

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, DECEMBER 12, 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, Chris Kielblock, Amy Ernst, Larry Janssen, Alaina Kolpin.

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

Others Present: Rebecca Kurtz, Ehlers (via conference call); Rick Von Holdt, Meredith Daley, YMCA Director; Emma McNamee, Daily Globe; Ryan McGaughey, Radio Works.

The Pledge of Allegiance was recited.

AGENDA APPROVED WITH ADDITIONS/CHANGES

The Mayor said item *F.1. 2023 Utility Department Strategic Financial Plans* was being pulled from the agenda.

A motion was made by Council Member Kolpin, seconded by Council Member Kieblock and unanimously carried to approve the agenda with the noted change.

**HELD PUBLIC HEARING ON SPENDING FOR TAX INCREMENT FINANCING
DISTRICT NO. 7: DARLING THIRD ADDITION**

Pursuant to public notice, this was the time and date set for a public hearing on proposed spending for Tax Increment Financing District No. 7: Darling Third Addition.

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

Steve Robinson, City Administrator, presented information on the proposed Spending Plan for Tax Increment District No. 7: Darlings 3rd Addition which would allow the City to transfer unobligated tax increment to a separate fund per Minnesota Statutes, Section 469.176 Subd. 4n. Mr. Robinson said the Statute grants the EDA temporary authorization to transfer unobligated tax increment to provide improvements, grants, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings or ancillary facilities, which will create or retain jobs in the State, including construction jobs, so long as the private development commences no later than December 31, 2025. Any transfer must be made by resolution, pursuant to the terms of a spending plan.

Rebecca Kurtz, Ehlers, joined by conference call and explained the balance of unobligated funds in TIF District 7 is \$2,329,478. She explained that any unspent or uncommitted funds shall be

transferred back to the District after December 31, 2025, and will need to be expended in accordance with the TIF Law for Redevelopment TIF districts. Ms. Kurtz said by doing this it gives the City the opportunity to do market rate projects, housing, daycare construction or rehabilitation projects. The funds could be used up front or after the project is complete but that would ultimately be a local policy decision. Council thanked Ms. Kurtz for being available to answer questions.

Mayor Kuhle asked if there was any testimony, none was received.

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

A motion was made by Council Member Cummings, seconded by Council Member Kolpin and unanimously carried to adopt the Spending Plan for Tax Increment District No.7: Darlings 3rd Addition transferring administration of unobligated tax increment to the EDA.

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.

- Regular City Council Meeting Minutes of November 28, 2022
- Special City Council Meeting Minutes of December 1, 2022
- Special City Council Meeting Minutes of November 22, 2022
- Water & Light Commission Meeting Minutes December 5, 2022
- Economic Development Authority Meeting Minutes of November 28, 2022
- Park & Recreation Advisory Board Meeting Minutes of December 6, 2022
- Okabena Ocheda Bella Clean Water Partnership Joint Powers Board Meeting Minutes of December 15, 2021
- 2023 License Renewals
- Application for Exemption from Lawful Gambling Permit - St. Mary's Church
- 2023 Hangar Lease Rates - Worthington Municipal Airport
- Bills Payable Totaling \$2,358,585.75

THIRD READING AND ORDINANCE NO. 1191 TO VACATE PLATTED PUBLIC UTILITY EASEMENTS AND PUBLIC DRAINAGE AND UTILITY EASEMENTS IN GLENWOOD HEIGHTS FIRST ADDITION

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance to Vacate Platted Public Utility Easements and Public Drainage and Utility Easements in Glenwood Heights First Addition.

A complete copy of the ordinance was provided in your November 14, 2022 Council Agenda.

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

ORDINANCE NO. 1191

AN ORDINANCE TO VACATE PLATTED PUBLIC UTILITY EASEMENTS AND PUBLIC DRAINAGE AND UTILITY EASEMENTS IN GLENWOOD HEIGHTS FIRST ADDITION

(Refer to Ordinance File for complete copy of Ordinance)

THIRD READING AND ORDINANCE NO. 1192 RELATING TO STORM WATER UTILITY RATES

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance Relating to Stormwater Utility Rates.

