

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, DECEMBER 28, 2021**

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, Amy Ernst, Chris Kielblock, Alaina Kolpin. Excused Absence: Larry Janssen.

Staff present: Steve Robinson, City Administrator; Todd Wietzema, Public Works Director; Scott Hain, Public Utilities General Manager; Matt Selof, City Planner; Nate Grimmus, Police Captain; Pat Shorter, Fire Chief; Mindy Eggers, City Clerk.

Others present: Julie Buntjer, The Globe; Ryan McGaughey, Radio Works; Dave Dorpinghaus, Prairie Holdings; Meredith Daley, YMCA Director; Jill Cuperus, Center for Active Living Director.

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.

CONSENT AGENDA

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

- City Council Meeting Minutes of December 13, 2021
- Water & Light Commission Meeting Minutes of December 20, 2021
- Cross Cultural Advisory Committee Meeting Minutes of November 16, 2021
- Heron Lake Watershed District Meeting Minutes of October 8, 2021
- 2022 License Renewals
- Application for Exemption from Lawful Gambling Permit - Worthington Area YMCA
- Municipal Liquor Store Income Statement for the Period January 1, 2021 through November 30, 2021
- Bills payable and totaling \$2,479,013.84 be ordered paid

2022 UTILITY DEPARTMENT STRATEGIC FINANCIAL PLANS APPROVED

Scott Hain, General Manager, Worthington Public Utilities, presented the 2022 Utility Department Strategic Financial Plans for Council review and approval, as required by section 6.04 of the Worthington City Charter. The Water and Light Commission reviewed and approved the 2022 Water Department Strategic Financial Plan at their December 6, 2021 regular meeting. Based on anticipated water sales, the Commission approved water department budget including an increase in the Residential and Commercial water rate from \$3.50/1,000 gallons to \$3.64/1,000 gallons and an increase in the Industrial water rate from \$3.09/1,000 gallons to \$3.21/1,000 gallons. The fixed

monthly meter charge for 5/8" and 3/4" water meters increases from \$8.50 to \$10.00 and fixed monthly meter charges for all other meter sizes will remain the same as they have been since 2018.

The Water and Light Commission approved the 2022 Wastewater Strategic Financial Plan at their regular meeting November 15, 2021, where they also took action to recommend Council adoption of the 2022 sewer rates as established by the Sewer Service Charge System. Council approved that schedule at their November 22, 2021 regular meeting. Mr. Hain said the average (5,000 gallon) residential water user will see an increase of about \$1.99 per month, which is a 5.22% increase.

The 2022 Electric Department Strategic Financial Plan was approved by the Water and Light Commission at their December 6, 2021 regular meeting. There will be no change in the retail rates for 2022. The 2022 Electric budget anticipated a transfer to the City General Fund in the amount of \$758,916, a 3.6% increase from the 2021 budget. The three utility budgets also include an additional \$260,714 payment for auditing and accounting services by the City, this represents a 12.3% increase from the 2021 amount transferred to support these services.

Overall, the three Commissions approved budgets resulting in an estimated increase in monthly cost to an "average" residential customer of \$4.19 for electric, water and wastewater services.

The motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to adopt the 2022 Utility Department Strategic Financial Plans.

RESOLUTION NO. 2021-12-87 ADOPTED TO ACCEPT A DONATION OF FUNDS

Nate Grimmus, Police Captain, said the Police Department was awarded \$1,000 thanks to a Southwest Initiative Foundation grant from a Kern Schwartz endowment. The funds are designated for distribution to members of the public through a Secret Santa Program conducted by WPD Officers. Officers hand out \$100 dollar bills tucked inside Kern's Christmas Cash cards during Christmas season traffic stops and consensual encounters.

Mr. Grimmus said the late Dr. Schwartz was the original donor to the WPD Secret Santa program. Each year he donated money and made a special request to remain anonymous until after his death. His great generosity and support of community policing provided our department with opportunities to make positive civilian contacts and strengthened our Blue in the Community Program. The annual endowment will provide the means to share "Kern's Christmas Cash" and cards for many years to come.

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

RESOLUTION NO. 2021-12-87

A RESOLUTION TO ACCEPT A DONATION OF FUNDS

(Refer to Resolution File for the complete copy of resolution)

APPROVED FIRE AGREEMENT - LORAIN TOWNSHIP

Pat Shorter, Fire Chief, said a fire agreement has been negotiated between Lorain Township and the City of Worthington. Mr. Shorter said the six-year agreement includes annual rates with a 3% increase each year negotiated through December 31, 2027. He said the agreement and working relationship is going well.

