

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, NOVEMBER 14, 2022**

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: Chad Cummings, Chris Kielblock, Amy Ernst, Larry Janssen, Alaina Kolpin.

Staff present: Steve Robinson, City Administrator; Steve Schnieder, City Engineer; Matt Selof, Community Development Director; Todd Wietzema, Public Works Director; Scott Hain, Public Utility Director; Mindy Eggers, City Clerk.

Others Present: Marty Siefert, Flaherty & Hood P.A.; Emma McNamee, Daily Globe; Ryan McGaughey, Radio Works.

The Pledge of Allegiance was recited.

**AGENDA APPROVED WITH ADDITIONS/CHANGES**

The Mayor stated Item F.1. Proposed 2023 Sewer Service Charges would be moved directly after Item E.1. Coalition of Greater MN Cities Update.

A motion was made by Council Member Janssen, seconded by Council Member Kielblock and unanimously carried to approve the agenda with the above noted change.

**CONSENT AGENDA**

A motion was made by Council Member Kolpin, seconded by Council Member Ernst and unanimously carried to approve the consent agenda as presented.

- Regular City Council Meeting Minutes of October 24, 2022
- Regular City Council Meeting Minutes of October 12, 2022
- Water & Light Commission Meeting Minutes of November 7, 2022
- Economic Development Authority Meeting Minutes of October 14, 2022
- Park & Recreation Advisory Board Meeting Minutes of November 3, 2022
- Safe Roads Coalition Meeting Minutes of October 25, 2022
- Traffic & Safety Committee Meeting Minutes of October 25, 2022
- LEC Joint Powers Board Meeting Minutes of October 12, 2022
- Application to Conduct Off-Site Gambling - Currie Town & Country Boosters, Inc., for the following dates January 4, 2023, January 18, 2023, January 25, 2023, February 1, 2023, February 15, 2023, February 22, 2023, March 1, 2023, and with noted date change from March 15, 2023 to March 22, 2023.
- Application for Parade Permit/to Block Street(S) - Downtown Holiday Parade
- Bills Payable Totaling \$5,903,113.04

**COALITION OF GREATER MINNESOTA CITIES (CGMC) PRESENTATION AND**

**UPDATE**

Mary Seifert from the Coalition of Greater Minnesota Cities provided an update to Council on the CGMC's priorities during the past legislative year. He said the only thing that came to fruition was the Broadband bill that ended in \$210 million in funding. There was not a transportation or bonding bill that made it through the session. When questioned on the state's excess of \$7 billion in the budget he said that he thinks it will be spent but with the recession a good amount should be set aside. Mr. Seifert reminded Council of their upcoming fall conference.

Council thanked Mr. Seifert for the update and Mr. Seifert thanked Council for the opportunity.

**RESOLUTION NO. 2022-11-77 ADOPTED APPROVING CHANGES IN THE SEWER RATE SCHEDULE**

Scott Hain, Public Utilities Manager, explained the proposed 2023 Sewer Service Charge System Sewer Rates. He said the "average" residential user (4,000 gallons per month) will see about a \$7.77/month or 21.5% increase.

Mr. Hain explained the monthly sewer charge consists of two components, a usage charge and a connection charge. The usage charge is to recover the cost of conveying and treating wastewater. This charge is comprised of debt service and user charges for flow and the pollutant loading parameters of Biological Oxygen Demand (BOD), Total Suspended Solids (TSS), and Total Phosphorus (TP). The usage charge is billed to non-industrial customers based on water consumption and assumed pollutant levels. The usage charge per 1,000 gallons is proposed to increase \$0.83/1,000 gallons, or 20.8%, for non-industrial users. The "connection charge" or minimum monthly charge is to recover costs such as those for billing, collection system improvements, treating inflow and infiltration (I&I), and debt service on reserve capacity. The monthly connection charge is proposed to increase \$4.45 or 22.0%.

Mr. Hain said the total revenue of \$3,044,914 to be generated by the 2023 rates is \$466,158 (18.1%) more than the \$2,578,756 budgeted to be generated from the 2022 rates. The large increase this year would allow to mitigate rates going forward.

The major driver for the rate increase is the inclusion of \$543,200 in 2023 debt service to be collected through rates in 2023. The 2023 Wastewater budget includes a projected debt service payment of \$1,643,200 and the use of \$1,100,000 in reserve funds to apply toward the debt service. In 2022, the entire \$749,197 debt service payment was covered with reserve funds and no debt service was collected through the 2022 rates.

