

**WORTHINGTON CITY COUNCIL
REGULAR MEETING
NOVEMBER 11, 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.

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

Others Present: Sam Martin, The Globe; Ryan McGaughey, Radio Works; Rebecca Kurtz, Ehlers Public Finance Advisors.

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 AND ADOPTED RESOLUTION NOS. 2023-11-54 AND 2023-11-55 AUTHORIZING ISSUANCE, AWARDED SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF GENERAL OBLIGATION, SALES TAX REVENUE BONDS SERIES 2023A AND GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2023B.

Pursuant to published notice, this was the time and date set for a public hearing on the authorizing and issuance, awarding sale, prescribing the form and details and providing for the payment of General Obligation Sales Tax Revenue, Series 2023A and General Obligation Improvement Bonds, Series 2023B.

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

At the October 9, 2023 meeting, Council adopted resolutions authorizing the issuance and sale of \$5,140,000 General Obligation Sales Tax Revenue Bonds, Series 2023A as well as \$4,090,000 General Obligation Improvement Bonds, Series 2023B. Bids were received at 10:30AM on Monday, November 13th.

Rebecca Kurtz from Ehlers and Associates - Financial Advisors for the City of Worthington, was present at the meeting and provided a Sale Day Report to Council. She said the city received a AA-Standard & Poors rating which reflects a stable outlook because the city will continue to maintain reserves. Eight bids were received for the 2023A Sales Tax Revenue Bonds, with the low bid was from the Northland Securities, Inc. as follows:

Principal Amount:	\$4,925,000
Underwriter's Discount	\$41,848
Reoffering Premium	\$408,672
Costs of Issuance:	\$53,925
Yield:	3.42% - 3.60%
Total Net P&I:	\$6,568,438

Ms. Kurtz said the city received a premium bid and was able to receive more money than needed while it also reduced the principal amount of the bond. The cost of issuance is \$53,925. True Interest Cost was projected to be at 3.6979%. The closing date on this issue is December 7, 2023, which is the day that the city will receive the proceeds from the sale. As part of the Sale Day Report, Council was also provided with a bid tabulation, final sources and use of the funds, and a final debt service schedule. A resolution authorizing issuance, awarding sale and prescribing the form and providing for payment of the bonds was also provided for Council consideration. Principal payments are due on February 1st of each year, and interest payments are semi annual and are due on February 1st and August 1st of each year beginning August 1, 2024 until February 1, 2034. The rate is set for the life of the issue.

The Mayor asked if there was any testimony. None was received.

Ms. Kurtz said eight bids were also received for the 2023B Improvement Bonds, with the low bid was from the Northland Securities, Inc. as follows:

Principal Amount:	\$4,090,000
Underwriter's Discount	\$42,697
Reoffering Premium	\$247,599
Costs of Issuance:	\$53,625
Yield:	3.42% - 4.10%
Total Net P&I:	\$5,575,100

Ms. Kurtz said the city received another premium bid and was able to receive more money than needed while it also reduced the principal amount of the bond. The cost of issuance is \$53,625. True Interest Cost was projected to be at 3.9143%. The closing date on this issue is also December 7, 2023, which is the day that the City will receive the proceeds from the sale. As part of the Sale Day Report, Council was also provided with a bid tabulation, final sources and use of the funds, and a final debt service schedule. A resolution authorizing issuance, awarding sale and prescribing the form and providing for payment of the bonds was also provided for Council consideration. Principal payments are due on February 1st of each year, and interest payments are semi annual and are due on February 1st and August 1st of each year beginning August 1, 2024 until February 1, 2034. The rate is set for the life of the issue.

The Mayor asked if there was any testimony. None was received.

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

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

RESOLUTION NO. 2023-11-54

(Refer to Resolution File for complete copy of Resolution)

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

RESOLUTION NO. 2023-11-55

(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.

