

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, NOVEMBER 13, 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; Brian Kolander, Finance Director; Dwayne Haffield, Director of Engineering; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Janice Oberloh, City Clerk.

Others present: Brent Droll; Benjamin Weber; Alyssa Sobotka, The Globe; Chris Mickelson, Ehlers and Associates.

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

Council Member Oberloh requested that item G.1. *Conditional Use Permit - Forbidden Barrel Brewing LLC* be moved up on the agenda to just before Administration business to accommodate the applicant, who was at the meeting.

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

CONSENT AGENDA APPROVED

Staff noted an error in the City Council Minutes of the Special Meeting October 30, 2018 - page 2, under *2019 Budget / Final Certification Recommendation* where the final levy certification recommendation was stated as 5.13% in the second incident - the correct number should be 6.13%.

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

- City Council Minutes of Regular Meeting October 22, 2018 and Special Meeting October 30, 2018
- Minutes of Boards and Commissions - Water and Light Commission Minutes of October 15, 2018; Worthington Housing and Redevelopment Authority Board Minutes of September 25, 2018; Public Arts Commission Minutes of September 20, 2018; Planning Commission / Board of Appeals Minutes of November 5, 2018

- Application for Exemption from Lawful Gambling Permit - Hospice Cottage, Inc.
- Application for Parade Permit / to Block Street(s) - EFCW 663 / St. Mary's Church
- Burning Permit Application - Minnesota West Community and Technical College
- Audit Engagement Letter for 2018 year-end audit services
- Bills payable and totaling \$1,751,368.95 be ordered paid

CONDITIONAL USE PERMIT APPROVED - FORBIDDEN BARREL BREWING, LLC.

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said an application for a Conditional Use Permit was submitted by Forbidden Barrel Brewing, LLC., to operate a brewpub at 900 Third Avenue on property owned by WIN LLC. A brewpub is a permitted use in the "B-2" - Central Business District, which is the zoning designation of the subject property, with a conditional use permit. The legal description of the subject property is:

Lots 18 and 19 and the southwest half of the alley between Lots 17 and 18, Block 8,
Plat of Worthington, Nobles County, Minnesota.

The Planning Commission considered the request at their November 5, 2018 meeting, and after holding a public hearing, voted unanimously to recommend Council approval of the permit, subject to the following condition:

1. The Applicant maintains an exterior trash enclosure as required by City Code for any trash areas associated with the business.

Mr. Brisson said two people appeared at the public hearing - the first from Helping Hands Pregnancy Center who was neither for or against the project, but just wanted additional information. The second thought it would be a great business for that location. Brent Droll, owner of Forbidden Barrel Brewing, LLC. was present at the meeting to discuss the proposal with Council.

The motion was made by Council Member Cummings, seconded by Council Member Janssen and, with Council Member Oberloh abstaining from the vote as a member of WIN, LLC, was unanimously carried to approve the Conditional Use Permit for Forbidden Barrel Brewing, LLC. subject to the condition as stated.

**THIRD READING AND ORDINANCE NO. 1125 ADOPTED 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 third reading of a proposed ordinance amending Worthington City Code, Title XV, Chapter 155.186 to Add Section E, "Specific Development Standards" as follows:

Title XV, Chapter 155.186, Section E of the Worthington City Code is hereby amended to add Section E which shall read as follows:

(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 Ernst, seconded by Council Member Harmon and unanimously carried to give a third reading to, and subsequently adopt the following ordinance:

ORDINANCE NO.1125

AN ORDINANCE TO AMEND WORTHINGTON CITY CODE TITLE XV, CHAPTER 155.186 TO ADD SECTION E, "SPECIFIC DEVELOPMENT STANDARDS"

(Refer to Ordinance File for complete copy of Ordinance)

THIRD READING AND ORDINANCE NO. 1126 ADOPTED AMENDING WORTHINGTON CITY CODE TITLE XV, CHAPTER 155, TO ADD APPENDIX J, "SPECIFIC DEVELOPMENT STANDARDS"

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance amending Title XV, Chapter 155 of the Worthington City Code as follows:

Section I.

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 Oberloh, seconded by Council Member Cummings and unanimously carried to give a third reading to, and subsequently adopt the following ordinance:

ORDINANCE NO. 1126

AN ORDINANCE TO AMEND WORTHINGTON CITY CODE TITLE XV, CHAPTER 155, TO ADD APPENDIX J, "SPECIFIC DEVELOPMENT STANDARDS"

(Refer to Ordinance File for complete copy of Ordinance)

SECOND READING PROPOSED ORDINANCE TO VACATE PLATTED UTILITY EASEMENTS AND PUBLIC DRAINAGE AND UTILITY EASEMENTS IN MERCK

ADDITION

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance that would vacate various platted utility easements and public drainage and utility easements in 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.

Adoption of the ordinance will accommodate the development of the site to the single campus facility that it has become, but should be subject to completion of additional manholes that need to be added as discussed at the October 22, 2018 meeting.

