

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, JUNE 27, 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, Alaina Kolpin, Larry Janssen, Amy Ernst and Chris Kielblock.

Staff present: Steve Robinson, City Administrator; Steve Schnieder, City Engineer; Hyunmyeong Goo, Assistant City Engineer; Matt Selof, City Planner; Todd Wietzema, Public Works Director; Mindy Eggers, City Clerk.

Others present: Emma McNamee, The Globe; Jenna Ahlers, Drealan, Kvilhaug, Hoefker & Co.; Rick Von Holdt, Honorary Council Member.

The Pledge of Allegiance was recited.

INTRODUCTIONS AND OPENING REMARKS

Mayor Kuhle welcomed Rick Von Holdt as the Honorary Council Member for the months of May, June and July.

AGENDA APPROVED WITH ADDITIONS/CHANGES

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

PUBLIC HEARING AND RESOLUTION NO. 2022-06-39 ADOPTED APPROVING NOBLES HOME INITIATIVE APPLICATION FOR TAX ABATEMENT- KJSM INVESTMENTS, LLC

Pursuant to published notice this was the time and date for a public hearing on a Nobles Home Initiative application for tax abatement.

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

Matt Selof, City Planner, said staff has reviewed the Nobles Home Initiative (NHI) application submitted by KJSM Investments. The applicant is seeking approval of tax abatement for the construction of a two-unit condominium on Lot 7, Block 1, Cherrywood Addition.

Mayor Kuhle asked if there was anyone who wished to present testimony. None was received.

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

The motion was made by Council Member Cummings, seconded by Council Member Janssen and unanimously carried to adopt the following resolution approving the Nobles Home Initiative application submitted by KJSM Investments

RESOLUTION NO. 2022-06-39

A RESOLUTION APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN STAT 469.1813

(Refer to Resolution File for complete copy of Resolution)

CONSENT AGENDA

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

- Special City Council Meeting Minutes of June 15, 2022
- City Council Meeting Minutes of June 13, 2022
- Planning Commission Meeting Minutes of June 7, 2022
- Housing & Redevelopment Authority Meeting Minutes of May 25, 2022
- Heron Lake Watershed Board Meeting Minutes of May 18, 2022
- Cross Cultural Advisory Committee Meeting Minutes of May 17, 2022
- Application to Block Streets - Worthington Area Chamber of Commerce Agribusiness Committee
- Application of Temporary On Sale Liquor License - Worthington Area Chamber of Commerce
- 2022-2023 On Sale Liquor, Wine, Club and Sunday On-Sale License Renewals
- Approve Dock Permit
- Municipal Liquor Store Income Statement for the Period January 1, 2022 through May 31, 2022
- Bills payable and totaling \$949,028.35 ordered paid

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

Jenna Ahlers, of Drealan Kvilhaug Hoefker & Co. P.A., was at the meeting to present the City's 2021 Comprehensive Annual Financial Report.

Ms. Ahlers said their independent auditor's report included a clean unqualified opinion regarding the City's financial reporting. Overall the City maintains consistency and stability in structure and financial reporting. Under the business model of financial reporting the City saw a 2.12% increase in net position. Ms. Ahlers reported that the General Fund has 13.60 months of expenditures in reserves.

Following a brief review of the report, the motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to accept the 2021 Comprehensive Annual Financial Report.

THIRD READING AND ORDINANCE NO. 1182 ADOPTED TO AMEND TITLE XI, CHAPTER 111, REPEALING CURRENT SUBCHAPTER 111.05 TO CREATE AMENDED SUBCHAPTER PERTAINING TO LIQUOR LIABILITY INSURANCE

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance to Amend Title XI, Chapter 111, Repealing Current Subchapter 111.05 to Create Amended Subchapter Pertaining to Liquor Liability Insurance.