A complete copy of the ordinance was provided in your November 14, 2022 Council Agenda.

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

ORDINANCE NO. 1192

AN ORDINANCE RELATING TO STORM WATER UTILITY RATES

(Refer to Ordinance File for complete copy of Ordinance)

RESOLUTION NO. 2022-12-87 ADOPTED APPROVING THE 2022 TAX LEVIES COLLECTIBLE IN 2023, AND THE WORTHINGTON HOUSING AND REDEVELOPMENT AUTHORITY 2022 TAX LEVY COLLECTIBLE IN 2023

Mr. Robinson said Council approved a proposed property tax levy of \$6,646,866 for 2023 (a 17.00% increase over 2022) at it's September 12th City Council meeting. Staff's recommendation to approve the final levy in the amount of \$6,558,607 (a 15.44% increase over 2022). The levy includes a General Purpose Tax Levy of \$5,531,834 and Special Tax Levies of \$975,773. The Special Tax Levy includes Economic Development Tax abatements of \$51,000.

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 Ernst, seconded by Council Member Cummings and unanimously carried to adopt the following resolutions:

RESOLUTION NO. 2022-12-87

RESOLUTION APPROVING 2022 TAX LEVIES COLLECTIBLE IN 2023

(Refer to Resolution File for complete copy of Resolution)

WORTHINGTON HOUSING AND REDEVELOPMENT AUTHORITY RESOLUTION
APPROVING THE 2022 TAX LEVY COLLECTIBLE IN 2023

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 2023, upon the taxable property in said City of Worthington, Minnesota for the following Purposes:

SPECIAL TAX LEVY	CERTIFIED LEVY 2022/2023
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HOUSING AND REDEVELOPMENT
AUTHORITY TAX LEVY
(Minnesota Statute 469-033, subdivision 6)

Special Tax for Operations	\$151,000.00
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NET CERTIFIED LEVY	\$151,000.00
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RESOLUTION NO. 2022-12-88 APPROVING THE 2023 CITY OF WORTHINGTON FUND BUDGETS

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

The motion was made by Council Member Ernst, seconded by Council Member Janssen and unanimously carried to adopt the following resolution approving the 2023 City of Worthington Fund Budgets:

RESOLUTION NO. 2021-12-88

A RESOLUTION FOR THE APPROVAL OF THE 2023 FUND BUDGETS FOR THE CITY OF WORTHINGTON, MINNESOTA

(Refer to Resolution File for complete copy of Resolution)

AUDIT ENGAGEMENT LETTER APPROVED

Mr. Robinson said staff has received a proposal for the 2022 year-end audit services from Abdo, Eick and Meyers, LLP. The cost would not exceed \$43,000 for the Financial Statement Audit, \$4,000 for each major program covered by a Single Audit and additional fees for out-of-pocket expenses.

Deb Olsen, Finance Director, noted that an RFP was advertised and two responses were received. This was the least expensive and she had contacted cities that are using the firm or have used them in the past and received favorable comments.

A motion was made by Council Member Kielblock, seconded by Council Member Kolpin and unanimously carried to approve the proposal from Abdo, Eick and Meyers, LLP for the 2022 year-end audit expenses.

FIRST READING PROPOSED ORDINANCE TO AMEND TITLE III OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY MINNESOTA - COUNCIL MEETING TIME

Mr. Robinson said the City of Worthington is considering a text amendment to Chapter 30: General Provisions, 30.01 Council Meetings to change the time of regular meetings of the Council from 7:00 p.m. to 5:30 p.m. in the Council Chambers of the City Hall. Regular meetings of the Council shall continue to meet on the second and fourth Mondays of each month.

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

FIRST READING PROPOSED ORDINANCE TO AMEND TITLE III OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA - MAYOR AND COUNCIL EXTRA MEETING COMPENSATION

Mr. Robinson said the City of Worthington is considering a text amendment to Chapter 30: General Provisions, 30.06 (C) Salaries of the Mayor and Aldermen to amend the Extra Meeting Compensation from \$50 per day to \$100 per meeting.