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

SECOND READING PROPOSED ORDINANCE TO AMEND THE STORM WATER UTILITY RATE

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance that would amend Worthington City Code, Title V, Chapter 54.04 (C) regarding storm water utility rates as follows:

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

The increase is based on the 2019 Storm Water Utility Fund operating budget that was approved by Council at their October 17, 2018 special meeting, which requires \$659,613 in utility operation revenue, or \$25,885 more than the 2018 budget. This is a 4.55% increase in the storm water utility rate over the current annual residential rate of \$264.00 per acre.

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.

SECOND READING PROPOSED ORDINANCE TO AMEND PLANNING COMMISSION VOTING REQUIREMENTS FOR COMPREHENSIVE PLAN ADOPTION OR AMENDMENT

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance that would amend Section 151.03 of the Worthington City Code - Planning Commission voting requirements for comprehensive plan adoption or amendment as follows:

The adoption of the plan or of any section or amendment thereof shall be by resolution of the Commission, approved by the affirmative votes of not less than five-sevenths of those members present and voting but not less than four votes in any case.

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

RESOLUTION NO. 2018-11-01 ADOPTED AUTHORIZING ISSUANCE AND AWARDED SALE OF \$1,140,000 GENERAL OBLIGATION STORM WATER BONDS, SERIES 2018A

At their October 8, 2018 regular meeting, Council adopted a resolution providing for the sale of \$1,140,000 General Obligation Storm Water Bonds, Series 2018A. The net proceeds of the bonds are to be used to help finance the County Ditch 12 Flood Mitigation project. Bids were received at 12:00 Noon on Friday, November 9, 2018.

Chris Mickelson, from Ehlers and Associates - Financial Advisors for the City of Worthington, was present at the meeting and provided a Sale Day Report to Council. While bids had been solicited from three local banks only one bid was received, which was from the First State Bank Southwest as follows:

Principal Amount:	\$1,140,000
True Interest Cost:	3.3393%
Costs of Issuance:	\$22,600
Yield:	3.34% - 3.34%
Total Net P&I:	\$1,473,805

Mr. Mickelson said the cost of issuance in the pre-sale report was estimated at \$40,000 for a fully competitive offering, but because it was a limited competitive sale, it saved \$17,400 that can be used as additional proceeds. True Interest Cost was projected to be at 3.31%, very near at what it came

in at. Closing date on this issue is December 6, 2018, which is the day that the City will receive the proceeds from the sale. As part of the Sale Day Report, Council was also provided with a bid tabulation, final sources and use of the funds, and a final debt service schedule. A resolution authorizing issuance, awarding sale and prescribing the form and providing for payment of the bonds was also provided for Council consideration. Principal payments are due on February 1st of each year, and interest payments are semi annual and are due on February 1st and August 1st of each year beginning August 1, 2019 until February 1, 2034. The rate is set for the life of the issue.

Council Member Oberloh asked if interest was accounted for in the bond proceeds - Dwayne Haffield, Director of Engineering, said it was not part of the project cost, but a financing cost, and is accounted for in the rate.

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

RESOLUTION NO. 2018-11-01

AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$1,140,000 GENERAL OBLIGATIONS STORM WATER BONDS, SERIES 2018A

(Refer to Resolution File for complete copy of Resolution)

SPECIAL CITY ATTORNEY AND SPECIAL ASSISTANT CITY ATTORNEYS APPOINTED

Earlier this year, City Attorney Mark Shepherd notified Administration that he and his firm would be retiring as the City's Attorney at the end of the year. City Staff has been in discussions with Jesse Flynn and his law firm of Flynn and Riordan regarding their appointment as the City Attorney in 2019. Mr. Shepherd recommended that Jesse Flynn be appointed as Special City Attorney and that Candace Riordan and Jeff Flynn be appointed as Special Assistant City Attorneys for the remainder of this year to assist with the transition. For 2019, they would be appointed City Attorney and Assistant City Attorneys respectively, and Mark Shepherd would be appointed as Special City Attorney to finish out the cases he is working on for the City. Legal services would be billed at the rate of \$200 per hour plus expenses, for 2019. In response to a question regarding the fees, Steve Robinson, City Administrator, said he had a lengthy discussion with them regarding the fees, after which they modified the rate to the \$200. He also responded that fee was for 2019, but he would ask if they would accept an hourly rate of \$180 per hour for the remainder of 2018, which is the established rate from Mark Shepherd's office.

Following discussion, the motion was made by Council Member Oberloh, seconded by Council

Member Harmon and unanimously carried to approve the 2019 contract with Flynn and Riordan and the appointments as presented, with Steve Robinson to work out the rate with Flynn and Riordan for the remainder of 2018.

REVISION OF EMPLOYEE PAID TIME OFF POLICY APPROVED

Steve Robinson, City Administrator, said over the past several months, City and WPU staff, along with the Employee Advisory Committee, have worked on a complete review of the City's personnel policy handbook. It is expected that the bulk of the suggested revisions will be presented to City Council and the Water and Light Commission sometime in 2019 for consideration.

