

**WORTHINGTON CITY COUNCIL
REGULAR MEETING
FEBRUARY 26, 2024**

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, Amy Ernst, Alaina Kolpin, Larry Janssen and Chris Kielblock.

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

Others Present: Stewart Chisham, The Globe; Nate Grimmus.

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

- City Council Meeting Minutes of February 12, 2024
- Water & Light Commission Meeting Minutes of February 20, 2024
- YMCA Board of Directors Meeting Minutes of January 29, 2024
- LEC Joint Powers Board Meeting Minutes of January 18, 2024
- Application for Exemption from Lawful Gambling Permit - Worthington Okabena Windsurfers
Date & Location of Event: June 8, 2024
Sailboard Beach, Lake Okabena
- Application to Conduct Off-Site Gambling - Worthington Hockey Association
Date & Location of Event: March 14, 2024 - March 16, 2024
Worthington Ice Arena
1600 Stower Drive
- Application for Premises Permit - Worthington Hockey Association
Location of Premises: Voak Janssen 3958 (VFW)
1117 Second Avenue
- Application for Temporary On-Sale Liquor License - Avera Medical Group
Worthington
Date & Location of Event: March 23, 2024
MN West College
1450 Collegeway

- Bills Payable Totaling \$4,556,278.03

RESOLUTION NO. 2024-02-19 CALLING FOR A PUBLIC HEARING ON AN ISSUE OF REVENUE BONDS ON BEHALF OF AVERA HEALTH

Steve Robinson said the the South Dakota Health and Educational Facilities Authority (the "South Dakota Authority"), on behalf of Avera Health, a South Dakota nonprofit corporation, and Avera McKennan, a South Dakota nonprofit corporation (together, the "Borrowers"), previously issued the South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2012A (Avera Health Issue) (the "Series 2012A Bonds"), which financed the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Borrowers, including, but not limited to, the costs of acquiring, constructing, remodeling, renovating and equipping an approximately three-story, approximately 60,000 square foot health care facility, located at 1216 Ryan's Road in Worthington, Minnesota (the "City").

In 2019, the South Dakota Authority on behalf of the Borrowers, issued the South Dakota Health and Educational Facilities Authority Taxable Revenue Bonds, Series 2019B (Avera Health) (the "Series 2019B Bonds"), which refinanced the outstanding Series 2012A Bonds. The South Dakota Authority, on behalf of the Borrowers, expects to issue a series of bonds (the "Series 2024 Bonds"), proceeds of which will be used by the Borrowers to purchase and refinance existing debt of the Borrowers, including the Series 2019B Bonds, which refinanced the Series 2012A Bonds.

Since the debt to be refinanced with proceeds of the Series 2024 Bonds originally financed projects located in the City, Section 147(f) of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, requires that, prior to the issuance of the Series 2024 Bonds, this Council approve the use of proceeds of the Series 2024 Bonds, after conducting a public hearing thereon.

He explained representatives of the Borrowers have requested the City to schedule a public hearing on this matter for 5:30 P.M., March 25, 2024, in the Council Chambers of City Hall. While the City has no financial liability with respect to the Series 2024 Bonds, the public hearing is intended to provide the public with the opportunity to voice their support or opposition to the issuance of the Series 2024 Bonds, which are to be issued by the South Dakota Authority.

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

RESOLUTION NO. 2024-02-19

A RESOLUTION CALLING FOR A PUBLIC HEARING ON AN ISSUE OF REVENUE BONDS ON BEHALF OF AVERA HEALTH

(Refer to Resolution File for complete copy of Resolution)

APPROVED ADOPTION OF CITY OF WORTHINGTON SOCIAL MEDIA POLICY

Mr. Robinson said social networking in government serves two primary functions: to communicate and deliver messages directly to citizens and to encourage citizen involvement, interaction, and feedback in more places and more ways than were traditionally available. Information which is distributed via social networking must be accurate, consistent, and timely and meet the information needs of the City's intended audience.

Social media is used for social networking and the proposed policy seeks to ensure proper administration of the City of Worthington's social media sites by its representatives.

The motion was made by Council Member Ernst. Second by Council Member Kolpin and unanimously carried to adopt the attached social media policy.

PROFESSIONAL SERVICES AGREEMENT - ICE ARENA PROGRAMMING AND FEASIBILITY STUDY APPROVED

Mr. Robinson said the City has participated in discussions surrounding the development of a new ice arena with members of the community and public organizations for several years. These discussions have failed to produce traction, in part, due to the lack of one entity stepping forward to assume leadership of the project. Staff is recommending that the City take on the leadership role while working closely with other partners who will provide insight, advice and financial participation.

