

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING  
JUNE 12, 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, Larry Janssen, Alaina Kolpin, Amy Ernst.

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

Others Present: Ryan McGaughey, Radio Works; Julie Buntjer, The Globe; Loreena Lutgers, Paulette Sjogren, Maynard Townswick, Jeanene Townswick, Michelle Ebbers.

The Pledge of Allegiance was recited.

**AGENDA APPROVED WITH ADDITIONS/CHANGES**

The Mayor stated additions *H.5. Approve a Declaration or intent to Reimburse Itself from Bond Funds for Shell Street Improvement, G. 11. Authorization to Advertise for Quotes for Demolition and Site Restoration of the former Lakeshore Gas Station, and Additional Bills Payable* would be added to the agenda.

A motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to approve the agenda with the noted additions.

**CONSENT AGENDA**

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

- Special City Council Meeting Minutes of May 30, 2023
- Special City Council Meeting Minutes of May 24, 2023
- Regular City Council Meeting Minutes of May 22, 2023
- LEC Joint Powers Board Meeting Minutes of June 1, 2023
- Public Arts Commission Meeting Minutes of May 9, 2023
- Board of Review Meeting minutes of May 4, 2023
- Convention & Visitors Bureau Meeting Minutes of April 26, 2023
- Housing & Redevelopment Authority Meeting Minutes of April 26, 2023
- Dock Permit
- Application for Temporary On-Sale Liquor License - Lake Okabena Improvement Association
- Amendment to Application to Block Street(s) - Worthington International Festival/Cultural Awareness Organization

- Application for Parade Permit to Block Street(s) - Spirit of Worthington Trojan Marching Band
- 2023-2024 On-Sale Liquor, Wine, Club and Sunday On-Sale License Renewals
- Bills Payable Totaling \$3,967,888.77

**RESOLUTION NO. 2023-06-18 ADOPTED ACCEPTING A DONATION OF PERSONAL PROPERTY**

Todd Wietzema, Public Works Director, said the Worthington Early Risers Kiwanis group started fundraising campaign for a new dock in Chautauqua Park.

He said this new all-inclusive dock idea was presented to the Park and Recreation Advisory Committee and was unanimously approved at their November 3rd, 2022, meeting. The Early Riser Kiwanis group has reached their goal and presented a check to the City in the amount of \$41,237.00, to be used for the purchase of a new handicap accessible floating dock.

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

RESOLUTION NO. 2023-06-18

A RESOLUTION ACCEPTING SA DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete cop of Resolution)

**RESOLUTION NO. 2023-06-19 ADOPTED ACCEPTING A DONATION OF FUNDS**

Troy Appel, Public Safety Director, said Scott Langerud of American Family Insurance generously donated \$200 to the Worthington Police Department. The donation will be placed in Police Program Reserves and will be utilized to enhance police officer and youth interactions during Blue in the Community events such as Night to Unite.

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

RESOLUTION NO. 2023-06-19

A RESOLUTION ACCEPTING A DONATION OF FUNDS

(Refer to Resolution File for complete cop of Resolution)

**RELEASE OF HOSPITAL IMPACT FUNDS DESIGNATED FOR LABORATORY SPACE AT THE BIOSCIENCE TRAINING CENTER APPROVED**

Steve Robinson, City Administrator, said after the sale of the City-owned Worthington Regional Hospital in 2008, the City Council committed funds to various projects identified as either "Impact" (non-refundable) or "Legacy" (refundable). One of the projects funded was the build-out of a laboratory in the unfinished space at the Bio Science Training Center. City Council committed \$220,000 of Hospital Impact Funds to this improvement.

Mr. Robinson said Cambridge Technologies recently completed the laboratory project for their Research, Development and Diagnostics operations. They have invested over \$900,000 and employ twelve full-time employees and two interns in this department.

Wayne Freese, CEO Cambridge Technologies, said the company has completed all of the work in the laboratory. The company currently makes custom cattle and swine vaccines and has plans for poultry in the works. Mr. Freese explained the quality control department is located at 508 Oxford Street and the production operations are currently in Sioux Center, IA. Mr. Freese thanked Council for the funds to complete the project.