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

RESOLUTION NO. 2022-11-77

A RESOLUTION APPROVING CHANGES IN THE SEWER RATE SCHEDULE

(Refer to Resolution File for complete copy of Resolution)

**APPROVED NOBLES COUNTY DATA CENTER SERVER AND HARDWARE STORAGE AGREEMENT**

Steve Robinson, City Administrator, said the City is partnering with the Nobles County Information Technology Department to store and maintain City-owned servers in the County's Data Center. The service provided under the terms of the agreement include:

- Providing space to store and operate City-owned equipment within their data center,
- Providing remote access to City-owned data, and
- Maintaining environmentally adequate operations including temperature and humidity.

The agreement will run for one year terminating on December 31, 2023 but will automatically renew for consecutive one-year terms unless terminated for convenience by either party.

Mr. Robinson said the fee for the initial one-year term is \$6,720.00.

A motion was made by Council Member Kolpin, seconded by Council Member Kielblock and unanimously carried to approve the Nobles County Data Center Server Hardware Storage Agreement.

**NOBLES COUNTY INFORMATION TECHNOLOGY SERVICES AGREEMENT APPROVED**

Mr. Robinson said a proposal from the Nobles County Information Technology Department was requested by staff to provide technical expertise, staff time and materials as IT support for the City's day-to-day operations. The agreement would run for one year terminating on December 31, 2023 and will automatically renew for consecutive one-year terms unless terminated for convenience by either party. The fee for the one-year term is \$95.00/hour.

A motion was made by Council Member Kielblock, seconded by Council Member Ernst and unanimously carried to approve the Nobles County Data Center Server Hardware Storage Agreement.

**SECOND READING PROPOSED ORDINANCE TO AMEND TITLE V OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY - CHAPTER 51 - NATIONAL**

**POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT APPROVED**

Pursuant to published notice this is the time and date set for the second reading of a proposed ordinance to Amend Title V of the City Code of Worthington, Nobles County - Chapter 51 - National Pollutant Discharge Information System (NPDES) Permit.

A complete copy of the ordinance was provided in your October 12, 2022 Council Agenda.

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

**THIRD READING AND ADOPTED ORDINANCE NO. 1189 TO AMEND TITLE V OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY AND SUMMARY ORDINANCE - CHAPTER 54 - STORMWATER REGULATIONS**

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance to amend Title V of the City Code of Worthington, Nobles County - Chapter 54 - Stormwater Regulations.

A complete copy of the ordinance was provided in your October 12, 2022 Council Agenda.

A Summary Ordinance was drafted for publication purposes and a printed copy of the entire ordinance is available for viewing in the City Clerk's office.

The motion was made by Council Member Kielblock, seconded by Council Member Kolpin and unanimously carried to give a third reading and subsequently adopt the following ordinance:

ORDINANCE NO. 1189

AN ORDINANCE TO AMEND TITLE V OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY AND SUMMARY ORDINANCE - CHAPTER 54 - STORMWATER REGULATIONS

(Refer to Ordinance File for complete copy of Ordinance)

**RESOLUTION NO. 2022-11-78 ADOPTED ACCEPTING A GRANT FOR THE CITY OF WORTHINGTON - CENTER FOR ACTIVE LIVING**

Mr. Robinson said the City of Worthington - Center for Active Living has received a grant for \$51,040 from the Minnesota River Area Agency on Aging.

The grant period will run from January 1, 2023 - December 31, 2023. The grant was awarded so the Center can continue with the good work that was started and invested in this year under what the

Center for Active Living Director Jill Cuperus called "The Good Life Grant".

The Center will continue to offer technology classes with the machines that were bought this year (16 iPads and 14 laptops) and continue the partnership with MN West to instruct them. They will also continue the raised garden programming and have local musicians come in and play and talk about the music. Under Health promotion, the YMCA exercise instructor will continue to teach classes twice a week. Also included is some money for translation services that includes WiFi, and a portion of the director's salary. Staff is excited to continue to offer our active older adult population these amenities to truly live "The Good Life".