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

ORDINANCE NO. 1182

AN ORDINANCE TO AMEND TITLE XI, CHAPTER 111, REPEALING CURRENT SUBCHAPTER 111.05 TO CREATE AMENDED SUBCHAPTER PERTAINING TO LIQUOR LIABILITY INSURANCE

(Refer to Ordinance File for complete copy of Ordinance)

THIRD READING AND ORDINANCE NO. 1183 ADOPTED TO AMEND WORTHINGTON CITY CODE TITLE XV, CHAPTER 150: BUILDING REGULATIONS TO ESTABLISH CHANGED RENTAL PROPERTY STANDARDS, INSPECTIONS, AND ENFORCEMENT

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance to Amend Worthington City Code Title XV Chapter 150: Building Regulations to Establish Changed Rental Property Standards, Inspections, and Enforcement.

The motion was made by Council Member Ernst, seconded by Council Member Kolpin and unanimously carried to approve the summary ordinance and give a third reading and subsequently adopt the proposed ordinance:

ORDINANCE NO. 1183

AN ORDINANCE TO AMEND WORTHINGTON CITY CODE TITLE XV, CHAPTER 150: BUILDING REGULATIONS TO ESTABLISH CHANGED RENTAL PROPERTY STANDARDS, INSPECTIONS, AND ENFORCEMENT

(Refer to Ordinance File for complete copy of Ordinance)

APPROVED DESIGNATION OF OFFICIAL CITY REPRESENTATIVE TO CUERO, TEXAS FOR 2022 TURKEY FEST AND AUTHORIZATION FOR REIMBURSEMENT OF EXPENSES

Mr. Robinson said TurkeyFest is scheduled for October 7th -9th, 2022. Under Section 4.17 of the Worthington City Charter Historical Partnerships, provides that “Council may authorize expenditures for one or more designated City officials to serve as official City of Worthington representatives to Crailsheim Germany, Cuero, Texas, and such other destinations that have a historical partnership/significance to the City.” Council Member Kolpin represented the City of Worthington in Cuero in 2021.

Mayor Kuhle said he would like to attend the festival this year since the last time he attended was when he was a Council Member.

A motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to designate Mayor Kuhle as the official representative to Cuero, TX in October for the TurkeyFest celebration.

SUMMARY OF PERFORMANCE EVALUATION - CITY ADMINISTRATOR

Mayor Kuhle provided a summary of the Performance Evaluation of Administrator Steve Robinson completed during a closed session at the Regular City Council meeting on June 13, 2022.

He reported the evaluation was satisfactory.

RESOLUTION NO. 2022-05-40 ADOPTED ESTABLISHING AN ANNUAL FEE FOR MOBILE FOOD UNITS SPECIFIED IN CITY CODE TITLE XI, CHAPTER 113

Mr. Robinson said the proposed ordinance making a change in Chapter 113: Peddlers, Solicitors and Transient Merchants Code to allow annual Mobile Food Unit licenses was given a third reading and adopted at the June 13, 2022 Council meeting. In coordination with the ordinance the resolution establishing the fee and insurance requirements is being presented as specified in City Code Title XI, Chapter 113. He said the fee for an Annual Mobile Food Unit application will be \$750.00 and must have a State of Minnesota sales tax number and Department of Health license. A Certificate of Insurance showing general liability insurance in the amount of \$1,000,000.00 per annual permit in which the City is named an additional insured must also be included.

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

RESOLUTION NO. 2022-05-40

A RESOLUTION ESTABLISHING AN ANNUAL FEE FOR MOBILE FOOD UNITS AS SPECIFIED IN CITY CODE TITLE XI, CHAPTER 113

(Refer to Resolution File for complete copy of Resolution)

AMENDMENT TO WORTHINGTON CABLE TELEVISION PUBLIC ACCESS CHANNELS JOINT POWERS AGREEMENT APPROVED

Mr. Robinson said the City of Worthington and ISD 518 approved a joint powers agreement in 1998 and established a joint powers board to operate, administer, promote and manage access to Cable Channel 3 of the Worthington television cable system. The governing body is a seven-member board consisting of two representatives each appointed by the ISD 518 School Board and City Council, the ISD 518 Superintendent, the City Administrator and a Board appointed city resident. The joint powers agreement was subsequently amended in 2002 and 2016.