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to approve the Lorain Township Fire Service Contract for the period of 2022-2027.

RESOLUTION NO. 2021-12-88 ADOPTED TO ACCEPT A DONATION OF FUNDS

Mr. Shorter said a minivan has been donated by Terry Eggers, Mick's Repair to the Worthington Fire Department for required training purposes that the department must provide to the volunteer firefighters. The value of the minivan is \$1,000.00.

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

RESOLUTION NO. 2021-12-88

A RESOLUTION TO ACCEPT A DONATION OF FUNDS

(Refer to Resolution File for the complete copy of resolution)

2022 YMCA SUMMER FEES APPROVED

Todd Wietzema, Public Works Director, said the Park and Recreation Advisory Board reviewed and approved the proposed 2022 YMCA summer program fees at their November 30th, 2021 meeting.

Meredith Daley, YMCA Director, presented the 2022 Summer Fee Schedule. She said the programs include the YMCA's Fun and Adventure Day Camp and Summer Sports Programs. She said they are proposing a 5% increase to the 2021 Day Camp fees and no increase to the Summer Sports Programs fees.

A motion was made by Council Member Cummings, seconded by Council Member Kieblock and unanimously carried to approve the 2022 YMCA Summer Program Fees as presented.

APPROVED DESIGN PROPOSALS FOR OLSON PARK TRAIL, PEDESTRIANS BRIDGE AND SUNSET PARKING IMPROVEMENTS

Mr. Wietzema said staff has received proposals from Short Elliott Hendrickson Inc. for design and bidding services for the following projects:

- Olson Park Trail improvements
- Olson Park Pedestrian Bridge replacement
- Sunset Park Boat Landing parking lot improvements

He said SEH's proposal for these design and bidding services for the Olson Park Trail Improvements are not to exceed fees of \$27,016.00. The proposed fees for these design and bidding services for the Olson Park Pedestrian Bridge replacement are not to exceed \$36,103.00. The proposal for the Sunset Park Boat Landing and parking lot improvements are not to exceed \$16,684.00. Mr. Wietzema noted these fees do not cover some minor reimbursable expenses.

He explained the funding for the Olson Park Trail improvements, was approved in the 2022 CIP funding. The Olson Park Pedestrian bridge is included in the identified sales tax projects. The Parking Lot improvements will be a combination of different funding sources.

A motion was made by Council Member Kolpin, seconded by Council Member Ernst and unanimously carried to approve the proposals from SEH, Inc., for the Olson Park Trail, Pedestrian Bridge and Sunset Park parking improvements.

RESOLUTION NO. 2021-12-89 ADOPTED ACCEPTING A GRANT FOR THE CITY OF WORTHINGTON - CENTER FOR ACTIVE LIVING

Steve Robinson, City Administrator, said the City of Worthington - Center for Active Living has received a grant for \$142,218 from the Minnesota River Area Agency on Aging. The grant period will run from January 1, 2022 to December 31, 2022.

Jill Cuperus, Center for Active Living Director, highlighted the items that the grant will cover. She said that it is exciting that the entire amount of \$142,218 was received and has been deemed "The Good Life Project". This will allow staff to provide education and technology training with the purchase of laptops, Ipads and partnering with MN West for an instructor. A small portion will be used for health promotions and will aid in the Director's salary. Bicycles, bike helmets, kayaks, paddles, life jackets, a raised garden bed and supplies, a smart board, projector, software and several printers/scanners, and copiers will also be purchased. She said the Center for Active Living will also be able to offer sessions on healthy living with a dietician, history of music with an instructor, along with some translation services. Ms. Cuperus said they are excited to offer the active older adult population these amenities to truly help them live "The Good Life". She noted that membership is continuing to grow which is also very exciting.

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

RESOLUTION NO. 2019-12-89

A RESOLUTION AUTHORIZATION TO ACCEPT MINNESOTA RIVER AREA AGENCY ON AGING GRANT CONTRACT FOR THE CITY OF WORTHINGTON - CENTER FOR ACTIVE LIVING

(Refer to Resolution File for complete copy of Resolution)

BIO SCIENCE INDUSTRIAL PARK ADDITION PARCEL DISTRIBUTION DISCUSSED

Mr. Robinson said Prairie Holdings Group, LLC (PHG) acquired Lots 1-8, Block 3 in the Bio Science Industrial Park from the City in February 2014 for \$359,999.00 on a contract for deed agreement, amortized over twenty years at five percent (5.0%) interest. The agreement stipulated that monthly payments were forgiven as long as PHG complied with terms of the development agreement. The balance remaining on the contract for deed as of November 25, 2021 is \$262,045.91.