- Regular City Council Meeting Minutes of October 23, 2023
- Special City Council Meeting Minutes of October 18, 2023
- Economic Development Authority Meeting Minutes of September 25, 2023
- Bills Payable Totaling \$2,887,949.88

RESOLUTION NO. 2023-11-56 ADOPTED APPROVING CHARTER COMMISSION MEMBERS APPOINTMENTS AND REAPPOINTMENTS

Steve Robinson, City Administrator, said on October 9, 2023 City Council approved the Nominating Committee recommendations for committee appointments and reappointments. Under Minnesota Statutes §410.05, Subdivision 3, the City Council of the City of Worthington must also, by resolution, nominate the eligible individuals and submit a petition to the district court to appoint the individuals as members of the Worthington City Charter Commission.

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

RESOLUTION NO. 2023-11-56

RESOLUTION APPROVING CHARTER COMMISSION MEMBERS APPOINTMENTS AND REAPPOINTMENTS

(Refer to Resolution File for complete copy of Resolution)

**APPROVED SOUTHWEST MINNESOTA HOUSING PARTNERSHIP (SWMHP)
WORKFORCE HOUSING DEVELOPMENT PROGRAM GRANT APPLICATION**

Steve Robinson, City Administrator, said the SWMHP is exploring the development of a market rate rental housing project at their Grand Avenue site. They have requested partnership from the City in applying for a Workforce Housing grant from Minnesota Housing. The State's Workforce Housing Development Program targets small to medium-sized cities, communities or areas in Greater Minnesota with rental workforce housing needs. Funding is available to build market rate residential rental properties in communities with proven job growth and demand for workforce rental housing. Communities are required to secure funds that match one dollar for every two dollars in funding offered through this program. Tax abatement offered by the City, Nobles County and Worthington School District qualify in the match requirement. This is a competitive funding program and SWMHP has offered their services in the preparation of the grant application. The proposed fee for the Housing Partnership to act as the City's agent in preparing the grant application is a lump sum of \$5,000.00.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the proposal for the preparation of the Workforce Housing Development Program grant.

**RESOLUTION NO. 2023-11-57 ADOPTED AUTHORIZING APPLICATION FOR LEAGUE
OF MINNESOTA CITIES GRANT NAVIGATION SUPPORT FOR THE CITY**

Mr. Robinson said the League of Minnesota Cities (LMC) provides many services to its member cities including a Grant Navigator program. The program is aimed at providing small grants to assist cities in applying for state, federal, foundation and nonprofit grant opportunities. The Grant Navigator initially caps funding at \$5,000 per city.

He said staff is requesting authorization from Council to submit an application to the LMC for their consideration in selecting the City to receive funding assistance in submitting the previously mentioned Workforce Housing Grant.

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

RESOLUTION NO. 2023-11-57

RESOLUTION AUTHORIZING APPLICATION FOR LEAGUE OF MINNESOTA CITIES
GRANT NAVIGATION SUPPORT FOR THE CITY

(Refer to Resolution File for complete copy of Resolution)

**LAW ENFORCEMENT CENTER AMENDED LEASE AND OPERATIONS AGREEMENT
APPROVED**

Mr. Robinson said the Law Enforcement Center Joint Powers Committee reviewed the lease and recommends amending changes to the City's rent and Capital Reimbursement payments.

The Annual rent shall be one dollar (\$1.00) , due and payable on or about January 1 of each year. Capital Reimbursement annual payments of \$197,000.00 from the City to Nobles County shall be due and payable on or about January 1 of each year. Beginning January 1, 2025 and thereafter, the remaining balance will be amortized annually by the County incorporating a simple interest value equal to the Minnesota Association of Governments Investing for Counties current rate established the previous July 1st.

Council Member Cummings questioned why the standard prime rate was not used. Ms. Kurtz said normally the standard prime rate would be used as the rate used is not a standard rate. Council asked staff to reach out to the County to find out why the rate from MAGIC was used before moving ahead with approving the agreement. No official action was taken.