One proposed change is a revision that would change our current PTO/ESLB policy back to a vacation/sick leave policy. Because the proposed new policy would need to become effective at the beginning of a calendar year, staff was requesting Council consideration of the change in advance of consideration of the remaining proposed revisions. As the provisions of the current policy are included in the language of all three collective bargaining agreements, staff has worked with the Unions prior to presenting the proposal to the policymakers, and all three have executed Memorandums of Understanding indicating they would amend their agreements to reflect the provisions of the new policy if approved by the City Council and the Water and Light Commission. The Water and Light Commission reviewed and approved the proposed changes at their November 5, 2018 meeting, and voted to approve them contingent upon approval by City Council.

The motion was made by Council Member Janssen, seconded by Council Member Harmon and unanimously carried to approve the revised Employee Paid Time Off policy.

CITY HALL CLOSURE FRIDAY AFTER THANKSGIVING APPROVED

In the past, Council has granted the closure of City Hall offices on the Friday immediately following Thanksgiving. Employees were given the option to use their floating holiday, PTO, comp time, take it unpaid, or they could work but no public business could be transacted. The Local 49 agreement included a revised paid holiday schedule, which included the Friday after Thanksgiving and eliminated the floating holiday. Staff was again requesting that Council approve the closure of City Hall offices on the Friday following Thanksgiving.

The motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to approve the closure of City Hall on the Friday immediately following Thanksgiving.

CITY HALL CLOSURE MONDAY, DECEMBER 24, 2018 APPROVED

The last time Christmas fell on a Tuesday was in 2012, and Council then approved the closure of

City offices on Christmas Eve Monday. This year, several office employees are planning to take PTO on Monday, December 24th, and some non-office employees are planning to work until noon that day. Staff was recommending closure of City offices on Monday, December 24th, allowing those that so choose, may work until noon. Employees would take PTO for any time off from work.

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the closure of City offices on Monday, December 24, 2018, allowing those who may choose, to work until noon, and requiring that employees shall take PTO for any time off from work.

COOPERATIVE AGREEMENT WITH NOBLES COUNTY APPROVED

Dwayne Haffield, Director of Engineering, said the 2018 Construction Fund budget includes \$10,000 for design of the Fox Farm Road bridge replacement. The bridge is currently constructed of a combination of timber and concrete, but it is anticipated that it will be replaced with a box or circular culvert. Because Nobles County has extensive experience in bridge replacement projects, staff was proposing that the City use County resources to prepare the bridge replacement plans - the County uses consultants as needed to determine the required culvert sizing/configuration.

Staff presented a cooperative agreement between the City and the County for development of bridge replacement plans. The County Engineer estimates that the cost will be approximately \$5,000. Staff is also seeking a proposal from AE2S to provide services needed for the hydraulic design of the bridge, which will be brought to Council for approval. The estimate for those services was also \$5,000, however, the budget estimate has aged and may need to be amended. Mr. Haffield said that an application has been submitted for funding, but the plans need to be submitted in order for the project to be eligible. The agreement has been reviewed by the City Attorney and the County Attorney.

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to authorize execution of the agreement.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - No report.

Council Member Janssen - Reported on a NEON meeting on November 8, 2018.

Council Member Oberloh - No report, but congratulated Members Kuhle, Harmon and Janssen on their re-election. Also noted that Ben Weber, who was a candidate for Mayor, wished to speak to Council on some issues that he had been made aware of during his campaign. Mr. Weber said the recurring concerns were the spec building that Council was considering that would house a movie theater, pest problems throughout the city, an indication from minorities that they would be disrespectful if they complained to the City, and that Jason Brisson needs help to update codes so

landlords can't get away with not adhering to code. Mr. Weber said he would like to be included when Council has these discussions.

Council Member Cummings - Reported on a Memorial Auditorium Advisory Board meeting - some of the recent movies have had great attendance, along with the Neil Diamond Tribute, which was four seats short of a sell out. Compliments on the new seating continue to come in. Also noted that Winterfest is coming January 18th and 19th.

Council Member Ernst - Attended the Grow Your Own Summit last Thursday in Marshall - it was very interesting.

Council Member Harmon - Water and Light Commission met a week ago Monday - discussed the waste water budget. An open house has been scheduled December 12th at the Event Center to celebrate the Lewis and Clark hookup. Governor Dayton has indicated he will attend, and Council will also be invited. Held a coffee at the CAL - they are trying to engage the diverse community.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, reported that a bug blast was completed last week for two days at the Thompson Hotel. Residents were only required to be out of their apartments from 7:00 a.m. to 5:00 p.m. Plunketts will perform followup treatments through mid December, and will schedule additional treatments if needed after that.

ADJOURNMENT

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 8:14 p.m.

Janice Oberloh, MCMC
City Clerk