

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, NOVEMBER 9, 2015**

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: Scott Nelson, Diane Graber, Larry Janssen, Mike Harmon, Rod Sankey. Honorary Council Member: Amy Ernst.

Staff present: Steve Robinson, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Mindy Eggers, Assistant City Clerk.

Others present: Justine Wettschreck, KWOA; Kristin Kirtz, Daily Globe; Ken Moser; Sheila Pederson; Rich Pederson; Lori Klooster; Dennis Simpson; Michele Clarke; Mynor Chilel Perez; Lesley Miranda; Euro Cordeza; David Perez; Isaias Lopez; and Julio Garcia.

AGENDA CLOSED/APPROVED

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

CONSENT AGENDA APPROVED

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

- City Council Minutes of Special Meeting October 26, 2015
- City Council Minutes of Regular Meeting October 26, 2015
- City Council Minutes of Special Meeting October 27, 2015
- City Council Minutes of Special Meeting October 28, 2015
- Minutes of Boards and Commissions - Planning Commission /Board of Appeals Minutes of November 3, 2015; Economic Development Authority Meeting Minutes of October 26, 2015; Traffic & Safety Committee Meeting Minutes of October 27, 2015; NEON Committee Meeting Minutes of October 8, 2015; Convention & Visitors Bureau Board of Directors Meeting Minutes of August 26, 2015
- 2016 On-Sale/Off-Sale Beer, Dance and Pawn Shop License renewals:

On-Sale Beer

- 2016 - 1 Pizza Hut #2747 - 1551 N. Humiston Avenue
- 2016 - 2 Hickory Lodge Bar & Grill LLC - 2015 N. Humiston Avenue
- 2016 - 3 Fraternal Order of Eagles #3282 - 205 Oxford Street
- 2016 - 4 The Ground Round Grill & Bar - P.O. Box 1029/1290 Ryan's Road
- 2016 - 5 Worthington Country Club - 851 W. Oxford Street
- 2016 - 6 Ben Lee's Bros. Café - 212 Tenth Street
- 2016 - 7 Oxford Bowl - 325 Oxford Street
- 2016 - 8 Panda House - 913 Fourth Avenue
- 2016 - 9 Hy-Vee Market Café - 1235 Oxford Street
- 2016 - 10 A & T Tap - 107 12th Street

2016 - 11 Worthington Comfort Suites - 1447 Prairie Drive
2016 - 12 Mini Market Lupita - 1906 Oxford Street

Off-Sale Beer

2016 - 1 Casey's General Store #3263 - 2021 Highway 59 N/Box 921
2016 - 2 Casey's General Store #1686 - 1704 Oxford Street
2016 - 3 Casey's General Store #2166 - 1007 Oxford Street
2016 - 4 Hy-Vee Food Store - 1235 Oxford Street
2016 - 5 Worthington Comfort Suites - 1447 Prairie Drive
2016 - 6 Fareway Store - 1028 Ryan's Road
2016 - 7 Interstate Cenex - 1710 N. Humiston Avenue
2016 - 8 Top Asian Food Store - 312 Tenth Street
2016 - 9 Food N' Fuel - 907 Diagonal Road
2016 - 10 Bob & Steve's Shell - 1408 Oxford Street
2016 - 11 Worthington Comfort Suites - 1447 Prairie Drive
2016 - 12 Mini Market Lupita - 1906 Oxford Street

Dance

2016 - 1 Hickory Lodge Bar & Grill - 2015 N. Humiston Avenue
2016 - 2 Fraternal Order of Eagles #3282 - 205 Oxford Street
2016 - 3 VFW Post #3958 - 1117 2nd Avenue

Pawn

2016 - 1 Pawn -It - 1730 Oxford Street

- Approved Application for Parade/Street Closure for the 2015 Holiday Parade
- Approved Annual PTO Conversion Option
- Bills payable and totaling \$471,716.01 be ordered paid
- Approved Changes in Parking Restrictions
- Approved Storm Water Utility Credit Adjustment

SUMMARY OF PERFORMANCE EVALUATION OF CITY ADMINISTRATOR

At their October 27, 2015 Special Meeting, Council completed a performance evaluation of City Administrator Steve Robinson in closed session as allowed by MS § 13D.05 Subd. 3(a). The statute also provides that Council must provide a summary of the performance evaluation at their next open meeting. Mayor Kuhle stated that a 6 month performance evaluation was conducted for City Administrator Steve Robinson, the evaluation was satisfactory and a salary adjustment was granted according to the terms of his contract. The Mayor congratulated Mr. Robinson as he received high marks from council, staff, and the public on his performance.