Mayor Kuhle noted that there has not been an increase for twenty years.

A motion was made by Council Member Ernst, seconded by Council Member Janssen and

unanimously carried to approve the first reading of the proposed ordinance.

**CITY OF WORTHINGTON RESIDENTIAL PROPERTY TAX ABATEMENT PROGRAM
APPROVED**

Mr. Robinson said City Council has decided not to continue the City's participation in the Nobles Home Initiative (NHI) program with Nobles County and Worthington ISD 518 beyond its' termination on December 31, 2022. Mr. Robinson explained in its place the City has established a program that will abate property taxes for new residential units constructed in the City of Worthington for a period of five years. This program will apply to applications received on or after January 1, 2023. Applicants will have to apply directly to the City and the abated taxes will be calculated based on each years taxes and will be paid by one payment annually at the end of the year.

Mr. Robinson noted all NHI residential projects approved prior to January 1, 2023 shall continue to be eligible for property tax abatement under the guidelines established for the period of 2018-2022.

A motion was made by Council Member Kolpin, seconded by Council Member Ernst and unanimously carried to approve the City tax abatement program guidelines as presented.

**SOUTHWEST MINNESOTA COUNCIL OF MAYORS LEGISLATIVE SERVICES
APPROVED**

The Southwest Council of Mayors requested a proposal from Flaherty and Hood to provide legislative services during the upcoming 2023 Legislative session to create a pilot program targeted at workforce development in southwest Minnesota. Mayor Kuhle said that South Dakota has been doing a program of this nature for years and it definitely impacts the workforce in our area because of our close proximity to South Dakota. He said the Scope of Services include:

- Developing and executing a legislative strategy,
- Drafting necessary legislation and amendments,
- Securing bill authors,
- Direct lobbying of committee chairs, key legislators and the Walz Administration,
- Creating materials for committee hearings,
- Monitoring progress of the omnibus bill through the legislative process, and
- Coordinating testimony at legislative hearings.

The Mayor said the fee for the above scope of services is \$25,000 to be distributed among the participating cities on a per capita basis.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the legislative services contingent upon participation by the

southwest Minnesota cities and agreement with the resulting fee distribution.

RESOLUTION NO. 2022-12-89 ADOPTED ACCEPTING A DONATION OF PERSONAL PROPERTY

Todd Wietzema, Public Works Director, said the Park and Recreation Advisory Committee has received one request to place a bench in a city park. The request is:

- Scott Carlson to place a bench in Chautauqua Park in memory of Ladonna Carlson.

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

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

RESOLUTION NO. 2022-12-89

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

YMCA 2023 SUMMER YOUTH RECREATION PROGRAMS AGREEMENT APPROVED

Mr. Wietzema said the City contracts with the Worthington Area YMCA to promote, manage and operate the City's summer youth recreation programs for its residents. The Park Advisory Board unanimously approved a motion to enter into an agreement with the YMCA for 2023 at their December 6, 2022 meeting.

The management fee for 2023 is \$61,320.00, a 5% increase over 2022, to be paid in twelve monthly installments from the City to the YMCA.

The motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to approve the 2023 YMCA Summer Youth Programs Agreement.

YMCA SUMMER PROGRAM FEES APPROVED

Mr. Wietzema said the Park and Recreation Advisory Board has reviewed and approved the proposed 2023 YMCA summer program fees.

The programs include the YMCA's Fun and Adventure Day Camp and Summer Sports Programs.

He said the YMCA proposes a 15% increase to the 2022 Day Camp fees and a \$10 increase to the Summer Sports Programs fees. Mr. Wietzema noted that the Day Camp fee comes out to \$1.51 per hour.

Meredith Daley, YMCA Executive Director, said they have had to cap the Day Camp numbers to 50 to meet insurance requirements. She explained they use a couple of spaces at MN West and also have to adhere to counselor per student guidelines.