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to release the committed funds to Cambridge Technologies and authorize the Finance Department to issue payment of \$220,000.00.

**THIRD READING AND ORDINANCE NO. 1197 TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "I" (MAJOR INSTITUTION DISTRICT) TO "R-1" (SINGLE FAMILY DETACHED RESIDENTIAL DISTRICT) - 1477 KNOLLWOOD DRIVE**

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance to Amend Worthington City Code Title XV, to Rezone Property from "I" (Major Institution District) to "R-1" (Single Family Detached Residential District).

A complete copy of the ordinance was provided in your May 8, 2023 Council Agenda.

A motion was made by Council Member Kielblock, seconded by Council Member Janssen and unanimously carried to give a third reading and subsequently adopt the following ordinance:

**ORDINANCE NO. 1197**

**AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "I" (MAJOR INSTITUTION DISTRICT) TO "R-1" (SINGLE FAMILY DETACHED RESIDENTIAL DISTRICT) - 1477 KNOLLWOOD DRIVE**

(Refer to Ordinance File for complete copy of Ordinance)

**THIRD READING AND ORDINANCE NO. 1198 TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "TZ" (TRANSITION ZONE DISTRICT) TO "B-3" (GENERAL BUSINESS DISTRICT) - 1530 AIRPORT ROAD**

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance to Amend Worthington City Code Title XV, to Rezone Property from "TZ" (Transition Zone District) to "B-3" (General Business District).

A complete copy of the ordinance was provided in your May 8, 2023 Council Agenda.

A motion was made by Council Member Ernst, seconded by Council Member Kielblock and unanimously carried to give a third reading and subsequently adopt the following ordinance:

ORDINANCE NO. 1198

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "TZ" (TRANSITION ZONE DISTRICT) TO "B-3" (GENERAL BUSINESS DISTRICT) - 1530 AIRPORT ROAD

(Refer to Ordinance File for complete copy of Ordinance)

**THIRD READING AND ORDINANCE NO. 1199 TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "R-2" (SINGLE FAMILY, LOW DENSITY RESIDENTIAL DISTRICT) TO "R-4" (MEDIUM DENSITY RESIDENTIAL DISTRICT) - CECILEE STREET ADDITION**

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance to Amend Worthington City Code Title XV, to Rezone Property from "R-2" (Single Family, Low Density Residential District) to "R-4" (Medium Density Residential District)

A complete copy of the ordinance was provided in your May 8, 2023 Council Agenda.

A motion was made by Council Member Cummings, seconded by Council Member Kolpin and unanimously carried to give a third reading and subsequently adopt the following ordinance:

ORDINANCE NO. 1199

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "R-2" (SINGLE FAMILY, LOW DENSITY RESIDENTIAL DISTRICT) TO "R-4" (MEDIUM DENSITY RESIDENTIAL DISTRICT) - CECILEE STREET ADDITION

**APPROVED DESIGNATION OF OFFICIAL CITY REPRESENTATIVE TO CUERO, TEXAS FOR 2023 TURKEY FEST AND AUTHORIZATION FOR REIMBURSEMENT OF EXPENSES**

Mr. Robinson said TurkeyFest is scheduled for October 13 -15, 2023. Under Section 4.17 of the Worthington City Charter Historical Partnerships, provides that “Council may authorize expenditures for one or more designated City officials to serve as official City of Worthington representatives to Crailsheim Germany, Cuero, Texas, and such other destinations that have a historical partnership/significance to the City.” Mayor Mike Kuhle represented the City of Worthington in Cuero in 2022.

A motion was made by Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to designate Mayor Rick Von Holdt as the official representative to Cuero, TX in October for the TurkeyFest celebration.

