

**WORTHINGTON CITY COUNCIL
REGULAR MEETING
NOVEMBER 10, 2025**

The meeting was called to order at 5:30 p.m., in City Hall Council Chambers by Mayor Rick Von Holdt with the following Council Members present: Chris Kielblock, Dennis Weber, Mike Kuhle, Amy Woitalewicz, Amy Ernst.

Staff present: Steve Robinson, City Administrator; Matt Selof, Community Development Director; Todd Wietzema, Public Works Director; Hyunmyeong Goo, City Engineer; Cristina Adame, Community Relations & Communication; Mindy Eggers, City Clerk.

Others Present: Chloe Farnsworth, *The Globe*; Oscar Martinez, Cable 3 TV; Ryan McGaughey, Radio Works.

The Pledge of Allegiance was recited.

AGENDA APPROVED WITH ADDITIONS/CHANGES

Mayor Von Holdt stated Item *H.3. Ice Arena Request for Qualifications Recommendation* would be removed from the agenda. *Item I.A.1. 2026 Stormwater Utility Budget and First Reading of an Ordinance to Amend the Storm Water Utility Rate* would be added to the agenda.

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

PUBLIC HEARING AND ADOPTED RESOLUTION NO. 2025-11-78 APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN. STAT. 469.1813

Pursuant to published notice, this was the time and date set for a public hearing on a residential tax abatement submitted by Dan Wagner.

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

Matt Selof, Community Development Director, said an application has been submitted by Dan Wagner requesting tax abatement for the construction of a single-family home on Sterling Avenue.

Staff has reviewed the application and determined that it meets all requirements of the Program guidelines.

Mayor Von Holdt asked if there was any testimony. None was received.

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

RESOLUTION NO. 2025-10-78

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 Kielblock, seconded by Council Member Woitalewicz and unanimously carried to approve the consent agenda as presented.

- City Council Meeting Minutes of October 27, 2025
- Joint Powers Transit Authority Meeting Minutes of July 24, 2025
- LEC Joint Powers Board Meeting Minutes of August 13, 2025
- Bills Payable Totaling \$714,726.37

RESOLUTION NO. 2025-11-79 ADOPTED APPROVING CHANGES IN THE SEWER RATE SCHEDULE

Scott Hain, Public Utilities Manager, said the proposed 2026 Sewer Service Charge System (Sewer Rates) has been developed by staff and was approved by the Water and Light Commission at its November 3, 2025, meeting. The “average” residential user (4,000 gallons per month) will see about a \$2.45/month or 4.25% 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. The 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 \$0.538/1,000 gallons, or 9.36%, 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 \$0.30 or 0.86%.

The total revenue of \$4,256,864 to be generated by the 2026 rates is \$278,763 (7.0%) more than the \$3,978,101 budgeted to be generated from the 2025 rates.

The reason for the rate increase is the collection of an additional \$90,905 to service debt and a \$100,000 increase in the amount collected through rates for sanitary sewer collection system

improvements and a \$78,225 increase in the amount collected for employee labor and benefits. \$1,115,105 is being collected through 2026 rates to service and estimated \$1,711,000 in debt service payments due in 2026. The remaining 35% of the debt service will be funded through the use of wastewater department reserves. Wastewater reserves have previously 100% of the debt service in 2022, 67% of the debt service in 2023 and 50% of the debt service in 2024 and 40% of the debt service in 2025. The \$800,000 being collected through proposed 2026 rates for the sanitary sewer collection system improvement is still short of the \$1,195,800 annual average anticipated to be needed for collection system improvements over the years 2026 through 2030.

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

RESOLUTION NO. 2025-11-79

A RESOLUTION APPROVING CHANGES IN THE SEWER RATE SCHEDULE

(Refer to Resolution File for complete copy of Resolution)

APPROVED NOMINATING COMMITTEE APPOINTMENTS / REAPPOINTMENTS

Steve Robinson, City Administrator, said a Nominating Committee Meeting was held on Thursday, November 6, 2025 and the committee is making the following recommendations for the following appointments / reappointments:

Memorial Auditorium Advisory Board

Appoint Margaret Erickson to a first three-year term, term to expire July 31, 2028

Airport Advisory Board

Appoint Phil Willardson to a first five-year term, term to expire September 30, 2030

Public Arts Commission

Re-appoint Susan Middagh to a second three-year term, term to expire November 30, 2028

The motion was made by Council Member Ernst, seconded by Council Member Weber and unanimously carried to approve the recommendations of the Nominating Committee for the Appointments / Reappointments.