A motion was made by Council Member Cummings, seconded by Council Member Kolpin and unanimously carried to approve the YMCA Summer Program Fees.

AMENDED OPERATING AGREEMENT WITH WORTHINGTON YMCA AND SET DAILY FEES

Mr. Wietzema said the Park and Recreation Advisory Board discussed the Worthington Aquatic Center Operating Agreement between the Worthington YMCA and the City of Worthington. The current agreement was approved in October of 2008 and it set the parameters of how the YMCA shall operate the Aquatic Center.

He said in paragraph 5 of the agreement, there is language regarding how the daily rates shall be set for use of the pool area. One portion of the paragraph 5 distinguishes that there shall be a separate rate for residents of Worthington and a separate rate for non-residents of Worthington. YMCA staff feels that there should be only one rate for everyone, regardless of residency. The YMCA is also requesting councils' consideration on raising the daily fees. The fees have not been adjusted since 2008. The proposed fee increases are as follows:

	2022 Fees	2023 Proposed Fees
Youth	\$4.00	\$5.00
Adult	\$8.00	\$10.00
Family	\$14.00	\$20.00

Mr. Wietzema noted the Park and Recreation Advisory Board unanimously approved the proposed amendment to the Operation Agreement and the proposed 2023 fee increase.

A motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to approve the amendment to the Operation Agreement and the proposed 2023 fee increase.

APPROVED BOLTON & MENK AIRPORT WORK ORDER NO. 4 AND WORK ORDER NO. 5

Mr. Wietzema said City Council approved a master services agreement at the May 13, 2019 Council meeting with the firm of Bolton and Menk for identified airport projects that are initiated within five years. He said the approval of the master agreement followed an open consultant selection process as required by the Federal Aviation Administration (FAA). The master services agreement establishes the terms and conditions that may be 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.

Bolton & Menk is proposing a Work Order No. 4 and Work Order No. 5.

Work Order No. 4 includes:

- Design, bid and construction services to replace the Runway End Identifier Lights (REILS) on Runway 11 and Runways 18/36 at a cost of \$26,000.00. The cost to the Airport would be 5%, which comes to \$1,300.00.

Work Order No. 5 includes:

- Design, bid and construction services to do Bituminous Pavement Maintenance on the apron area at a cost of \$21,000.00 The cost to the Airport would be 5%, which comes to \$1,050.00

A motion was made by Council Member Kolpin, seconded by Council Member Ernst and unanimously carried to approve the Bolton and Menk Work Order No. 4 and Work Order No. 5.

AIRPORT AGRICULTURE LEASE AMENDMENT APPROVED

Mr. Wietzema said City Council approved a 2 year Ag Land lease with Mr. Tom Martin in March of 2021. The lease was for two years and is now ready to expire. Staff has been in contact with Mr. Martin about his interest in renewing the agreement at the current rate of \$277 per/acre. He is interested in renewing his lease at its current terms.

Mr. Wietzema said he also discussed the agreement with the City Attorney to see if the City could amend the lease to include an automatic yearly renewal. It was concluded the lease could be amended to automatically renew every year unless one of the parties gives written notice of termination at least 90 days prior to the expiration of the lease or the end of the year of continuation. The City Attorney has drafted the proposed amendment.

Staff discussed the proposed amendment with the Airport Advisory Board at their December 1st, 2022 meeting and it was unanimously approved to extend this lease with Mr. Martin.

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to approve the amendment to the Airport Ag lease.

RESOLUTION NO'S. 2022-12-90, 2022-12-91 ADOPTED ON SPONSORSHIP FOR TRANSPORTATION ALTERNATIVES FUNDING TO CONSTRUCT EAST OKABENA LAKE TRAIL AND AGREEING TO MAINTAIN THE EAST OKABENA LAKE TRAIL FOR THE USEFUL LIFE OF THE PROJECT

Steve Schnieder, City Engineer, said the City is applying for a Transportation Alternatives (TA) Grant Funds from the Minnesota Department of Transportation. He explained the proposed project includes construction of a trail from Lake Street at Second Avenue to Trunk Highway 60 crossing under the Union Pacific Railroad Tracks, along Sherwood Street on city property, along East Lake Boulevard to Nobles Street, and connecting to the existing trail at intersection of Nobles Street at Trunk Highway 60.