**RESOLUTION NO. 2023-06-20 ADOPTED INDICATING THE CITY OF WORTHINGTON’S INTENT TO PARTICIPATE IN A ROADWAY JURISDICTION TRANSFER TURNBACK AGREEMENT ON TRUNK HIGHWAY (T.H.) 59 IN CONJUNCTION WITH STATE PROJECT (S.P.) 5304-41**

Mr. Robinson said representatives of the Minnesota Department of Transportation District 7 (MnDOT) have proposed transferring jurisdiction of T.H. 59 from Interstate 90 to Oxford Street (North Humiston Avenue), and, from Humiston Avenue to Trunk Highway 60 (east Oxford Street) to the City of Worthington. The turnback would occur after completion of reconstruction of the segment of the roadway currently scheduled for 2027.

Studies have indicated the roadway is used primarily by local traffic and therefore is better suited to the City roadway system from both design and maintenance perspectives.

Four roadway segment designs are being considered with refinement and selection of the recommended segment will be presented to the City Council following public engagement events and further consultation with city council and staff. Mr. Robinson said the majority of the total project cost will be borne by MnDOT with the City funding an estimated share of 2% to 4%.

Mr. Robinson said Council is being asked to approve the resolution confirming their intent to enter into a Turnback Agreement. However, it is noted that Council will consider and act on the negotiated Turnback Agreement at a later date.

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

RESOLUTION NO. 202306-20

A RESOLUTION INDICATING THE CITY OF WORTHINGTON'S INTENT TO PARTICIPATE IN A ROADWAY JURISDICTION TRANSFER TURNBACK AGREEMENT ON TRUNK HIGHWAY (T.H.) 59 IN CONJUNCTION WITH STATE PROJECT (S.P.) 5304-41

(Refer to Resolution File for complete cop of Resolution)

**AMENDMENTS TO THE LIQUOR STORE MANAGER, ASSISTANT MANAGER AND RETAIL CLERK SUPERVISOR POSITION GUIDELINES**

Mr. Robinson said at this time the Retail Supervisor Position guidelines are not being reviewed. He explained periodically Administration and Human Resources review the position guidelines and update the essential duties, responsibilities and qualifications as needed. The position guidelines for the Liquor Store Manager and Assistant Manager positions have been reviewed and the revisions that were made do not result in changes to the respective salary grades or current wages in accordance with the City's Compensation Plan at this time.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the amendments to the Liquor Store Manager and Assistant Manager position guidelines.

**APPROVED THE DEVELOPMENT AND CONSTRUCTION OF AN IMPOUND VEHICLE STORAGE FACILITY AT THE PRAIRIE JUSTICE CENTER**

The Law Enforcement Center's Joint Operations Committee has been considering development of an impounded vehicle storage building since 2007. The intent of this project which includes both a building and fenced area is two-fold: store some impounded vehicles in a secure building and to place other vehicles inside a fenced area for both security and visibility. Cost of the project will be shared equally by the City and Nobles County.

The project includes a 60-foot x 120-foot building and approximately 1000-feet of 7-foot high chain link fencing with two cantilever rolling gates, enclosing an area approximately 200-feet x 300-feet.

The estimated cost of the project is \$343,421.

Improvements at the Prairie Justice Center are allocated to the City based on the space usage agreement. The City's financial responsibility is 15.97% on facility-wide improvements (roof replacement, HVAC, etc.) and 50.00% on improvements to areas jointly used by the City's Police department and the County's Sheriff department. Projects are funded by the County and the City levies \$197,500 annually toward the balance owed to Nobles County. This levy amount has been in place since 2002. Exhibit 5 is the spreadsheet with the current improvements, cost share and remaining principal balance.

The Joint Operations Committee forwards the recommendation to the City Council to approve the

project and funding.

Council action is requested to approve the project contingent upon approval by the Nobles County Board.

**MINNESOTA DEPARTMENT OF REVENUE'S REVISED LOCAL OPTION SALES TAX APPROVED**

Mr. Robinson said the Minnesota Department of Revenue has revised the Local Option Sales Tax Agreement between the City and the Department of Revenue. He explained the Department of Revenue currently makes two transmittals of sales tax receipts to the City for each month. The first transmittal is approximately five business days after month end. The second transmittal is approximately 40 days after month end. The second transmittal includes a deduction of a fee for administering, collecting and enforcing the Worthington sales tax.