APPROVED CITY HALL CLOSURE - FRIDAY, DECEMBER 26, 2025

Mr. Robinson noted that Christmas falls on a Thursday this year and stated that the Administrator is requesting Council consideration to close City Hall on Friday, December 26, 2025, to allow employees additional time to celebrate the holiday with family and friends. Employees would have

the option to use benefit time or report to work. He added that this action is consistent with the Council's decision in 2014, when Christmas also fell on a Thursday.

A motion was made by Council Member Weber, seconded by Council Member Ernst, and unanimously carried to approve the closure of City Hall on Friday, December 26, 2025.

**THIRD READING AND ADOPTED ORDINANCE NO. 1216 TO AMEND TITLE XV OF
THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA - TO
PROHIBIT OFF-PREMISE SIGNS IN THE CITY**

Pursuant to published notice this is the time and date set for the second reading of a proposed ordinance to amend Title XV of the City Code of Worthington, Nobles County, Minnesota, to prohibit off-premise signs in the City.

There have been no comments received by the public.

A complete copy of the ordinance was provided in your October 13, 2025, Council Agenda.

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

ORDINANCE NO. 1216

**AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON,
NOBLES COUNTY, MINNESOTA - TO PROHIBIT OFF-PREMISE SIGNS IN THE CITY**

(Refer to Ordinance File for complete copy of Ordinance)

**THIRD READING AND ADOPTED ORDINANCE NO. 1217 TO AMEND TITLE XV OF
THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA - LOWER
POTENCY HEMP EDIBLES**

Pursuant to published notice this is the time and date set for the second reading of a proposed ordinance to amend Title XV of the City Code of Worthington, Nobles County, Minnesota - Lower-Potency Hemp Edibles.

There have been no comments received by the public.

A complete copy of the ordinance was provided in your October 13, 2025, Council Agenda.

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

ORDINANCE NO. 1217

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON,
NOBLES COUNTY, MINNESOTA - LOWER POTENCY HEMP EDIBLES

(Refer to Ordinance File for complete copy of Ordinance)

**THIRD READING AND ADOPTED ORDINANCE NO. 1218 TO AMEND TITLE VI OF
THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA - LOCAL
REGISTRATION FOR LOW-POTENCY HEMP EDIBLE RETAILERS**

Pursuant to published notice this is the time and date set for the second reading of a proposed ordinance to amend Title XI of the City Code of Worthington, Nobles County, Minnesota - Local Registrations for Low-Potency Hemp Edibles.

There have been no comments received by the public.

A complete copy of the ordinance was provided in your October 13, 2025, Council Agenda.

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

ORDINANCE NO. 1218

AN ORDINANCE TO AMEND TITLE VI OF THE CITY CODE OF WORTHINGTON, NOBLES
COUNTY, MINNESOTA - LOCAL REGISTRATION FOR LOW-POTENCY HEMP EDIBLE
RETAILERS

(Refer to Ordinance File for complete copy of Ordinance)

**APPROVED PROFESSIONAL SERVICES WORK ORDER FOR A PAVEMENT
MAINTENANCE PROJECT AT THE WORTHINGTON MUNICIPAL AIRPORT**

Todd Wietzema, Public Works Director, said Council approved a master services agreement with the firm of Bolton and Menk on August 26, 2024 for identified airport projects that need to be initiated within five years of the above date. He noted an open consultant selection process as required by the Federal Aviation Administration (FAA) was held prior. The master services agreement establishes the terms and conditions that are common to all airport projects undertaken by the firm. Work Orders address the scope of services and any other specific terms relating to specific projects.

BMI is proposing a Work Order No. 3 to do design and bid administration along with construction

services for a South Taxiway crack fill and seal coat project at the Worthington Municipal Airport.

Bolton and Menk's proposed fee for these services shall be completed on a lump sum basis of \$15,000.00. The cost breakdown will be as follows:

- State Share 2.5% \$10,500.00
- City Share 2.5% \$4,500.00

The motion was made by the Council Member Kielblock, seconded by Council Member Weber and unanimously carried to approve Bolton and Menks Work Order No. 3 and Authorize the Mayor and City Clerk to sign the agreement.