APPROVED MEMORANDUM OF UNDERSTANDING BETWEEN LAW ENFORCEMENT LABOR SERVICES, INC (LOCAL#274) AND THE CITY OF

WORTHINGTON

Steve Robinson, City Administrator explained that the City of Worthington and LELS #274 have a collective bargaining agreement effective January 1, 2015 through December 31, 2017. Both parties agree that during the drafting of the current and previous agreement, a sentence in Article 24.1 was inadvertently omitted.

The omitted portion should have included the following: *Plain clothes sergeant receives \$.37/hour for purchase of non-uniform work clothing.* The omitted language was not a topic of discussion at the most recent or the previous negotiation processes.

Mr. Robinson stated that a memorandum of understanding would need to be signed which will allow the current contract to be executed as expected by both LELS #274 and the City of Worthington. Mr. Robinson noted that this would affect one employee and the proposed MOU would be effective retroactively to January 1, 2015 and through the remainder of the contract term.

A motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously approved to authorize the Memorandum of Understanding between LELS #274 and the City of Worthington.

RESOLUTION NO. 3626 ADOPTED APPROVING CHANGES IN SEWER RATE SCHEDULE

Dwayne Haffield, Director of Engineering, presented the proposed 2016 Sewer Service Charges for Council consideration and stated that the Water & Light Commission also considered these charges at its November 9, 2015 meeting. Mr. Haffield noted the monthly sewer charge is comprised of two components - a usage charge and a connection charge. The usage charge is billed to non-industrial customers based on water consumption and assumed pollution levels. Mr. Haffield said we are looking at a 2.8% increase in the usage charge for non-industrial users, and a 0.4% increase in the connection charge.

The motion was made by Council Member Harmon, seconded by Council Member Nelson and unanimously carried to adopt the following resolution approving the proposed 2016 Sewer Service Charges:

RESOLUTION NO.

APPROVING CHANGES IN THE SEWER RATE SCHEDULE

(Refer to Resolution File for complete copy of Resolution)

**RESOLUTION ADOPTED SETTING REQUIRED STREET LIGHTING SYSTEM
BUDGET, REVENUE AND SPECIAL SERVICE CHARGE BASE RATE**

In August of 2010, Council adopted Ordinance No. 1034 establishing special charges for operation of a street light system, and which provides for the Required Street Lighting System Revenue and Special Service Charge Base Rate to be adopted by resolution. Based on the proposed budget and the service charge rate structure and the service charge rate structure established in the 2010 ordinance, the base service charge rate is calculated to be \$58.08. The monthly residential charge will therefore be \$4.84 and all other non exempt properties will be billed \$14.52 per month. The proposed rates will result in the second increase in the special service charge since they were originally adopted for billing in October of 2010. The first rate increase (4.8%) was adopted last year for the 2015 budget.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to adopt the following resolution establishing the Required Street Lighting System Budget, Revenue and Special Service Charge Base Rate, effective with the January 2016 billing:

RESOLUTION

SETTING REQUIRED STREET LIGHTING SYSTEM REVENUE AND SPECIAL SERVICE
CHARGE BASE RATE

WHEREAS, City Ordinance Number 1034 provides that the Required Street Lighting System Revenue and resulting Special Service Charge Base Rate shall be adopted by resolution; and

WHEREAS, the annual expenditures by the City of Worthington for the establishment, operation, construction, repair, replacement, maintenance, enlargement and improvement of the Street Lighting System is projected to be \$285,394; and

WHEREAS, no other source of revenue will be applied to fund the Street Lighting System; and

WHEREAS, the City Engineer has calculated that the Special Service Charge Base Rate required to fund the annual expenditures of the Street Lighting System is \$58.08.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF WORTHINGTON, MINNESOTA:

1. That the Required Street Lighting System Revenue is declared to be \$285,394.
2. That the Special Service Charge Base Rate shall be \$58.08.
3. That the Special Service Charge Base Rate is to be effective with the January 2016 billing period.