Starting January 1, 2024, the Department of Revenue will transmit the taxes reported for that month in one monthly payment. The transmittal will be sent approximately 40 days after month end. The Department will retain a fixed fee of 1.35% for administering collecting and enforcing the Worthington taxes.

The motion was made by Council Member Ernst, seconded by Council Member Kielblock and unanimously carried to approve the new Minnesota Department of Revenue's revised Local Option Sales Tax agreement.

**RESOLUTION NO. 2023-06-21 ADOPTED ESTABLISHING JUNETEENTH AS A CITY HOLIDAY**

Mr. Robinson said the Minnesota House and Senate passed bills early in the 2023 Legislative session declaring June 19 as a State holiday which commemorates the end of slavery in the United States. It was signed into law by Governor Walz on February 3, 2023 to become effective on August 1, 2023. However, provision contained in the state and local omnibus bill (HF 1830) changed the date to make the new holiday effective before June 19, 2023. As a recognition of this holiday, no public business can be conducted on June 19, 2023. The City also received a notice from the League of Minnesota Cities clarified that the provision stipulates that it will be deemed a city holiday and only essential staff will work on that day.

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

RESOLUTION NO. 2023-06-21

A RESOLUTION ESTABLISHING JUNETEENTH AS A CITY HOLIDAY

(Refer to Resolution File for complete cop of Resolution)

**AUTHORIZATION TO ADVERTISE FOR QUOTES FOR DEMOLITION AND SITE RESTORATION OF THE FORMER LAKESHORE GAS STATION**

Mr. Robinson said staff received approval from the Minnesota Pollution Control Agency to proceed with demolition and site restoration of the former Lakeshore Gas Station property.

Advertisement for quotes will be published on June 21, 2023. The deadline to submit a quote is 2:00 p.m. on July 12. Council will review the quotes and consider approval at the July 24, 2023 meeting.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to authorize staff to advertise for demolition quotes.

**SET PUBLIC MEETING FOR REVIEW OF STORM WATER POLLUTION PREVENTION PLAN**

Steve Schnieder, City Engineer, said the City of Worthington is a regulated city under Phase II of the federal program to reduce pollution from Municipal Separate Storm Sewer Systems (MS4s). Regulated cities need to be covered under a statewide NPDES permit. The permit requirements include implementation of a Storm Water Pollution Prevention Plan (SWPPP) which is to include the following six mandatory minimum control measures:

Public Education and Outreach  
Public Involvement and Participation  
Illicit Discharge Detection and Elimination  
Construction Site Storm Water Runoff Control  
Post-Construction Storm Water Management  
Pollution Prevention / Good Housekeeping for Municipal Operations

Another requirement is for the City to conduct an annual public meeting to allow comment on the City's SWPPP. A public meeting needs to be set for the regular Council meeting of July 24, 2023. A public notice needs to be published not less than 30 days in advance of the public meeting.

A motion was made by Council Member Cummings, seconded by Council Member Kielblock and unanimously carried to set the public meeting for Monday, July 24, 2023 to review the Storm Water Pollution Prevention Plan.

**RESOLUTION NO. 2023-06-22 ADOPTED APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BID FOR SHELL STREET RECONSTRUCTION**

Mr. Schnieder said staff has prepared the plans and specifications for the improvement of Shell Street. He explained the project will include the removal of the surface and base, replacement of the water main and sanitary sewer services, and construction of a drainable base and concrete pavement.



The starting date will be July 24, 2023 with an anticipated substantial completion date of October 13, 2023.

A motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to adopt the following resolution noting the bid opening will take place on Friday, July 7<sup>th</sup> at 2:00 p.m.

RESOLUTION NO. 2023-06-22

A RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING  
ADVERTISEMENT FOR BID FOR SHELL STREET RECONSTRUCTION

(Refer to Resolution File for complete cop of Resolution)

**AWARDED THE CONTRACT FOR 2023 MILL AND OVERLAY WORK ON LAKE  
STREET, NOBLES STREET AND BANTOM PLACE**

Mr. Schnieder said bids were opened for the mill and overlay of Lake Street from Second Avenue to Third Avenue, Nobles Street from East Avenue to Union Pacific Railroad and Bantom Place from Miles Drive to the North Termini on Wednesday, May 31<sup>st</sup>. The following two bids were received:

Duininck, Inc. \$245,602.25  
Minnesota Paving Materials \$302,255.75

The estimated cost for the project was \$259,151.00.