RESOLUTION NO. 2025-11-80 ADOPTED ACCEPTING A DONATION OF PERSONAL PROPERTY

Mr. Wietzema said the Park and Recreation Advisory Committee received a request to place a bench at the Chautauqua Park Bandshell. The request is as follows:

- The Morrison Family to place a bench at the Chautauqua Park Bandshell in memory of Terry Morrison.

The donation meets all the requirements as set forth in the Park Donation policy adopted by City Council. The Park and Recreation Advisory Board recommend the City Council accept the donation.

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

RESOLUTION NO. 2025-11-80

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

CONDITIONAL USE PERMIT - DISPENSARY - 607 10TH STREET APPROVED

Mr. Selof said NB2A Investments, LLC, (Roy'zzz Premium Cannabis) submitted a request for a Conditional Use Permit to operate a cannabis dispensary at 607 10th Street. Under City Code Chapter 155, Appendix E: Table 5, cannabis retail facilities are allowed in the B-2 District by conditional use permit. The subject property is zoned B-3.

At its meeting on November 4, 2025, the Planning Commission voted unanimously to recommend

approval of the Conditional Use Permit with the following conditions:

1. No blinking, flashing, fluttering, or otherwise inconsistent exterior lighting or signage is permitted. Interior lighting and signage not visible from outside the business are exempt.
2. No digital signs are permitted.
3. Security cameras must provide adequate coverage of the exterior, including one camera on the southeast side of the building, and must comply with all State of Minnesota rules and statutes.
4. Additional lighting shall be installed on the south side of the building along the alley.

The Planning Commission based its recommendation on the following findings:

1. The applicant plans to occupy the entire building at 607 10th Street. The building does not share walls with the adjacent structure. Parking is angled with access to the paved alley.
2. The applicant has received pre-approval from the State Office of Cannabis Management for a retailer license, which allows operation of up to five retail locations statewide.
3. The property is zoned B-2 General Business District; however, cannabis retail is allowed only in the B-2 District by conditional use permit.
4. The proposed use meets all local and state separation requirements, including the 200-foot buffer from schools and park facilities used by minors and the 1,000-foot spacing requirement from other dispensaries. The business will comply with City Code limiting hours of operation to 10:00 a.m.–9:00 p.m., seven days per week.
5. Surrounding zoning and land uses were reviewed.

North/East: Sanford Hospital (I – Major Institution District)
East: Salon (B-2 – Central Business District)
South: Parking lot and residences (R-5 – Multi-Family District)
West: Office building and parking (R-5 – Multi-Family District)

6. The City's 2045 Comprehensive Plan designates the area as future downtown mixed-use, supporting retail, service, office, and related uses. Staff determined that retail use is appropriate for this location.

7. Photographs of the property and surrounding area.

Mr. Selof noted the approval requires a majority vote. Any Council member voting in opposition must state their reasons for the record.

The motion was made by Council Member Weber, seconded by Council Member Woitalewicz and unanimously carried to approve the Conditional Use Permit for the dispensary located at 607 10th Street.

APPROVED UPDATED POSITION GUIDELINES - BUILDING INSPECTOR I

Mr. Selof said with recent staff turnover, the City will begin the process of rehiring for the Building Inspector I position. Prior to posting the vacancy, the position guidelines and qualifications have been revised to align with the department's current needs and to more clearly define the distinctions between the Building Inspector I and II roles.

The motion was made by Council Member Woitalewicz, seconded by Council Member Ernst and unanimously carried to approve the position guidelines for Building Inspector I.

APPROVED POSITION GUIDELINES - BUILDING INSPECTOR II

At its special meeting on October 22, 2025, the Council approved the position guidelines for the Building Inspector II. Since then, several additional revisions particularly to the qualification requirements have been identified.

The motion was made by Council Member Weber, seconded by Council Member Kielblock and unanimously carried to approve the updated position guidelines as presented.

FIRST READING PROPOSED ORDINANCE RELATING TO STORM WATER UTILITY RATES

The proposed 2026 Storm Water Utility (606) Fund operating and capital improvement budgets, along with the Equipment Revolving Schedule, are currently being updated. In 2025, stormwater utility rates increased by 19.25%. As stormwater management requirements continue to expand, the City is experiencing rising construction costs along with the need for capacity upgrades and the replacement of aging pipes and structures. Operating revenue for 2025 is projected to be approximately \$999,000.

