

**WORTHINGTON CITY COUNCIL
REGULAR MEETING
OCTOBER 23, 2023**

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

Staff present: Steve Robinson, City Administrator; Hyunmyeong Goo, Assistant City Engineer; Steve Schnieder, City Engineer; Matt Selof, Community Development Director; Troy Appel, Public Safety Director; Mindy Eggers, City Clerk.

Others Present: Sam Martin, The Globe; Ryan McGaughey, Radio Works; Dave Harshanko, Linda Lang, Joel Jenkins, Lyle Voss.

The Pledge of Allegiance was recited.

AGENDA APPROVED WITH ADDITIONS/CHANGES

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

HELD PUBLIC HEARING ON CHERRYWOOD STORM SEWER IMPROVEMENT AND ADOPTED RESOLUTION NO. 2023-10-47

Pursuant to published notice, this was the time and date set for a public hearing on proposed assessments.

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

Hyunmyeong Goo, Assistant City Engineer presented information on the proposed assessment for the Cherrywood Storm Sewer Improvement. He explained a deferral of payment was requested by the property owner at the original project public hearing on August 10, 2020. Council, at that time, supported the deferral according to what had been done in the past. Staff found past practice has been that council has deferred the principal for undeveloped land but required the payment of the interest each year. The landowner has again requested the principal and interest be deferred.

The recommended terms for the proposed assessments are listed below.

STORM SEWER IMPROVEMENT NO. 32
> CHERRYWOOD ADDITION
5.5%; 15 years

¹ Based on interest rate on PIR bonds.

Worthington City Council
Regular Meeting, October 23, 2023
Page 2

Council Member Cummings said he would support what has been done in the past and defer the principal but not the interest. Council members agreed.

Mayor Von Holdt asked if there was any testimony. Joel Jenkins, Haack Acres, LLC., said he would like to offer his gratitude to staff for the efficiency and promptness in response to his questions and concerns. He said they would appreciate the deferral of both the principal and interest if possible but is ok if that cannot be done.

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to close the hearing.

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

RESOLUTION NO. 2023-10-47

A RESOLUTION ADOPTING THE SPECIAL ASSESSMENT FOR STORM WATER IMPROVEMENT NO. 32

(Refer to Resolution File for complete copy of Resolution)

HELD PUBLIC HEARING ON RESIDENTIAL PROPERTY TAX ABATEMENT AND ADOPTED RESOLUTION NO. 2023-10-48

Pursuant to published notice, this was the time and date set for a public hearing on proposed assessments.

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

Matt Selof, Community Development Director, said an application for the City of Worthington Residential Property Tax Abatement Program has been submitted by KJSM Investments. The applicant is seeking approval of tax abatement for the construction of a two-unit condominium at 2385 and 2395 Cherrywood Lane (Lot 8, Block 1).

Mr. Selof said staff has reviewed the application and concluded that it meets all the parameters of the Program Guidelines.

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

A motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to close the hearing.

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

RESOLUTION NO. 2023-10-48

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 Kolpin and unanimously carried to approve the consent agenda as presented.

- Special City Council Meeting Minutes of October 11, 2023
- Regular City Council Meeting Minutes of October 9, 2023
- Water & Light Commission Meeting Minutes of October 16, 2023
- Planning Commission Meeting Minutes of September 5, 2023
- General Fund Statement of Revenue and Expenditures for the Period of January 1, 2023 through September 30, 2023
- Municipal Liquor Store Income Statement for the Period of January 1, 2023 through September 30, 2023
- Olson Park Statement of Revenue and Expenditures - Budget and Actual for the Period of January 1, 2023 - September 30, 2023
- Fieldhouse Statement of Revenue and Expenditures - Budget and Actual for the Period of January 1, 2023 - September 30, 2023
- Bills Payable Totaling \$2,241,603.68

RESOLUTION NO. 2023-10-49 ADOPTED ACCEPTING A DONATION OF FUNDS

Steve Robinson, City Administrator, said QSI, Inc., donated \$1,000 for the graffiti contest winner. The rules of the contest stated the winner had to be a 501C3 non-profit organization or had to donate the proceeds to a 501C3 non-profit organization. Alondra Palma was the winner of the contest and requested the \$1,000 be donated to St. Mary's School. A check will be written to St. Mary's School in the amount of \$1,000.