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to adopt the following Resolution:

RESOLUTION NO. 2022-11-78

A RESOLUTION TO ACCEPT MINNESOTA RIVER AREA AGENCY ON AGING GRANT CONTRACT FOR THE CITY OF WORTHINGTON - CENTER FOR ACTIVE LIVING

(Refer to Resolution File for complete copy of Resolution)

**NOBLES HOME INITIATIVE PROGRAM RENEWAL TABLED**

Mr. Robinson said the Nobles Home Initiative (NHI) program was adopted by the City of Worthington, Nobles County and ISD 518 in May 2014. It was initially approved through December 31, 2017. The program was then extended for an additional five-year period and is set to expire on December 31, 2022. The entities are being asked to consider extending the program for another five-year term, expiring on December 31, 2027.

The program was designed to encourage construction of new housing units by providing five years of property tax abatement to eligible participants. The amount of taxes that are abated are based on the value added, or captured tax capacity, to the new residential construction. Mr. Robinson explained the first year of abatement shall commence once the Nobles County Assessor has determined that the project is complete and the property is assessed at the full estimated market value thereby enabling the calculation of the captured tax capacity. The abatement dollar amount will remain the same as the initial full year throughout the term of the program as long as the property owner adheres to all provisions of the agreement each of the five years.

Fifty-three housing units in the City of Worthington have been approved through the program since its inception. Approximately seventeen of those have received the full five-year abatement and are now contributing to the City's net tax capacity.

After a lengthy discussion concerning the current formula used in calculating the abatement the

Council would like more discussion and possibly a clause added that addresses any improvements made.

A motion was made by Council Member Janssen, seconded by Council Member Kolpin and unanimously carried to table the Nobles Home Initiative Program Renew to the November 28, 2022 City Council meeting.

### **APPROVED 2023 PARK USER FEES AND CAMPGROUND RATES**

Todd Wietzema, Public Works Director, said the Park and Recreation Advisory Board met and has reviewed and is proposing no change in the 2023 Olson Park Campground Fees. The Advisory Board did recommend the 2023 Park User fees be raised by \$10.00 for the park shelter houses due to increased costs in cleaning and staff time.

A motion was made by Council Member Kolpin, seconded by Council Member Kielblock and unanimously carried to approve the 2023 Park User Fees and Campground rates as presented.

### **RESOLUTIONS NO'S 2022-11-79 AND 2022-11-80 ACCEPTING A DONATION OF PERSONAL PROPERTY**

Mr. Wietzema said two applications have been received for park benches to be placed in City parks. The Park and Recreation Advisory Board recommends the City Council accept the donations.

The request are as follows:

Tim Graf to place a bench in Vogt Park in memory of Erving and Lois Graf.  
WHS Class of 72, to place a bench at the Chautauqua Bandshell.

Mr. Wietzema said the donations meet all the requirements as set forth in the Park Donation policy adopted by City Council.

A motion was made by Council Member Kielblock, seconded by Council Member Ernst and unanimously approved to adopt the following resolutions:

RESOLUTION NO. 2022-11-79

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2022-11-80

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

**FIRST READING PROPOSED ORDINANCE TO VACATE PLATTED PUBLIC UTILITY EASEMENTS AND PUBLIC DRAINAGE AND UTILITY EASEMENTS IN GLENWOOD HEIGHTS FIRST ADDITION**

Steve Schnieder, City Engineer said Kelly Meyer would like to construct a storage building on the west side of his lot. Mr. Schnieder explained there are three utility easements indicated on the plat providing access to the back side of the lots being served. It is a ten (10.00) foot easement and is not currently used. Mr. Schnieder said it has been determined by staff and by the Public Utilities Commission that the easement area is not needed and that the other adjacent easement areas are sufficient to provide access for public and private utilities to service this area.

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

**FIRST READING PROPOSED ORDINANCE RELATING TO STORM WATER UTILITY RATES**

Mr. Schnieder said the proposed 2023 Storm Water Utility (606) Fund operating and Capital Improvements budgets as well as and Equipment Revolving Schedule are in the process of being updated. There was an increase in the rates for 2022 of 2.5%. Mr. Schnieder explained the stormwater management requirements for the community continue to increase.

Mr. Schnieder explained Nobles County authorized the redetermination of benefits for three County Ditch Systems that serve the City. This will result in an annual assessment for the maintenance of these ditch systems. In the past the City was not assessed directly for these systems. The increased cost for the three ditch systems is estimated to be between \$19,200 to \$23,300 depending on the actions of the County Ditch Authority setting the annual assessment. He said the City is also experiencing an increase in costs for construction and the needs to update capacity and failing pipe and structures.

