

**WORTHINGTON CITY COUNCIL
REGULAR MEETING
DECEMBER 9, 2024**

The meeting was called to order at 6:00 p.m., in City Hall Council Chambers by Mayor Rick Von Holdt with the following Council Members present: Amy Ernst, Chris Kielblock, Larry Janssen, Mike Kuhle, Chad Cummings.

Staff present: Hyunmyeong Goo, City Engineer; Todd Wietzema, Public Works Director; Matt Selof, Community Development Director; Steve Robinson, City Administrator; Deb Olsen, Finance Director; Mindy Eggers, City Clerk.

Others Present: Sam Martin, The Globe; Dennis Weber, Honorary Council Member; Oscar Martinez, Cable 3; Dave Uppman, Troy Van Orman, Charlie Bigelow.

The Pledge of Allegiance was recited.

AGENDA APPROVED WITH ADDITIONS/CHANGES

The Mayor stated Administration Items *E.3. Third Reading Proposed Ordinance to Amend the Storm Water Utility Rate and E.7. Right of First Refusal, Parcel 31-1068-010, Lot 1, Block 2 Cecilee Addition* would be removed from the agenda.

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

CONSENT AGENDA

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

- City Council Meeting Minutes of November 25, 2024
- Special City Council Meeting Minutes of November 20, 2024
- 2025 License Renewals
- Application for Temporary On-Sale Liquor License - Worthington Hockey Association, 1600 Stower Drive, Worthington, MN
- 2025 Hangar Lease Rates - Worthington Municipal Airport, no changes for 2025
- Bills Payable Totaling \$1,237,190.80

RESOLUTION NO. 2024-12-85 ADOPTED APPROVING 2024 TAX LEVIES COLLECTIBLE IN 2025 AND THE WORTHINGTON HOUSING AND REDEVELOPMENT AUTHORITY 2024 TAX LEVY COLLECTIBLE IN 2025

Steve Robinson, City Administrator, said a proposed property tax levy of \$8,562,706 for 2025 (a 18.00% increase over 2024) was approved on September 9, 2024. Staff is proposing to approve the final levy in the amount of \$7,946,381 (a 9.51% increase over 2024). He explained the levy includes a General Purpose Tax Levy of \$6,854,092 and Special Tax Levies of \$1,092,289. The Special Tax Levy includes Economic Development Tax abatements of \$45,000.

Mr. Robinson stated the City Council would take public comment at this time on the proposed levies.

No comments were received.

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

RESOLUTION NO. 2024-12-85

RESOLUTION APPROVING 2024 TAX LEVIES COLLECTIBLE IN 2025

(Refer to Resolution File for complete copy of Resolution)

WORTHINGTON HOUSING AND REDEVELOPMENT AUTHORITY RESOLUTION
APPROVING THE 2024 TAX LEVY COLLECTIBLE IN 2025

BE IT RESOLVED, by the City Council of Worthington and the Housing and Redevelopment

Authority of the City of Worthington, County of Nobles, State of Minnesota, that the following sum of money be levied for the current year, collectible in 2024, upon the taxable property in said City of Worthington, Minnesota for the following Purposes:

SPECIAL TAX LEVY

CERTIFIED LEVY
2024/2025

HOUSING AND REDEVELOPMENT
AUTHORITY TAX LEVY
(Minnesota Statute 469-033, subdivision 6)

Special Tax for Operations

\$210,800.00

NET CERTIFIED LEVY

\$210,800.00

RESOLUTION NO. 2024-12-86 APPROVING THE 2024 CITY OF WORTHINGTON FUND BUDGETS

Staff presented the proposed separate City Fund Budgets for Council approval.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt the following resolution approving the 2025 City of Worthington Fund Budgets:

RESOLUTION NO. 2024-12-86

A RESOLUTION FOR THE APPROVAL OF THE 2025 FUND BUDGETS FOR THE CITY OF WORTHINGTON, MINNESOTA

(Refer to Resolution File for complete copy of Resolution)

AMENDMENTS TO THE CITY OF WORTHINGTON COMPENSATION POLICIES

Mr. Robinson said the joint City of Worthington/Worthington Public Utilities Compensation Committee has met several times over the past two months to discuss changes to the Compensation Plan. The intent of the following changes is to enhance retention and attraction of current and future employees. The joint committee is recommending the following changes and additions to the Council:

- Cost of Living Adjustment (COLA) for aligned and non-aligned employees for the next three years:
 - o 2025 - 5.0%
 - o 2026 - 4.0%
 - o 2027 - 4.0%
- Employer contribution to Employee's Health Care Savings Account:

Beginning in 2025, the City will only offer eligible employees a health savings account (HSA) plan for their health and medical care insurance program. Currently, the City contributes \$750.00 annually to employees for single coverage and \$1500.00 annually for family and single plus one coverage. The compensation committee recommends increasing the employer's contribution to \$1800.00 annually for single, family and employee plus one plans.
- Modified Work Schedule available to all employees with approval by the department supervisor and City Administrator. The hours of work shall consist of four nine (9) hour days Monday through Thursday and one four (4) hour day on Friday. Holiday weeks shall be eight (8) hours

for the holiday, nine (9) hours on three days and five (5) hours one day. Business and public hours will remain with City Hall open from 8:00 a.m. - 5:00 p.m. Monday through Friday.

- Vacation Accrual Schedule:

The current vacation accrual schedule is as follows:

	Hours	Days
Years 1-3	80	10
Years 4-5	88	11
Year 6	96	12
Year 7	104	13
Year 8	112	14
Year 9	120	15
Year 10	128	16
Years 11-12	136	17
Years 13-14	144	18
Years 15-16	152	19
Years 17-18	160	20
Year 19	168	21
Years 20-22	176	22
Years 23-24	184	23
Years 25 Plus	200	25

The recommended vacation accrual schedule is as follows:

	Hours	Days
Year 1	80	10
Years 2-9	120	15
Years 10-19	160	20
Years 20-24	184	23
Years 25 plus	200	25

- Extended Sick Leave Conversion

All full-time employees accrue Extended Sick Leave (ESL) at the rate of six hours per month. Employees may accrue up to 900 hours. Employees are not allowed to accrue additional hours to ESL once the maximum has been reached. Employees may accrue additional hours if their balance falls below 900 hours.

Our current policy states that upon retiring to a PERA pension, employees are eligible to convert one-third of their ESL at their current hourly rate to their Health Care Savings

Plan. Staff has discussed amending the current policy to incentivize longevity with the following:

- o Eliminating the requirement that one must retire to a PERA pension to be eligible for conversion,
- o Amending the conversion percentage based on years of service as a longevity incentive.
- o Employees retiring to a PERA pension would still be eligible for conversion of a minimum of one-third of their accrued ESL regardless of years of service.

The following is the recommended ESL conversion policy and schedule:

Upon voluntary (in good standing) separation from employment, Employees will be eligible to convert remaining ESL as follows:

0 - 9 years of service	0% of accrued hours
10 - 14 years of service	10% of accrued hours
15 - 19 years of service	20% of accrued hours
20 - 24 years of service	30% of accrued hours
25 - 29 years of service	40% of accrued hours
30 - 34 years of service	50% of accrued hours
35 - 39 years of service	60% of accrued hours
40 - 44 years of service	70% of accrued hours
45 - 49 years of service	80% of accrued hours
50 + years of service	90% of accrued hours

Employees that voluntarily separate, are vested and eligible to receive a PERA pension at the time of separation and have less than 25 years of service shall be eligible to convert 33.33% of accrued ESL hours.

- **Fitness Membership Reimbursement**
The Employer will reimburse employees up to \$400.00 per year for membership at a fitness facility whose primary function is physical fitness. This benefit has been included in the LELS agreements in the past.
- **Language Pay**
The Employer will add \$1.38/hour to the base pay to employees who can demonstrate speaking and listening proficiency in Spanish, Lao, Hmong, Amharic or Vietnamese languages. This benefit has been included in the LELS agreements in the past.
- **Amend the Performance-Based Merit Pay Matrix**

All employees receive an annual performance appraisal the result of which is used to calculate their performance-based salary adjustment. The current merit matrix is designed in a manner in which it

is nearly impossible for anyone to reach the top of the posted pay grade. The recommended merit matrix will allow all employees to reach the top of the pay grade provided they receive satisfactory performance scores. Those employees that grade higher will be able to reach the top of the pay grade in as little as thirteen years while those that have more modest annual scores but still maintain adequate performance may take up to 25 years to reach the top of the pay grade.

The motion was made by Council Member Kuhle, seconded by Council Member Ernst and unanimously carried to approve the amendments to the City of Worthington Compensation Policies.