Mr. Robinson explained the joint powers board recommends the current agreement be amended transferring operations and management to ISD 518 effective July 1, 2022. Persons employed in connection with the local cable television operation shall be employees of ISD 518 rather than the City of Worthington. The City shall continue to be the recipient of franchise fees to any cable TV franchises granted by the City. The fees will be transferred to ISD 518 upon receipt by the City. In addition, fund balances currently held by the City will be transferred to ISD 518. The joint powers board shall remain the governing body.

A motion was made by Council Member Kolpin, seconded by Council Member Ernst and unanimously carried to approve the amendment to the Worthington Cable Television Public Access Channels Joint Powers Agreement.

POSITION RE-CLASSIFICATION - RENTAL HOUSING INSPECTOR

Mr. Robinson said positions at the City and Public Utilities are classified for salary grade based on nine separate factors. He explained the cumulative score of the factors places the position within one of the 15 non-exempt or 12 exempt salary grades. The Rental Housing Inspector is currently classified as Non-Exempt Grade 5 (N-5) which has a salary midpoint of \$26.27/hour.

Mr. Robinson said a review of the position factors was performed and an adjustment is recommended based on additional minimum qualification requirements including:

- Education:
 - **Current:** The current minimum requirements are a high school diploma
 - **Recommended:** Two years of vocational or technical school in a related field such as carpentry, plumbing, electrical or HVAC.
- Experience:

- **Current:** The current minimum requirements are one year.
- **Recommended:** Five years of experience in the construction industry, or equivalent combination of experience and education, qualifying for points toward meeting Building Official Limited certification prerequisites.
- Certification:
 - **Current:** There are no certification requirements.
 - **Recommended:** State of Minnesota Building Official - Limited certification or ability to obtain within two years of start date.

He said the expectations for the position have expanded and staff's desire is to attract a highly skilled and motivated candidate possessing excellent communication, organization and computer skills. Staff would also like to seek out a candidate that has their building inspector certification to assist the Building Official as needed.

It is our recommendation that this position be reclassified to Non-Exempt Grade 10 (N-10) which has a salary midpoint of \$33.29.

The position will be posted after the final publication of the Rental Housing Ordinance.

A motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to approve changing the salary grade of the Rental Housing Inspector position from N-5 to N-10 salary grade effective immediately.

POSITION RE-CLASSIFICATION - LIQUOR STORE FULL-TIME RETAILCLERK

Mr. Robinson said positions at the City and Public Utilities are classified for salary grade based on nine separate factors. The cumulative score of the factors places the position within one of the 15 non-exempt or 12 exempt salary grades. The Liquor Store Full-Time Retail Clerk is currently classified as Non-Exempt Grade 2 (N-2) which has a salary midpoint of \$21.89/hour.

He explained a review of the Position Factors was performed and an adjustment is recommended based on additional requirements added to the position for occasional supervisory responsibilities of the part time staff and store operations when the Manager or Assistant Manager are not present. The liquor store has four full-time and as many as ten part-time employees.

Staff is recommending the position be reclassified to Non-Exempt Grade 3 (N-3) which has a salary midpoint of \$24.06.

A motion was made by Council Member Cummings, seconded by Council Member Janssen and unanimously carried to approve the salary grade change of the Full-Time Retail Clerk position from N-2 to N-3 effective immediately.

RESOLUTION NO. 2022-05-41 ADOPTED ACCEPTING A DONATION OF PERSONAL

PROPERTY

Todd Wietzema, Public Works Director, said the Park & Recreation Advisory Committee has received a request to place a bench in Chautauqua Park. The request is as follows:

- The family of Edwin and Rosie Rogers, to place a bench in Chautauqua Park , west of the Crailsheim Monument in memory of Edwin and Rosie Rogers.

Mr. Wietzema said the donation meets all the requirements as set forth in the Park Donation policy adopted by City Council and the Park and Recreation Advisory Board recommends the City Council accept the donation.