With the increase in assessments it is recommended that the rate be increased by \$23,300 to cover the ditch system assessments and by an additional \$18,200 (2.5%) to cover inflationary costs of materials construction. This would be a total increase of \$41,500.

The 2023 storm sewer fund budget will require a 5.70% storm water utility rate increase.

In December 2003 City Council adopted an ordinance establishing the City's storm water system as a utility. The annual rate is adjusted by a multiplier based on land use, multiplied by the property area, and billed in 12 monthly payments.

The base rate (annual residential rate per acre) required to meet the 2023 revenue requirements is

\$312.00 per acre. The current annual residential rate is \$295.00 per acre. The area of a residential lot is defined as 0.24 acres yielding a proposed 2023 monthly residential charge of \$6.24 or \$0.34 more than the current rate of \$5.90. The annual cost will increase \$4.08 per residential lot. The per acre rates for land uses other than residential (1 through 3 units) will be as follows:

<u>Land Use</u>	<u>2022 Rate/Acre</u>	<u>2023 Rate/Acre</u>	<u>Monthly Increase</u>	<u>Annual Increase</u>
Commercial	\$49.41	\$52.23	\$ 2.82	\$33.84
Industrial	\$41.05	\$43.39	\$2.34	\$28.08
Multi Family	\$36.38	\$38.45	\$2.07	\$24.84
Institutional	\$49.41	\$52.23	\$2.82	\$33.84

The following are generic examples of the impacts of the rate changes:

<u>Facility</u>	<u>2022 Monthly Bill</u>	<u>2023 Monthly Bill</u>	<u>Monthly Increase</u>	<u>Annual Increase</u>
.5 Acre Commercial Site	\$24.71	\$26.12	\$1.41	\$16.92
2.5 Acre Church Site	\$123.53	\$130.57	\$7.04	\$84.48
4 Acre Commercial Site	\$197.65	\$208.92	\$11.27	\$135.24
10 Acre Industrial Site	\$410.54	\$433.94	\$23.40	\$280.80

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

**RESOLUTION NO. 2022-11-81 CONVEYING CERTAIN REAL PROPERTY TO THE WORTHINGTON ECONOMIC DEVELOPMENT AUTHORITY**

Matt Selof, Community Development Director, said the Worthington Economic Development Authority (EDA) currently owns significant property north of I-90 and west of Highway 59. In 2015/2016 an extension of Bioscience Drive was constructed heading west from Highway 59 to allow for future development of the area.

The City has begun the process of platting out the area to the north and south of this street extension (creating two large lots and dedicating right-of-way). As part of the process staff would like to include a parcel directly north (31-3856-500) into the plat that would be sold eventually but is currently owned by the City, not the EDA. Staff is requesting City Council convey the property to the EDA.

A motion was made by Council Member Kolpin, seconded by Council Member Janssen and unanimously carried to adopt the following resolution:



RESOLUTION NO. 2022-11-81

A RESOLUTION CONVEYING CERTAIN REAL PROPERTY TO THE WORTHINGTON  
ECONOMIC DEVELOPMENT AUTHORITY

(Refer to Resolution File for complete copy of Resolution)

**COUNCIL COMMITTEE REPORTS**

Mayor Kuhle - Attended a Childcare Task Force meeting, First Children's Finance has identified 4 locations for a possible site for a center. He said there are still a lot of questions that need to be answered on costs, etc.

Council Member Janssen - No report.

Council Member Ernst - The Cross Cultural Advisory Committee has started a job description for the intern positions.

Council Member Kielblock - Attended a Joint Powers Transit Authority meeting. The Dial a Ride is doing well, the City bus rider numbers are not as good but hoping they turn around. The new taxi seems to be doing ok. Attended a Planning Commission meeting and land use on the outskirts of the City was discussed.

Council Member Kolpin - Attended the Childcare Task Force meeting as well and said that the task force is trying to determine how to move forward since centers cost more and people prefer in home daycares. Attended a Joint Powers meeting and are still discussing where to house impound vehicles. They are currently looking into building a 5,000 square foot building this spring.

Council Member Cummings - Attended the Joint Powers meeting as well.

**CITY ADMINISTRATOR REPORT**

Mr. Robinson said the Fieldhouse was recently used by the Central Lyon George Little Rock School District for football practice before they play at the Iowa High School State Tournament.

**ADJOURNMENT**

The motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to adjourn the meeting at 8:53 p.m.

Mindy L. Eggers, CMC  
City Clerk