REVISED AGREEMENT BETWEEN THE MINNESOTA DEPARTMENT OF REVENUE AND THE CITY OF WORTHINGTON FOR COLLECTION OF LOCAL SALES TAX APPROVED

Mr. Robinson said the Minnesota Department of Revenue has revised the Local Option Sales Tax Agreement between the City and the Department of Revenue. Currently, the Department of Revenue retains a fee of 1.35% of sales tax collected to cover the administration, collection and auditing of all local sales tax administered by the department. On January 1, 2025, the Department of Revenue will reduce the retainage fee to 1.0% for administering collecting and enforcing the Worthington taxes.

The motion was made by Council Member Kielblock, seconded by Council Member Ernst and unanimously carried to approve the revised agreement between the Minnesota Department of Revenue and the City of Worthington for the collection of Local Sales Tax.

LEASE AMENDMENT NO. 3 BETWEEN THE CITY OF WORTHINGTON AND THE MINNESOTA DEPARTMENT OF PUBLIC SAFETY, DRIVER AND VEHICLE SERVICES APPROVED

Mr. Robinson said in 2012 the City of Worthington entered into a lease with the Department of Public Safety for their use of the parking lot at Memorial Auditorium to perform motorcycle skills testing and related activities. Lease amendment No. 2 will expire on April 30, 2025 and the Department of Public Safety has requested a five (5) year renewal continuing through April 30, 2030.

He noted in the original lease and subsequent amendments, the City does not receive payment but acts in mutual benefit to both parties.

The motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to approve Lease Amendment No. 3 and authorize execution of the agreement by the Mayor and Clerk.

POSTPONE PUBLIC HEARING ON EAST NINTH AVENUE STREET IMPROVEMENT

Hyunmyeong Goo, City Engineer, said at the November 12, 2024, council meeting, the Council passed a resolution to receive the feasibility report and call for a public hearing on the East Ninth Avenue Sanitary Sewer Extension project. However, the public hearing notice was incorrectly scheduled for December 9, 2024 at 5:30 p.m. In compliance with state statute the Truth in Taxation hearing must start at 6:00 p.m. or after so to ensure proper notice and compliance, a new public hearing has been scheduled for January 13, 2025, at 5:30 p.m.

ORDINANCE NO. 1209 ADOPTED TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM “TZ” (TRANSITION ZONE DISTRICT) TO “M2” (GENERAL MANUFACTURING DISTRICT)

Matt Selof, Community Development Director, said the City of Worthington Economic Development Authority is requesting a change of zone for 15.91 acres of land located south of 27th Street and north of I-90 from ‘TZ’ Transition Zone District to ‘M-2’ General Manufacturing District. The legal description of the property under consideration is as follows:

Lot 1, Block 1, Worthington Bio Science Industrial Park Fourth Addition, City of Worthington, Nobles County, Minnesota.

The City Planning Commission voted 5-0 to recommend approval of the request at the December 3, 2024 meeting.

Their recommendation was based on the following:

1. The subject property is currently zoned ‘TZ’ Transition Zone. The owner, the Worthington Economic Development Authority, is seeking a change of zone to ‘M-2’ General Manufacturing District in order to facilitate future development.
2. With any zoning or land use request, it is prudent to consider a property’s stated future land use as established by the City’s Comprehensive Plan and whether the request is in line with other aspects of the Comprehensive Plan. The subject property is primarily designated as future heavy industrial. The Plan does show the southernmost portion of the property as future light industrial. At the time the future land use map was created, it was uncertain where future roads might be located in this area and, as such, the future land use largely followed the southern boundary of some existing parcels along 27th Street. As areas, such as the subject property, are platted, the exact boundaries of the future land use designations may not follow new property lines exactly. Consideration should be given to intent of the future land use designations in an area and where the transition between two areas is most appropriate. Staff believes the requested change of zone is in line with the future land use goals of the area.

The Plan defines heavy industrial as “areas for businesses with more intensive uses that require more land with the potential for commercial vehicle traffic and greater impacts

to the adjacent community.” Typical uses include contracting yards, concrete products processing, natural resource processing, etc. The requested change of zone will allow for development of the site which is in line with the goal of Worthington being economically vibrant. The request also fits with the Plan’s goal of encouraging development in areas that are easily serviceable with utilities.