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

RESOLUTION NO. 2023-10-49

RESOLUTION ACCEPTING A DONATION OF FUNDS

(Refer to Resolution File for complete copy of Resolution)

PROFESSIONAL SERVICES AGREEMENT - NATIONAL INSURANCE SERVICES APPROVED

Steve Robinson, City Administrator, said the City's current health insurance provider agreement terminates on December 31, 2023. He explained staff worked with NIS to solicit proposals for employee health insurance and received seven qualified proposals. Based on the information received from NIS representatives and the recommendation of staff and the Compensation Committee, the decision was to continue offering employee health insurance through the Public Employee Insurance Program (PEIP). The proposal from PEIP for 2024 rates represent a 4.4% increase over 2023 rates.

In addition to soliciting proposals, NIS was also responsible for the overall assessment and will be in charge of the management of the City's benefit plans, renewals, policy changes and claim reconciliation. NIS's compensation would be approximately 1% of the health insurance premium and invoiced on a monthly basis.

A motion was made by Council Member Kolpin, seconded by Council Member Kielblock and unanimously carried to approve the consulting agreement with NIS and authorize execution by the Mayor and Clerk.

MARKET WAGE COMPENSATION SURVEY APPROVED

Mr. Robinson said staff completed the annual market and wage compensation survey and presented it to the Compensation Committee. He explained the Compensation Administration Guidelines state "It is desirable that the control point of a salary range be maintained at a rate of plus or minus ten percent (10%) of the "market rate" for positions that fall within the salary range as determined by performing a market rate survey of selected benchmark positions annually".

The first in-house market wage survey was done in 2017. The results of the survey showed 41% of the 25 positions evaluated were outside of the stated plus or minus ten percent of market rate. Wage and position classification adjustment were taken over the next several years and in 2021 the number of positions that were outside of the market rate benchmark had fallen to 8%. However, the review of the 2022 market wages indicate that we are starting to fall behind in market and competitive wages with 28% of our positions again outside of the stated goal of position within the market rate. Like most employers, we are struggling to fill open positions with candidates that meet the minimum requirements of the posted jobs, or, even candidates at all regardless of qualifications.

The City and three bargaining units have agreements that run through December 31, 2024. The Compensation Committee is recommending a mid-contract wage adjustment for all City employees to become effective on January 1, 2024. The recommended wage adjustments are:

- 5.50% wage adjustment for all POST licensed law enforcement personnel. These wages would be funded with Public Safety Aid the City will receive in late December of this year.
- 2.50% wage adjustment for all other City personnel. These wages would be funded with enhanced interest earnings that will be realized on twelve Certificates of Deposit that will mature in 2024.

The above wage adjustments will be in addition to the 3.50% Cost of Living Adjustments in our current bargaining unit agreements.

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to approving the mid-contract wage adjustments.

RESOLUTION NO. 2023-10-50 ADOPTED AUTHORIZING EXECUTION OF AGREEMENT OF TOWARD ZERO DEATHS GRANT

Troy Appel, Public Safety Director, said the Minnesota Department of Public Safety, Office of Traffic Safety, has initiated a Toward Zero Deaths Communities grant process, which runs from October 1, 2023 through September 30, 2024. He explained the grant includes reimbursement funds for officers' overtime during operational waves, with a focus on traffic safety and impaired driving enforcement. As part of the process the City of Worthington has collaborated with the counties of Jackson, Cottonwood, Nobles and Rock and the City of Mountain Lake.

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

RESOLUTION NO. 2023-10-50

A RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2023-10-51 ADOPTED ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

Mr. Goo said a housing developer has petitioned for the installation of a sanitary sewer system for a potential housing development on the property commonly known as Haack acres.

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

RESOLUTION NO. 2023-10-51

A RESOLUTION ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT - HAACK ACRES, LLC

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2023-10-52 ADOPTED ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT - NINTH AVENUE EAST

Mr. Goo said residents of East 9th Ave have petitioned for the installation of a public sanitary sewer system to replace the existing private sewer connections originating from 11th Street. Currently, there are three residents connected to this private sewer system, which leads to difficulties in maintenance and upkeep .

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

RESOLUTION NO. 2023-10-52

A RESOLUTION ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT - NINTH AVENUE EAST

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2023-10-53 ADOPTED ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT- 3RD AND 4TH AVENUE

Mr. Goo said a reconstruction improvement project is planned for Third Avenue and Fourth Avenue segments from Ninth Street to Eleventh Street. The improvements would consist of regrading, base reconstruction, resurfacing, curb and gutter, water main, sanitary sewer main, and storm sewer main.