Staff is recommending the construction of a new facility on City-owned property while also owned, operated and managed by the City. Guidance by a professional experienced designer will be needed to initiate the project through the programming, feasibility, concept and cost estimating phases. A small group will be established to work with the architects and engineers through this initial phase. Representatives of other stakeholder groups will be invited to share their knowledge and vision.

Staff recommends retaining HTG Architects of Hopkins, MN as HTG has designed new and renovated ice arenas throughout the country and has significant experience in Minnesota with projects in Prior Lake, Vadnais Heights, Rosemount, Minnetonka, Breezy Point, Orono and Waconia.

The proposed scope of work would include:

- Programming and space needs,
- Developing site plans and floor plans with 3-D interior images,
- Preparing exterior elevations with 3D exterior images,
- Preparing cost estimates, and
- Establishing the project schedule.

The fee to perform this phase of work is a lump sum of \$15,600.00 plus expenses.

The motion was made by Council Member Ernst, seconded by Council Member Kolpin to use local option sales tax revenue to fund this phase of the project. Council Member Ernst then amended the motion to use ARPA funds to fund the project which was seconded by Council Member Kolpin and unanimously carried.

APPROVED PROFESSIONAL SERVICES WORK ORDER TO REPLACE ROOF AND HEATING UNIT ON THE TERMINAL BUILDING AT THE WORTHINGTON MUNICIPAL AIRPORT

Todd Wietzema, Public Works Director, said City Council approved a master services agreement with the firm of Bolton and Menk on May 13, 2019 for identified airport projects that are initiated within five years of the above date. 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.

BMI is proposing a Work Order No. 6, to replace the roof and heating unit on the Airport Terminal building. The primary scope of work for this proposal will be project administration services.

Bolton and Menk's proposed fee for their services shall be completed on a lump sum basis of \$20,000.00. The cost breakdown will be as follows:

- FAA share 56.90% \$11,380.00
- State Share 28.91% \$5,782.00
- City Share 14.19% \$2,838.00

The motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to approve Bolton and Menks Work Order No. 6 and authorize the Mayor and City Clerk to sign the Agreement.

SEH PROFESSIONAL SERVICES PROPOSAL APPROVED

Mr. Wietzema said the Worthington Municipal Airport receives annual Federal AIP funding in the amount of \$150,000.00 per year, that is to be used for airport improvement projects. Staff has identified the Airport Terminal Roof and HVAC unit replacement to be a federal funded project for 2024.

Airport staff has asked Brian Bergstrom, Short Elliott Hendrickson, Inc, to do design work for the roof and HVAC unit replacement. The proposal for the design and construction services calls for

a lump sum fee of \$15,800.00 plus reimbursable expenses estimated to be \$500. The proposal has been submitted to the FAA for review and the cost breakdown is as follows:

- FAA share 56.90% \$9,274.70
- State share 28.91% \$4,712.33
- Local share 14.19% \$2,312.97

A motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to approve the SEH proposal for design services.

RESOLUTION NO. 2024-02-20 APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS - THIRD AND FOURTH AVENUE STREET AND UTILITY IMPROVEMENT

Hyunmyeong Goo, City Engineer, said staff has prepared plans and specifications for the Third and Fourth Avenue Utility Improvement Reconstruction project. Mr. Goo noted the project was presented and approved at the December 11th, 2023, improvement hearing.

It is proposed to advertise for bids that will be received on March 27, 2024, at 2:00 p.m. and considered for award at the April 08, 2024, City Council meeting.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the plans and specifications and authorize advertisement for bids for Third and Fourth Avenue Street and Utility Improvement and adopt the following resolution:

RESOLUTION NO. 2024-02-20

A RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2024-02-21 RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENTS BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

Mr. Goo said federal tax regulations require local governments declare the intent to reimburse themselves for prior costs incurred in making public improvements with proceeds from bonds. The City must state the intent to sell bonds for a project after significant costs have already been incurred for the project. It is typical for the City to temporarily finance improvements with construction fund reserves until an adequate amount of cost from various projects have been incurred to warrant the issuance of a bond. Mr. Goo noted the maximum amount listed in the resolution is approximately 10% higher than the project estimate presented for the projects ordered by Council.

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

RESOLUTION NO. 2024-02-21

A RESOLUTION RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENTS BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

(Refer to Resolution File for complete copy of Resolution)

COUNCIL COMMITTEE REPORTS

Mayor Von Holdt - No report.

Council Member Janssen - No report.

Council Member Ernst - Reminded everyone about the second Cultural Competency Training will be held March 14, 2024.

Council Member Kielblock - No report.

Council Member Kolpin - No report.

Council Member Cummings - No report.

CITY ADMINISTRATOR REPORT

Mr. Robinson reminded Council about the Coalition Legislative Action Day at the Capital on March 20th.

ADJOURNMENT

The motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 5:51 p.m.

Mindy L. Eggers, MCMC
City Clerk