3. The ‘M-2’ district allows for a variety of uses both by-right and by conditional use:

Uses Permitted

- Supplies
- Parking
- Printing Trades
- Cleaning
- Manufacturing – light assembly
- Figurines
- Manufacturing – general
- Railroad right-of-way
- Warehouse
- Public Service
- Utility Stations

Uses Permitted By Conditional Use Permit

- Household Goods – Repair Services
- Home Improvement Services
- Automotive Sales
- Automotive Service
- Animal Services
- Terminals
- Extractive and Recovery Industry
- Manufacturing – Heavy
- Manufacturing – Primary Production
- Manufacturing – Special Process
- Contractor Yard
- Taproom
- Brewpub
- Automotive Repair Services
- Recreational
- Greenhouse

4. Staff finds that, with changes of zone and other land use requests, the surrounding zoning and land uses should be considered to reduce future land use conflicts. The surrounding zoning and land uses are as follows:

North: Farmland outside of city limits sits to the north.

South: Vacant Land (currently being farmed) zoned 'TZ.' I-90 largely separates this site from the rest of the city.

East: A concrete plant, manufacturing plant, and a stormwater pond are all located to the east. Neighboring properties are zoned 'M-2' except for the stormwater pond which is zoned 'TZ.'

West: Farmland located outside of city limits is directly west of the subject property.

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

ORDINANCE NO. 1209

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "TZ" (TRANSITION ZONE DISTRICT) TO "M2" (GENERAL MANUFACTURING DISTRICT)

(Refer to Ordinance File for complete copy of Ordinance)

CONDITIONAL USE PERMIT - DUININCK, INC. APPROVED

Mr. Selof said Duininck, Inc., has submitted an application for a conditional use permit to allow for the development and operation of an asphalt plant along with asphalt and concrete recycling, a portable crushing plant, and all related stockpiling, office, shop, and outdoor equipment storage. If approved, the asphalt plant will be located on the south side of 27th Street. The legal description of the property under consideration is as follows:

Lot 1, Block 1, Worthington Bio Science Industrial Park Fourth Addition, City of Worthington, Nobles County, Minnesota.

At the December 3, 2024 Planning Commission meeting, the Commission voted 5-0 to recommend approval of the requested conditional use permit subject to the following conditions:

1. Vegetative screening be provided along the north side of the site and the northwest corner. A minimum setback of 20 feet shall be provided from the lot line on the north side.
2. The subject property must maintain compliance with all applicable local, State, and Federal standards and requirements.

Their recommendation was based on the following:

1. Contingent on the approval of the change of zone in item 1 above, the subject property will be zoned 'M-2' General Manufacturing District. The exact lot layout can be seen on the plat. (Lot 1, Block1).
2. The applicant is seeking to establish an asphalt plant along with asphalt and concrete recycling, a portable crushing plant, an office, shop, outdoor equipment storage yard, and all related stockpiling. City Code Chapter 155, Appendix E: Table: Schedule of Use regulations stipulates that heavy manufacturing (including asphalt and concrete mixing) and contractor yards are permitted by conditional use permit only in the 'M-2' district.
3. As stated earlier, the applicant is seeking to establish a new asphalt plant with a shop, office, equipment storage, portable crusher, and all related activities such as stockpiling. The applicant's request is detailed in the submittal along with the site plan.
4. As proposed, the site plan meets all applicable zoning requirements. City Code Chapter 155, Appendix J, contains specific development standards for an asphalt mixing and manufacturing plant. Those requirements include:
 - Asphalt plants shall be located at least 300 feet from a residential or commercial district boundary or from a transition zone where the City's Comprehensive Plan shows residential or commercial.
 - A 6 to 10 foot fence, or alternative screening methods, shall be required and approved by the City Planning Commission.
 - Asphalt plants shall be located on arterial or collector roadways or roads designed to accommodate frequent use by heavy vehicles.
 - All asphalt plants or expansion of existing plants shall require a conditional use permit. All applications must include a dust management plan, air quality plan, sound attenuation plan, drainage plan, traffic plan, and a map of natural features within one quarter mile of the property lines.

The proposed plant will be located more than 300 feet from land designated as future commercial or residential, though it should be noted the southern boundary of the property is located closer than 300 feet to proposed future commercial property. City Code only states the plant shall be a minimum of 300 feet, it does not define this boundary as following property lines. The office, shop, and equipment storage will be the closest items to future commercial property.

The proposed plant will have access from 27th Street which is paved from the edge of the City to Highway 59. The road is designed for heavy commercial vehicles.