APPROVED STORM WATER UTILITY FUND BUDGET AND FIRST READING OF PROPOSED ORDINANCE TO AMEND STORM SEWER UTILITY RATES

Dwayne Haffield, Director of Engineering explained the 2016 storm sewer fund budget completed as directed by Council at its November 4, 2015 meeting. The budget requires \$578,105 in utility operating revenue, or \$17,333 more than the 2015 budget. The change in the required operating revenue results from a variety of minor budget changes and providing for a \$22,712 increase in reserves designated for future capital improvements. The warrant for including an increase in reserves designated for future capital improvements is the identification of a number of storm sewer reconstruction projects unable to be scheduled at this time due to current revenue levels and the commitment to the County Ditch 12 flood mitigation improvements. Mr. Haffield stated that if Council approves the proposed 2016 storm sewer fund budget a rate increase will need to be initiated. The rate increase required to generate the revenue is 2.5%. City Council adopted an ordinance establishing the City's storm water system as a utility in December of 2003. The ordinance set the annual storm water fee or rate for residential use. The annual rate is adjusted by a multiplier based on land use, multiplied by the property area, and billed in 12 monthly payments.

Council Member Graber asked the what the proposed time line is for the Flood Mitigation Project. Mr. Haffield noted that the grant application has been submitted to FEMA and the City is hopeful to hear something by the end of the year. The project would then be done in phases, Mr. Haffield explained that once the funding is received the City would have three years to complete the project.

A motion was made by Council Member Nelson, seconded by Council Member Graber to approve the 2016 Storm Sewer Fund Budget and give first reading to the Ordinance Establishing the Annual Residential Fee Per Acre at \$243.00.

FIRST READING PROPOSED ORDINANCE - CHANGE OF ZONE - 500 STOWER DRIVE

Brad Chapulis, Director of Community/Economic Development explained that Lori Klooster is seeking change of zone for property her company , Living Life Adult Daycare Center, LLC located at 500 Stower Drive from its current "M-2" - General Manufacturing designation to "M-1" - Light Manufacturing.

Mr. Chapulis noted that the Planning Commission considered the requested change of zone at its November 3, 2015 meeting. After holding a public hearing, the Commission voted 4-0 with one abstention to recommend City Council deny the requested change due to its conflict with zoning actions taken in 2014 and the City's Comprehensive Plan.

Mayor Kuhle stated that approximately 1-1 ½ years ago Council changed the zoning from "M-1" to "M-2" and feels that it was a mistake and the whole area should be reevaluated again and not be "spot" zoned for any particular business. The Mayor noted that he agrees with the Planning & Zoning Committee and the decision that they made. Council Member Harmon, Graber, Nelson concurred with the Mayor and would like the Planning Commission to take another look at the re-zoning of the whole area.

Dennis Simpson, attorney for the applicant, addressed the Council on the re-zoning and encouraged the council to look at re-zoning the whole area considering that the law office and other businesses along the area are not heavy industrial businesses as it is currently zoned. Mr. Simpson asked if there was a way that this could move forward more quickly. Mr. Chapulis stated that State Statute would require a new public hearing at the Council's request to consider a greater area than that described in the applicant's application. The need for a new public hearing would not expedite the matter at the pace described by Mr. Simpson.

Steve Robinson, City Administrator stated that the Council has the following options:

- Option 1 - Deny first reading of the proposed ordinance
- Option 2 - Approve the request which would require a 2/3 council vote.
- Option 3 - Table the item and direct Planning Commission to further review

Leslie Morandes a member of the church congregation interested in purchasing the building explained that the church feels that the building would fit the needs of the church. Mayor Kuhle thanked the members for attending.

A motion was made by Council Member Nelson, seconded by Council Member Harmon and approved to table the First Reading - Change of Zone - 500 Stower Drive and send it back to the Planning Commission for further review to re-zone the whole area.. Council members voting in favor of the motion were: Graber, Harmon, Nelson, and Janssen. Voting against the same motion was Council Member Sankey.