The Minnesota Transportation Alternatives Program provides grant funding up to 80 percent of the construction costs for the construction of pedestrian and bicycle infrastructure projects. The grant funding available is \$1.6 million in 2027. The program does require a 20 percent local match and grants are paid on a reimbursable basis. The project is anticipated to cost \$750,000 for construction, and \$187,000 for project development and construction oversight. These costs are not eligible for grant funding.

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

RESOLUTION NO. 2022-12-90

A RESOLUTION OF SPONSORSHIP FOR TRANSPORTATION ALTERNATIVES FUNDING TO CONSTRUCT EAST OKABENA LAKE TRAIL

(Refer to Resolution File for complete copy of Resolution)

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

RESOLUTION NO. 2022-12-91

A RESOLUTION AGREEING TO MAINTAIN THE EAST OKABENA LAKE TRAIL FOR THE USEFUL LIFE OF THE PROJECT

(Refer to Resolution File for complete copy of Resolution)

DRAINAGE EASEMENT IN CHERRY POINT NEIGHBORHOOD DISCUSSION

Mr. Schnieder. said an open drainage ditch exists between homes in the Cherry Point neighborhood.

Improvements are planned for the installation of storm sewer pipe to allow for the open ditch to be closed. This project will help protect homes in the vicinity of the open ditch from flood damage. It will also improve the efficiency of the storm sewer system. The current location of the ditch will not accommodate the drainage pipe. The pipe needs to be located within a drainage easement and there is no current recorded drainage easement. A contract for the work has been awarded, and the work is ready to be done in 2023. The property owners affected were asked to approve a drainage easement.

All of the owners have signed off with no compensation for the easement, except one owner. The property involved is located at 518 Lake Avenue, Lots 1, 2 and 23 of Block 1, Cherry Point Park. Conversations with the owner have not resulted in acquiring the easement. To allow this project to move forward, the city needs to have the utility easement to access the property. In keeping negotiations for the easement moving forward, staff feels it is necessary to negotiate a value for the easement with the property owner. Normally the utility easements are donated by the property owners since it benefits them directly but without a willing seller, the city's other options are to drop the project or acquire the easement through eminent domain. Mr. Schnieder noted eminent domain is an expensive process and is used as a last resort.

Council directed staff to negotiate a reasonable value for compensation for the easement and if that cannot be done to proceed with the eminent domain process.

PROPOSED TEXT AMENDMENT - CHAPTER 151, RENTAL HOUSING ORDINANCE

Mr. Robinson said earlier this year, Council passed an Ordinance making changes to City Code Chapter 150 regulating rental housing standards, inspections, and enforcement. As the City has begun performing inspections again, staff has identified a few changes that are needed.

He said the proposed changes include language requiring smoke/fire detectors, fire extinguishers, carbon monoxide detectors, and minimum density requirements for bedrooms. The City Attorney has also suggested a change to Section D dealing with enforcement of the Ordinance, and Section T regarding the appeals process.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to give a first reading to the proposed 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 - Attended a Childcare Task Force meeting, they have received a \$150,000 grant that can be used for several different options concerning daycare.

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Council Member Cummings - No report.

CITY ADMINISTRATOR REPORT

Mr. Robinson said a zoom meeting was held with the League of MN Cities Insurance adjustors concerning the repairs that will be made to the racquet ball courts at the Center for Active Living. A wrap up meeting will be held with Explore MN on the Governor's Pheasant Hunt. Steve Schnieder and Hyunmyeong Goo will be accepting a 1st ever award from MnDOT for being a Concrete City.

ADJOURNMENT

The motion was made by Council Member Janssen, seconded by Council Member Kolpin and unanimously carried to adjourn the meeting at 8:23 p.m.

Mindy L. Eggers, CMC
City Clerk