Prairie Holdings Group then acquired approximately 4.36 acres along the north boundary of Lots 1-8 in Block 3 in November 2014 for a lump sum of \$43,501.00.

They then acquired a portion of Outlot A in the Bio Science Industrial Park in November 2015 for a lump sum of \$14,636.10. This area is generally restricted by storm water retention and utility easements.

Mr. Robinson said the ownership of Prairie Holdings Group has requested that the parcels noted above be re-platted and transfer Lot 1 of Block 1 to Southwest Real Estate, LLC; Lot 2 of Block 1 to BCRS Real Estate, LLC; Lot 3 of Block 1 to the City of Worthington.

He said that council is requested to consider the following:

- Terminate the existing loan agreement and contract for deed,
- Southwest Real Estate, LLC (PHG Real Estate, LLC) shall convey to the City of Worthington Lots 1-8 of Block 3 and those parts described herein,
- Southwest Real Estate, LLC (PHG Real Estate, LLC) will convey to the City of Worthington the portion of the north boundary of the original lots 7 and 8 of Block 3 that are adjacent to the newly platted Lot 3 of Block 1 via a warranty deed for the price of \$20,314.97,
- Enter into a new loan agreement and contract for deed with Southwest Real Estate, LLC for Lot 1 of Block 1 of the Worthington Bio Science Industrial Park Addition for the purchase price of \$123,772.68 amortized over 12 years and four months at five percent (5.0%) interest. The City agrees to forgive each payment due under the contract for deed on

a monthly basis so long as Southwest Real Estate, LLC abides by the terms of the loan and contract for deed agreements, and

- Enter into a new loan agreement and contract for deed with BCRS Real Estate, LLC for Lot 2 of Block 1 of the Worthington Bio Science Industrial Park Addition for the purchase price of \$62,675.85 amortized over 12 years and 4 months at five percent (5.0%) interest. The City agrees to forgive each payment due under the contract for deed on a monthly basis so long as BCRS Real Estate, LLC abides by the terms of the loan and contract for deed agreements.

Mr. Robinson said all of the documents have been reviewed and approved by the City Attorney.

He also noted that the City has incurred significant expenses in upwards of \$15,000 in doing this but will only be responsible for 1/3 of the total cost.

A motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to terminate the existing loan agreement and contract for deed.

A motion was made by Council Member Kolpin, seconded by Council Member Ernst and unanimously carried that Southwest Real Estate, LLC (PHG Real Estate, LLC) will convey to the City of Worthington Lots 1-8 of Block 3 and those parts described herein.

A motion was made by Council Member Kielblock, seconded by Council Member Ernst and unanimously carried that Southwest Real Estate, LLC (PHG Real Estate, LLC) will convey to the City of Worthington the portion of the north boundary of the original Lots 7 and 8 of Block 3 that are adjacent to the newly platted Lot 3 of Block 1 via a warranty deed for the price of \$20,314.97.

A motion was made Council Member Ernst, seconded by Council Member Cummings to enter into a new loan agreement and contract for deed with Southwest Real Estate, LLC for Lot 1 of Block 1 of the Worthington Bio Science Industrial Park Addition for the purchase price of \$123,772.68 amortized over 12 years and four months at five percent (5.0%) interest. The City agrees to forgive each payment due under the contract for deed on a monthly basis so long as Southwest Real Estate, LLC abides by the terms of the loan and contract for deed agreements.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to enter into a new loan agreement and contract for deed with BCRS Real Estate, LLC for Lot 2 of Block 1 of the Worthington Bio Science Industrial Park Addition for the purchase price of \$62,675.85 amortized over 12 years and four months at five percent (5.0%) interest. The City agrees to forgive each payment due under the contract for deed on a monthly basis so long as BCRS Real Estate, LLC abides by the terms of the loan and contract for deed agreements.

COVID-19 VACCINATION, TESTING AND FACE COVERING POLICY APPROVED

Mr. Robinson said the OSHA COVID-19 Emergency Temporary Standard (ETS) on vaccination and

testing requires employers with 100 or more employees to establish, implement, and enforce a written policy allowing any employee to either choose to be fully vaccinated against COVID-19 or provide proof of regular testing for COVID-19 and wear a face mask in lieu of vaccination. He explained the city has been advised that Minnesota OSHA is preparing to adopt the ETS as soon as January 3, 2022.

He said a policy has been prepared by staff and Council should consider establishing and approving a policy regarding payment or reimbursement for testing for employees that choose to not get vaccinated for personal, religious or medical reasons.