Traffic is not anticipated to be an issue. At peak operations, the site may have trucks entering and exiting every 3 minutes. However, the proposed plant is not anticipated to operate at peak capacity regularly.

Screening, as regulated in City Code, may be up to the Commission to determine. As submitted, the applicant's site plan shows some vegetation along the northern and western edges of the site. The Commission may consider additional screening or certain types of screening around the site.

Dust and emissions are regulated by the Minnesota Pollution Control Agency. The plant is subject to a general non-metallic air emissions permit. No additional requirements have been identified as a need. Duinink's current plant on Joosten Road, to Staff's knowledge, has a history of compliance with permitting requirements. The proposed facility is anticipated to operate more efficiently and with better dust and emissions control than the current facility on Joosten Road. Hours of operation will generally be sunrise to sunset spring-fall. The plant will be open Monday through Saturday.

No significant environmental concerns have been identified. Stormwater will be collected into a regional pond nearby, to be filtered and discharged into Okabena Creek. A mix of paving and dust control measures are planned for the site in driving areas.

5. Staff finds that with changes of zone and other land use requests, the surrounding zoning and land uses should be considered to reduce future land use conflicts. The surrounding zoning and land uses are as follows:

North: Farmland outside of city limits sits to the north.

South: Vacant Land (currently being farmed) zoned 'TZ.' I-90 largely separates this site from the rest of the city.

East: A concrete plant, manufacturing plant, and a stormwater pond are all located to the east. Neighboring properties are zoned 'M-2' except for the stormwater pond which is zoned 'TZ.'

West: Farmland located outside of city limits is directly west of the subject property.

6. As with any land use request, the City's Comprehensive Plan should be utilized to guide decision making. The subject property is primarily designated as future heavy industrial. The Plan does show the southernmost portion of the property as future light industrial. At the time the future land use map was created, it was uncertain where future roads might be located in this area and as such, the future land use largely followed the southern boundary of some existing parcels along 27th Street. As future land use is designated in area, it is understood that it is just guidance. As areas, such as the subject property, are platted, the exact boundaries of the future land use designations may not

follow new property lines exactly. Staff believes the requested conditional use permit is in line with future land goals.

Furthermore, the requested conditional use permit aligns with multiple goals set by the Comprehensive Plan. One objective under the goal of being economically vibrant is to “support decision making that allows for economic growth in a manner that support existing industries.” The Comprehensive Plan also goes on to discuss growth in areas where existing utility service is available, which is the case for this site.

7. There are many unknowns about surrounding properties. The Comprehensive Plan designates light industrial to the north of 27th Street, with heavy industrial to the west. With these areas being farmland currently, it is impossible to assess potential impacts on future development. Consideration should be given to protecting the development of adjacent sites in the future.

Mr. Selof said two written statements were received prior to the public hearing and presented to the Commission.

Council Member Kuhle suggested that more vegetative screening be added around all sides of the property. Mr. Selof said a stormwater pond is located on the west side of the property.

Council Member Kielblock said that he does not agree with the proposed new location and thinks the current location is a better location for this type of business but added they have not been good neighbors. Council Member Cummings said he had been contacted by a business located next to their current location and said they have been good neighbors. He added that with all of the emission permitting and standards they have to comply with leads him to believe that the new location will be a good fit for them. Council Member Kuhle agreed and said with the new technology and standards they have to adhere to it will be a good location.

The motion was made by Council Member Kuhle, seconded by Council Member Janssen and carried to approve the Conditional Use Permit for Duininck, Inc. With the following members voting for the motion: Kuhle, Cummings, Janssen, Ernst. Members voting against the same motion was Kielblock. Motion passed.

COUNCIL COMMITTEE REPORTS

Mayor Rick Von Holdt - No report.

Council Member Janssen - No report.

Council Member Ernst - Attended a Highway 59 Reconstruction Visual Quality meeting.

Council Member Kielblock - No report.

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Council Member Kuhle - Attended an HRA meeting, had a member resign and now have 2 openings on the board. The board is moving forward with the sale of Prairie Acres. Currently working with an architect on plans for another duplex on Cecilee Street. Taking a look at the Section 8 program.
Council Member Cummings - No report.

CITY ADMINISTRATOR REPORT

Mr. Robinson said staff is meeting with a group on Wednesday about a proposed market rate housing project.

ADJOURNMENT

The motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 7:17 p.m.

Mindy Eggers, MCMC
City Clerk