The motion was made by Council Member Kielblock, seconded by Council Member Janssen and unanimously carried to award the contract to Duininck, Inc., the lowest bidder for the amount of \$245,602.25.

**APPROVED TASK ORDER NUMBER 21 WITH BOLTON AND MENK TO PROVIDE  
PRELIMINARY ENGINEERING SERVICE**

Mr. Schnieder said a Federal Transportation Alternative grant in the amount of \$592,000 has been approved for the construction of the East Lake Okabena Trail that will be located between Second Avenue at Lake Street and Trunk Highway 60. The total project cost is estimated to be \$885,000 with the project proposed for construction in 2027. Task Order 21, provides engineering services for the project development including right of way acquisition, project design, permitting and environmental review. The cost is not to exceed \$127,500. Mr. Schnieder explained since federally funded projects have additional requirements that need to be met, starting the design process as soon as possible is essential for getting the project ready in time. The project could start earlier if the federal documentation and right of way acquisition can be completed ahead of schedule.

A motion was made by Council Member Kolpin, seconded by Council Member Ersnt and unanimously approved to approve Task Order Number 21 with Bolton and Menk, Inc.

**RESOLUTION NO. 2023-06-23 ADOPTED RELATING TO FINANCE OF CERTAIN PUBLIC IMPROVEMENTS BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE**

Mr. Schnieder explained Income Tax regulations dealing with bonds requires the City to pass a resolution declaring the intent to reimburse itself from bond proceeds. This in regard to the Cities share of the Shell Street Improvement Project.

A motion was made by Council Member Janssen, seconded by Council Member Kielblock and unanimously carried to adopt the following resolution:  
RESOLUTION NO. 2023-06-23

A RESOLUTION RELATING TO FINANCE 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 cop of Resolution)

**WORKFORCE HOUSING APPLICATION - GIRMANESH TESFEY GEBREYESUS AND TILAHUN LEGESSE G MEDHIN APPROVED**

Matt Selof, Community Development Director, said Girmanesh T Gebreyesus and Tilahun L G Medhin have 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 2218 Eleanor Street. 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.

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

Mr. Selof explained 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, if the applicant would 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 meet the eligibility criteria and are eligible for the forgivable loan.

The motion was made by Council Member Ernst, seconded by Council Member Kolpin and unanimously carried to take the funds out of the TIF spending plan.

A motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to approve the five-year forgivable loan in the amount of \$24,701.19 with an interest rate of 5%.

### **COMPREHENSIVE PLANNING PROJECT UPDATE**

Mr. Selof gave a short update on the Comprehensive Planning Project. A Steering Committee meeting was held on June 7<sup>th</sup>, there was good discussion and ideas on moving forward along with the review of survey questions and banding of the plan. There will be an upcoming open house held and staff also had a booth at the Regatta over the weekend to receive public input.

### **COUNCIL COMMITTEE REPORTS**

Mayor Von Holdt - Said he will be an MC at the City Band concert.

Council Member Janssen - No report.

Council Member Ernst - No report.

Council Member Kielblock - Attended the Steering Committee on the Comprehensive Plan, had great discussion and comments.

Council Member Kolpin - Said the YMCA CEO position has been posted.

Council Member Cummings - Congratulations to the Regatta Committee and the Water World staff. A Lake Okabena Association meeting will be held on Wednesday at Slater Park.

### **CITY ADMINISTRATOR REPORT**

Mr. Robinson said the second food truck Friday will take place on June 23<sup>rd</sup>. A new Assistant City Engineer has been hired and is slated to start on July 17, 2023.

### **ADJOURNMENT**

The motion was made by Council Member Kielblock, seconded by Council Member Kolpin and unanimously carried to adjourn the meeting at 6:51 p.m.

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Mindy L. Eggers, MCMC  
City Clerk