The proposed improvement project would be assessed to abutting property owners. Council will be requested to order a hearing on the proposed improvements once the feasibility report is received.

Mr. Goo noted the City of Worthington has an agreement with Bolton and Menk, Inc., Task Order Number 18, to provide the engineering service.

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

RESOLUTION NO. 2023-10-53

A RESOLUTION ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

(Refer to Resolution File for complete copy of Resolution)

REQUEST TO VACATE PUBLIC RIGHT-OF-WAY DISCUSSION HELD

Mr. Goo said staff has received an application from the owner of 1313 Spring Avenue requesting that the City vacate a small portion of right-of-way along the backside of her property where a fence and tree(s) encroach slightly. He explained the fence and trees were likely in existence at the time that a highway easement was established for Highway 60. Staff's best determination is that the highway easement re-shaped the area and likely resulted in the diagonal property line that exists now.

Steve Schnieder, City Engineer explained vacating this small portion of right-of-way would not benefit the owner as the larger tree in question is on the homeowners property. He also explained the city has no plans to do anything with this area and in past practice when it's a request from the homeowner the homeowner is responsible for the cost of the surveying, platting and the new deed.

Council Member Cummings asked if the homeowner if she understood it would be her expense to complete the process to vacate the right-of-way. The property owner came forward and explained that she may sell her home and is worried if she doesn't pursue the vacation something may happen to the fence and trees. Staff and Council Member Cummings explained there would be no benefit for her to spend the money on the vacation.

WORKFORCE HOUSING APPLICATION - CELINA QUIJANO (2228 ELEANOR STREET)

Mr. Selof said Celina Quijano has applied for a forgivable loan through the City's Workforce Housing Program for the eligible developer installed infrastructure improvements installed for the newly constructed house they are purchasing at 2228 Eleanor Street. He explained the program, was created to encourage the construction of affordable housing units within the boundaries of TIF District #7 by offering forgivable loans to qualified home buyers for the following purposes:

1. To pay any outstanding assessments for public infrastructure levied against existing properties on which the new single-family dwelling has been constructed or purchased by an eligible person.
2. To pay any outstanding assessments for public infrastructure levied against any lot within a new subdivision on which the new single-family dwelling will be constructed on purchased by an eligible person.
3. To pay costs of the public infrastructure for a lot within a residential subdivision where the new single-family dwelling has been constructed or purchased by an eligible person. The said infrastructure must have been completed by the developer and constructed in accordance with City specifications.

Mr. Selof said the public infrastructure within Morning View Second Addition was installed by a

developer. Upon review of the infrastructure costs, staff has determined the value of the eligible expenditures to be \$24,701.19 for this lot.

Based on the program guidelines, the forgivable loan would be structured for five years and at an interest rate of 5%. For each year the applicant owns and resides in the home, the annual mortgage payment would be forgiven. After five years, the loan is fully forgiven. However, should the applicant move or sell the housing during the loan period, they would be responsible for the outstanding loan balance.

Staff has reviewed the application and determined that the applicants meets the eligibility criteria and are eligible for the forgivable loan.

Mr. Selof reminded Council the funds in TIF District #7 that are utilized for this program were placed into a spending plan by City Council on December 12, 2022 so in order to issues this loan, the loan amount needs to be designated back out of the spending plan and placed back into the TIF District.

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to move the funds in the amount of \$24,701.19 from the TIF spending plan.

The motion was made by Council Member Kolpin, seconded by Council Member Janssen and unanimously carried to approve the loan in the amount of \$24,701.19 and authorizing the Mayor and City Clerk to execute the loan documents.

COUNCIL COMMITTEE REPORTS

Mayor Von Holdt - Attended Cuero Turkeyfest.

Council Member Janssen - No report.

Council Member Ernst - No report.

Council Member Kielblock - No report.

Council Member Kolpin - Attended the Nobles County Childcare Town Hall meeting. A candidate has been chosen to fill the Housing & Redevelopment Authority Director position.

Council Member Cummings - No report.

CITY ADMINISTRATOR REPORT

Mr. Robinson said the Department of Labor has a grant for “Building Official in Training”. The grant is for \$65,000 and allows a candidate to work while in the training process. The deadline to submit the grant is October 25th. He said the total compensation package of the position ranges between \$70,000-\$75,000. If the grant is received it would be brought to Council for approval to accept it.

ADJOURNMENT

Worthington City Council
Regular Meeting, October 23, 2023
Page 9

The motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 6:18 p.m.

Mindy L. Eggers, MCMC
City Clerk