**RESOLUTION NO. 2023-11-58 ADOPTED RECEIVING REPORT AND CALLING FOR
HEARING ON PROPOSED IMPROVEMENT**

Hyunmyeong Goo, Assistant City Engineer, said the included feasibility report provides information on the proposed improvement including costs and funding, estimated assessment rates, City share, pavement alternatives and related improvements on the proposed reconstruction of Third and Fourth Avenue from Ninth Street to Eleventh Street by regrading, base reconstruction, curb and gutter reconstruction, resurfacing, sidewalk reconstruction, and utility mains and services replacement.

If the resolution is passed the public hearing will be held at the December 11, 2023 City Council meeting.

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

RESOLUTION NO. 2023-11-58

A RESOLUTION RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED
IMPROVEMENT

(Refer to Resolution File for complete copy of Resolution)

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

Mr. Goo said the proposed 2024 Storm Water Utility (606) Fund operating and Capital Improvements budgets, and Equipment Revolving Schedule are in the process of being updated. There was a 5.7% increase in the rates for 2023. The stormwater management requirements for the community continue to increase. He explained the City is experiencing a significant increase in costs for construction and the needs to update capacity, failing pipe and structures. The current utility operating revenue is projected to be \$762,000 in 2023.

It is recommended that the rate be increased by \$76,200 to cover inflationary costs of construction materials. As proposed, the 2024 storm sewer fund budget will require a 10% increase to the storm water utility rate. The annual rate is adjusted by a multiplier based on land use, multiplied by the property area, and billed in 12 monthly payments and an ordinance is required to amend the storm water utility rate. The base rate (annual residential rate per acre) required to meet the 2024 revenue requirements is \$343.20 per acre. The current annual residential rate is \$312.00 per acre. The area of a residential lot is defined as 0.24 acres yielding a proposed 2024 monthly residential charge of \$6.87 or \$0.63 more than the current rate of \$6.24. The annual cost will increase \$7.56 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>2023 Rate/Acre</u>	<u>2024 Rate/Acre</u>	<u>Monthly Increase</u>	<u>Annual Increase</u>
Commercial	\$54.35	\$57.45	\$3.10	\$37.22
Industrial	\$45.16	\$47.73	\$2.57	\$30.89
Multi Family	\$40.02	\$42.30	\$2.28	\$27.32
Institutional	\$54.35	\$57.45	\$3.10	\$37.22

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

<u>Facility</u>	<u>2023 Monthly Bill</u>	<u>2024 Monthly Bill</u>	<u>Monthly Increase</u>	<u>Annual Increase</u>
.5 Acre Commercial Site	\$27.18	\$28.73	\$1.55	\$18.61
2.5 Acre Church Site	\$135.88	\$143.63	\$7.74	\$92.93
4 Acre Commercial Site	\$217.42	\$229.81	\$12.40	\$148.76
10 Acre Industrial Site	\$451.59	\$477.33	\$25.74	\$308.88
42 Acre Industrial Site	\$1896.71	\$2004.82	\$108.11	\$1297.30

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

COUNCIL COMMITTEE REPORTS

Mayor Von Holdt - No report.

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Council Member Janssen - No report.

Council Member Ernst - No report.

Council Member Kielblock - No report.

Council Member Kolpin - Attended a Joint Transit Authority meeting and a new Director is going to be hired to focus on the bussing. Attended a Child Care Task Force meeting at Nobles County. Tanner Rogers is the new Director at the HRA and has been in the position for a week. The street lights in Glenwood Heights have been turned on.

Council Member Cummings - Reported the Chamber/CVB and WREDC are working on marketing for Worthington.

CITY ADMINISTRATOR REPORT

Mr. Robinson said the CGMC Conference is this Thursday and Friday. The Center for Active Living Bid Opening is Thursday at 2:00 p.m. City Hall will be closed next Thursday and Friday for the Thanksgiving Holiday.

ADJOURNMENT

The motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 6:24 p.m.

Mindy L. Eggers, MCMC
City Clerk