Mr. Robinson said at this point staff does not know how many employees it will affect and it is unknown at this time how testing will be done and who will be paying for the testing. The city has received a quote from one organization that would do everything for \$29.00 per test, per employee, per week. If staff would do it, it could be as low as \$10.00 but the testing, tracking and reporting could be a full-time position. Unvaccinated staff will also be required to wear a mask if not alone in their office.

He said the Supreme Court will hear the case on January 7th and is hopeful they will throw it out and then we will not have to plan for it but the City needs to be prepared if it's upheld.

Council Member Kielblock said he understands staff wanting to be prepared but opposes the policy. Council Member Cummings said he also doesn't support the policy that requires people to give up personal health information and at this point there are too many details that are unknown.

A motion was made by Council Member Ernst, seconded by Council Member Kolpin to adopt the COVID-19 Vaccination, Testing and Face Covering Policy. Those voting in favor of the motion: Ernst and Kolpin, those voting against the same motion were Cummings and Kielblock. Mayor Kuhle broke the tie vote. Motion passed 3-2.

INTERNATIONAL UNION OF OPERATING ENGINEERS (I.U.O.E.) LOCAL #49, CONTRACT

Mr. Robinson said the current contract with I.U.O.E. Local #49, which represents non-salaried employees in the Water, Wastewater, Public Works departments and the Engineering Technicians expire on December 31, 2021.

The City and WPU administrative staff participated in three in-person negotiating sessions with I.U.O.E. representatives and have reached a tentative agreement for a three-year contract with a 3.50% cost-of-living adjustment effective January 1, 2022, a 3.50% cost-of-living adjustment effective January 1, 2023, a 3.50% cost-of-living adjustment effective January 1, 2024.

Mr. Robinson explained the only other change to the current agreement with IUOE Local 49 is an adjustment in stand-by duty compensation. Employees on stand-by duty currently receive 10-1/2 hours of pay at the regular rate for each week that they are assigned to such duty. The proposed agreement increases stand-by compensation to 14 hours of pay at their regular rate for each week assigned to stand-by duty. This change affects only those employees subject to stand-by duty in the Water and Waste Water Departments.

Union membership met on December 22, 2021 and voted to approve the agreement. The terms of the agreement have been presented to the Compensation Committee.

A motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to approve the terms of the 2022 - 2024 agreements with IUOE #49 contingent upon approval by the Water and Light Commission.

PROPOSED CHANGES TO MUNICIPAL PARKING LOT BETWEEN PARK LANE AND 11TH STREET (THOMPSON LOT)

Matt Selof, City Planner, said the redevelopment of the Hotel Thompson into 42 rentable units has resulted in ongoing parking issues and complaints. The current breakdown of stalls in the municipal lot located between Park Lane and 11th Street is as follows:

- 25 stalls leased to individuals residing in the Thompson apartments.
- 5 stalls in the same block leased to businesses and others.
- 9 stalls along the south side of the dentists' office leased to the dentists' office/others.
- 15 stalls designated as two-hour parking.

Mr. Selof said staff is proposing to switch 10 of the two-hour stalls to leased stalls which would allow for an additional 10 parking spots for Thompson residents. The hope is that this will alleviate some of the ongoing issues.

Todd Wietzema, Public Works Director, said that the Thompson Apartments would be responsible for the snow removal in the leased spots and the City would continue to remove snow from the designated two-hour stalls and the parking lanes. He said there will be sign changes and additional signs for the additional leased stalls that will cost approximately \$1,500.00.

A motion was made by Council Member Kielblock, seconded by Council Member Ernst and unanimously carried to approve the proposed changes to the Municipal Parking Lot between Park Lane and 11th Street (Thompson Lot).

COUNCIL COMMITTEE REPORTS

1. Mayor Kuhle - No report.
2. Council Member Janssen - No report.
3. Council Member Ernst - No report.
4. Council Member Kielblock - Attended a Traffic & Safety meeting, reminded people to have a designated drive for New Year's Eve.
5. Council Member Kolpin - No report.
6. Council Member Cummings - No report.

CITY ADMINISTRATOR REPORT

Mr. Robinson said he attended a Southwest Initiative Fund meeting. They are incorporating a Main

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Street Revitalization Program. The program has not been totally defined but the funds will be used for building improvements in downtown, Oxford Street and North Humiston Avenue. The grants can be up to 30% of the project cost with the threshold capped at \$25,000.00. The program will be rolled out sometime this spring.

Thanked Council for allowing City Hall to close for the funeral of employee Nick Harberts this afternoon.

ADJOURNMENT

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to adjourn the meeting at 8:16 p.m.

Mindy L. Eggers. MCMC
City Clerk