020. The substantial and final completion dates for the building shall remain the same.

Council Member Oberloh asked if both concrete recycling yards got chance to bid. Mr. Robinson verified that they did.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the Project Change Order for the Entertainment Spec Building.

### **OUTDOOR AQUATIC CENTER CITY COUNCIL/YMCA MOU APPROVED**

Jason Brisson, Assistant City Administrator/Director of Economic Development, explained that City Council reviewed and approved an MOU concept for the expanded City Aquatic Center's operations at its October 16, 2019 special meeting. Staff has worked with the City Attorney and the YMCA's Executive Director to develop an MOU based on the concepts discussed at the October 16 meeting. He said the MOU and the existing operating contract with the YMCA states that the City will be responsible for 100% of the capital costs of the outdoor aquatic center. The City also agrees to cover the operational and maintenance shortfall of the outdoor aquatic center. The MOU gives Council the authority to set the daily rates for admission to the outdoor pool and the outdoor aquatic center rates for YMCA members will be established by mutual agreement of the City Council and the YMCA. The City also agrees to fund 50% of an aquatic center director position that will oversee the entire indoor/outdoor pool facility.

A motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the Aquatic Center Memorandum of Understanding and to have the City Administrator and Council Rep be part of the interview process for the Aquatic Director position.

Council Member Cummings noted that he abstained from voting on the Memorandum of Understanding at the YMCA Board Meeting earlier today.

### **HOTEL THOMPSON UPDATE**

Steve Robinson, City Administrator, stated that the court hearing to approve the sale of The Thompson Hotel was today. The William's family did not receive their filing on time so the sale could not be finalized but everyone was in agreement. The closing is planned to be expedited and the buyers will receive clear title. The City will receive the \$183,000 due in assessments and all of the outstanding bills will be paid.

Mr. Robinson explained that after all of the expenses are paid there will be approximately 100,000-103,000 left that was part of the original TIF district that was created for that address. Staff is recommending that the remaining TIF dollars be put into a fund for the new buyers to be used as a grant toward the new project. The new owners have already purchased a boiler system for the building that they are waiting to put in. Mr. Robinson noted that if nothing is done with the funds they would go back to Nobles County.

Jason Brisson, Assistant City Administrator/Director of Economic Development stated that an agreement should be drawn up with the property owners to secure that the funds will be used toward

the project.

A motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to put the exact dollars of TIF proceeds into a fund to be used as a grant for the new property owners for the renovation of The Thompson Hotel.

Mr. Robinson stated that there has been some discussion with the new property owners about setting up a new TIF District. Mr. Brisson explained that it would be a pay as you go TIF and all of the fees would be paid by the property owners. Council Members agreed that a TIF Redevelopment District would be a benefit since a landmark and commercial properties are being saved.

### **COUNCIL COMMITTEE REPORTS**

Mayor Kuhle - no report.

Council Member Janssen - Attended a NEON Committee meeting. Dave Stenzel looking for a possible building location.

Council Member Oberloh - CGMC Policy Positions

Council Member Cummings - Search for new YMCA Director continues.

Council Member Ernst - Attended Public Arts Commission meeting, looking for input on future beautification at the end of Tenth Street. Inquired about the Beach Nook progress, walk bridge, and Entertainment Spec Building. Mr. Robinson stated that the Beach Nook is moving along, the building is almost fully enclosed, the roofing is almost done and they are trying to get the epoxy floor done. Site work may not be done this year. The walk bridge was set into place today. The footings have been put into place for the Entertainment Spec building, prep work has started for the parking lot, the steel building package is to arrive in a couple of weeks. The Public Works building should be getting the certificate of occupancy this week. The new bathroom in Ludlow Park will be set when the plumbing permit is received from the State.

Council Member Harmon - Attended a Water & Light Commission meeting last week.

### **CITY ADMINISTRATOR'S REPORT**

Steve Robinson, City Administrator, reminded Council about the Special City Council Budget meeting scheduled for tomorrow. The Local Option Sales Tax will go into effect on January 1, 2020.

### **ADJOURNMENT**

The motion was made by Council Member Janssen, seconded by Council Member Oberloh and unanimously carried to adjourn the meeting at 8:10 p.m.

Mindy L. Eggers, MCMC  
City Clerk