APPROVED SMALL CITIES DEVELOPMENT PROGRAM GRANT ADJUSTMENT REQUEST

Brad Chapulis, Director of Community/Economic Development explained that in 2013, the City of Worthington was awarded \$596,477 of Small Cities Development Program (SCDP) funds through the Minnesota Department of Employment & Economic Development (DEED) for the rehabilitation of residential properties in the target area bounded by Oxford Street, Humiston Avenue, Okabena Street and 1st Avenue. Mr. Chapulis noted that the two year program was intended to provide approximately 29 forgivable loans to qualified homeowners and landlords to do needed improvements to the housing unit. With the grant deadline approaching and after numerous attempts to reach out to target area property owners, the program has only generated 19 loans and has approximately \$200,000 remaining uncommitted.

Mr. Chapulis explained The Southwest MN Housing Partnership and City staff approached DEED representatives about a grant adjustment. DEED has agreed to consider a grant adjustment request that would allow the funds to be used for the rehabilitation of an existing multi-family complex. The SWMHP and staff are prepared to move forward with the Grant adjustment request. If approved by DEED, the grant period would be extended to September 30, 2016 and the uncommitted funds would be made available on a first come first serve basis to the first eligible landlord that properly completes a qualifying application and provides proof that he/she has the 30% matching funds available.

Mr. Chapulis noted that we want to make sure that the funds are spent in Worthington. Michelle Clarke, Southwest MN Housing Partnership stated that a public meeting, advertising and a mailing would be sent out to landlords that meet the criteria of the project after DEED approves the grant adjustment request. Based on initial conversations DEED will require funds to be awarded to 1 project that will have at least 22 or more eligible units on one site. Four pre-applications were received showing initial interest.

A motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously approved to execute the Grant Adjustment Request.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Attended the Nobles County Equity Summit and thought it was very informative and important to support quality education.

Council Member Nelson - Attended the budget/planning meeting on November 4th, will attend an HRA Board meeting next week.

Council Member Graber - Attended a Planning Commission meeting on November 3rd, very thorough discussion. Attended a work session on Prairie View Golf Links on November 4th, attended the Nobles County Education Equity meeting, felt that it overall was a good meeting but there were some controversial and important statistics given out, only 2% of teachers are color or different nationalities, feels that it is imperative that we increase the demographics of our teachers to that the testing results are low, would like to give credit to the Blandin Foundation for funding the research. Feels that multi-racial be included in the statistics.

Honorary Council Member Ernst - none

Council Member Janssen - Attended a Traffic & Safety meeting parking on the East side of Marine, West side is no parking because of driveways, industrial lane, trouble making the turn, got together with Bedford and addressed the problem and it has been taken care of. Eliminated parking restrictions on Lexington Avenue by the college with the change of the college entrance, attended a legislative priority meeting.

Council Member Harmon - Attended a Cable 3 Joint Powers Board meeting, Center for Active Living talked about membership and how to get committee members more active, request from Bountiful Baskets to use the Center for Active Living a request will be brought to Council on November 23rd, attended Water and Light Commission meeting and approved the wastewater and water budgets, received a MN Water Fluoridation Award which is based on 12 months of being in the limits of fluoride in the water. Wells down 6-12 inches in the last week but some of it stems

from that we had stopped receiving 500,000 gallons of water per day from Lincoln-Pipestone Pipeline System because the water coming in was milky in color, that since has been taken care of and we are now working it slowly back into our system averaging 200,000 gallons per day and will work up from there. A chamber mixer will be held at the Center for Active Living on Thursday, November 12th from 4:30-6:30 p.m.

Council Member Sankey - Attended an MPCA meeting on water issues in Southwest MN and the different mandates by the state and the burdens it puts on smaller communities, attended the Nobles County Education Equality meeting was glad to see that the area school districts were involved, enjoyed the youth speakers and the breakout sessions.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, said that Cable 3 has finalized the church playback delaying it for a week unless the church is able to download it digitally, attended a meeting with the MN DOT Commissioner to address the funding structure for roads which continues to fall behind, encouraged everyone to talk to their legislators. The local option sales tax was put into place to fund the Event Center and remodeling at the Memorial Auditorium the fund is doing very well and the City is at 6 years and 5 month and has collected approximately \$4.7 million dollars and averages about \$62,000 per month right now and in the last 12 month averaged about \$70,000, if it continues we will be able to retire the debt in September 2017 which would be 21 months ahead of schedule.

ADJOURNMENT

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to adjourn the meeting at 7:56 p.m.

Mindy Eggers, MCMC
Assistant City Clerk