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

RESOLUTION NO. 2022-05-41

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

AWARDED THE CONSTRUCTION CONTRACT FOR THE FEDERAL OXFORD STREET RECONSTRUCTION PROJECT, SP 177-020-013 AND SP 053-635-029

Steve Schnieder, City Engineer, said bids were opened on May 4, 2022 for the Oxford Street Reconstruction Project. Two bids were received with the low bid being \$5,034,162.00 from Duinick, Inc of Prinsburg, MN. The other bid was for \$5,173,778.20 from Hulstein Excavating, Inc of Edgerton, MN. The engineer's estimate was for \$3,738,774.50.

The low bid was \$1,295,387.50, 34.6% higher than the estimated cost.

Mr, Schnieder explained the State is designating additional federal funding to cover 80% of the added costs. The remainder of the costs of \$250,077.50 will be split per the agreement between the city and the county. The additional city share would be around \$125,000.

The State has authorized the award of the contractor to the lowest responsible bidder, Duinick Inc.

It is staff's and SEH's recommendation to award the contract to the lowest responsible bidder, Duinick, Inc. in the amount of \$5,034,162.00.

A motion was made by Council Member Kolpin, seconded by Council Member Janssen and unanimously carried to award Duinick, Inc. the contract for the Federal Oxford Street Reconstruction project in the amount of \$5,173,778.20.

AGREEMENT FOR PROFESSIONAL SERVICES FOR CONSTRUCTION OF THE OXFORD STREET RECONSTRUCTION PROJECT

Mr. Schnieder said the construction of the federally funded Oxford Street Reconstruction Project requires inspection and testing of the work being performed. He said the staffing level needed along with the complexity of the federal requirements for projects makes this a project that is beyond the current capabilities of city staff.

Mr. Schnieder explained SEH provided the engineering design services and is most familiar with the requirements of the project for providing the construction administration services. In the proposed agreement, Short Elliot Hendrickson (SEH) would provide the administrative services for the Oxford Street Reconstruction Project in the amount not to exceed \$262,463.00.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the agreement with SEH, Inc. for the professional services for the construction of Oxford Street Reconstruction project.

PETITION FOR REAPPORTIONMENT OF WATERMAIN ASSESSMENTS FOR WORTHINGTON BIO SCIENCE INDUSTRIAL PARK SECOND ADDITION

Mr. Schnieder said the platting of Worthington Bio Science Industrial Park Second Addition is the reason for the reapportionment of the water main improvement assessments levied against the parcels. The reapportionment must be done before the assessments are certified to the county later this year. Mr. Schnieder explained the remaining principal balance of the assessment has been reapportioned to each of the new parcels in the manner that would have been used if the parcels had existed at the time of the original assessment.

The motion was made by Council Member Ernst, seconded by Council Member Kolpin and unanimously carried to approve the petition for reapportionment of water main assessments for the Worthington Bio Science Industrial Park Second Addition.

ORDINANCE NO. 1184 EXTENDING THE CORPORATE CITY LIMITS OF THE CITY OF WORTHINGTON TO INCLUDE 7.88 ACRES OF UNPLATTED LAND ABUTTING THE CITY OF WORTHINGTON AND OWNED BY RIDLEY USA, INC.

Matt Selof, City Planner, said Ridley Inc. has submitted a petition for annexation for property it owns abutting the City of Worthington on the east side. Their intent is to build a storage building on the subject property served by Worthington utilities. The area proposed for annexation is approximately 7.9 acres. The legal description of the property under consideration is as follows:

That part of the Northwest Quarter of the Northeast Quarter of Section 30, Township 102 North, Range 39 West, Nobles County, Minnesota, described as follows:

Commencing at the North Quarter corner of said Section 30; thence on an assumed bearing of North 90 degrees 00 minutes East, along the north line of said section, a distance of 275.00 feet to the Northwest corner of Tract 3 as recorded in Doc. No. 267428, said Northwest corner being the point of beginning of the tract to be described; thence South 0 degrees 01 minutes 30 seconds East, along the west line of said Tract 3, a distance of 163.90 feet; thence North 89 degrees 58 minutes 30 seconds East a distance of 100.00 feet; thence South 0 degrees 01 minutes 30 seconds East a distance of 65.09 feet; thence South 89 degrees 58 minutes 30 seconds West a distance of 100.00 feet to the west line of said Tract 3 as recorded in Doc. No. 267428; thence South 0 degrees 01 minutes 30 seconds East, along the west line of said Tract 3, a distance of 799.14 feet to the Southwest corner of said Tract 3; thence South 54 degrees 24 minutes 05 seconds East, along the southwest line of said Tract 3, a distance of 378.11 feet to the Southeast corner of said Tract 3; thence North 0 degrees 01 minutes 30 seconds West, along the east line of said Tract, a distance of 1248.23 feet to the Northeast corner of said Tract 3 located on the north line of said Section 30; thence South 90 degrees 00 minutes West, along said north line, a distance of 307.35 feet to the point of beginning, containing 7.88 acres, subject to easements now of record in said county and state.

Mr. Selof said the Planning Commission considered the proposed annexation and voted unanimously to recommend the City Council approve the annexation at their June 7th meeting. Their recommendation was based on the following considerations:

1. The subject property borders the City along the east side, to the south of County Road 35 in Lorain Township.
2. This area is not included in any orderly annexation agreements and so the annexation must be petitioned. A copy of the petition received under Minnesota Statute 414.033, Subd. 2(3) was included in the packet.
3. At this time the petitioner is seeking to construct a storage building. This will only require electric service. No sewer or water extensions are being requested at this time.
4. The subject property is completely outside of the future land use designated by the City's Comprehensive Plan. The area currently occupied by Ridley Block as well as property to the west is all designated as Medium Density Residential. However, the property currently owned by Ridley Block and a couple others to the west are zoned 'M-1' Light Manufacturing. Zoning in this area has not followed the goals set by the Comprehensive Plan in 2004.

Mr. Selof noted the City will have to reimburse Lorain Township for lost revenue for two years following the annexation in accordance with MN Statute 414.036. The City will pay two equal payments of \$201.82 (the towns share of taxes for 2022.)

He said upon passage of the ordinance and subsequent approval from the State the property will be

zoned 'M-2' General Manufacturing.

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

ORDINANCE NO. 1184

AN ORDINANCE EXTENDING THE CORPORATE CITY LIMITS OF THE CITY OF WORTHINGTON TO INCLUDE 7.88 ACRES OF UNPLATTED LAND ABUTTING THE CITY OF WORTHINGTON AND OWNED BY RIDLEY USA, INC.

(Refer to Ordinance File for complete copy of Ordinance)

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - No report.

Council Member Janssen - No report.

Council Member Ernst - No report.

Council Member Kielblock - No report.

Council Member Kolpin - No report.

Council Member Cummings - reported the slides are being installed at the Aquatic Center. The Beach Bash will be held on July 3rd at Centennial Park.

CITY ADMINISTRATOR REPORT

Mr. Robinson said he had taken several calls about the "For Sale" signs at the previous Shopko site. He talked to Kwik Trip and they said the realtor never picked up the sign and it is not for sale again. Construction will start in 2023 with completion in 2024.

CLOSED SESSION UNDER MINN. STAT §13D.05, SUBD. 3 (C) PURCHASE OR SALE OF REAL OR PERSONAL PROPERTY - PARCELS #31-0685-000, 31-3973-000, AND 31-3973-700; 106 LAKE STREET

Mayor Kuhle announced that council would be going into closed session under Minn. Stat § 13D.05, Subd. 3(c) Purchase or Sale of Real or Personal Property - Parcels #31-0685-000, 31-3973-000, and 31-3973-700; 106 Lake Street.

The motion was made by Council Member Kielblock, seconded by Council Member Janssen and unanimously carried to close the meeting at 7:55 p.m.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to reopen the meeting at 8:12 p.m.

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ADJOURNMENT

A motion was made by Council Member Kielblock, seconded by Council Member Kolpin and unanimously carried to adjourn the meeting at 8:12 p.m.

Mindy L. Eggers. MCMC
City Clerk