To support the Flood Mitigation Phase 2 project, an additional \$83,000 in revenue is recommended. This would require an 8.25% stormwater utility rate increase for the 2026 budget. The City Council originally adopted an ordinance in December 2003 establishing the stormwater system as a utility with an annual residential stormwater fee. The rate is adjusted each year using a multiplier based on

land use and parcel size and is billed in 12 monthly installments.

To meet 2026 revenue needs, the base annual residential rate per acre would increase to \$443.03, up from the current \$409.27 per acre. For a standard 0.24-acre residential lot, the proposed monthly charge would be \$9.76—an increase of \$0.74 over the current \$9.02 monthly rate. An amendment to the ordinance will be required to update the stormwater utility rates accordingly.

This change represents an annual increase of \$8.88 per residential lot. The proposed per-acre rates for non-residential land use categories (1 through 3 units) are as follows:

	2024	2025		
<u>Land use</u>	<u>Rate/Acre</u>	<u>Rate/Acre</u>	<u>Monthly Increase</u>	<u>Annual Increase</u>
Commercial	\$62.19	\$74.16	\$11.97	\$143.66
Industrial	\$51.67	\$61.62	\$9.95	\$119.36
Multi Family	\$45.79	\$54.60	\$8.81	\$105.77
Institutional	\$62.19	\$74.16	\$11.97	\$143.66

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

<u>Facility</u>	<u>2024 Monthly Bill</u>	<u>2025 Monthly Bill</u>	<u>Monthly Increase</u>	<u>Annual Increase</u>
.5 Acre Commercial Site	\$31.10	\$37.09	\$5.99	\$71.85
2.5 Acre Church Site	\$155.48	\$185.41	\$29.93	\$359.16
4 Acre Commercial Site	\$248.77	\$296.66	\$47.89	\$574.66
10 Acre Industrial Site	\$516.71	\$616.18	\$99.47	\$1,193.60
42 Acre Industrial Site	\$2,170.22	\$2,587.99	\$417.77	\$5,013.20

He noted that if the proposed rate increase is approved, the 2026 Storm Water Utility (606) Fund operating and capital improvement budgets, along with the Equipment Revolving Schedule, will be updated and presented to the Council for approval as part of the 2026 budget.

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

COUNCIL COMMITTEE REPORTS

Mayor Rick Von Holdt - No report.

Council Member Ernst - No report.

Council Member Weber - No report.

Council Member Woitalewicz - No report.

Council Member Kuhle - No report.

Council Member Kielblock - He asked Mr. Wietzema whether staff had explored any grant opportunities to assist homeowners with the removal of trees affected by Emerald Ash Borer. Mr. Wietzema reported that staff had applied for two grants but were not awarded either; however, they continue to seek additional funding opportunities. He also noted that some boulevards will not have trees replanted due to utility locations and requirements of the City's tree planting ordinance.

CITY ADMINISTRATOR REPORT

Mr. Robinson reminded the Council of the Special City Council meeting scheduled for Wednesday, November 19, 2025, to continue budget discussions.

He also noted that a meeting will be held on Thursday with ISD 518 and the project contractors to discuss coordination of the proposed softball complex construction.

CLOSED SESSION UNDER MINN. STAT. §13D.05 SUBD. 3 (C) - PURCHASE OR SALE OF REAL OR PERSONAL PROPERTY

Mayor Von Holdt announced that Council would be going into closed session under MS § 13D.05, Subd. 3 (c) Purchase or Sale of Real Property or Personal Property - Parcel # 31-3292-000.

The motion was made by Council Member Kielblock, seconded by Council Member Ernst and unanimously carried to close the meeting at 6:02 p.m.

The motion was made by Council Member Kielblock, seconded by Council Member Woitalewicz to re-open the meeting at 6:19 p.m.

The motion was made by Council Member Ernst, seconded by Council Member Weber and unanimously carried to authorize staff to acquire the real property at Parcel # 31-3292-000 for \$210,000.00 with the option to negotiate.

ADJOURNMENT

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The motion was made by Council Member Kielblock, seconded by Council Member Weber and unanimously carried to adjourn the meeting at 6:21 p.m.

Mindy Eggers, MCMC

City Clerk