

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, AUGUST 10, 2020**

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, Alan Oberloh, Mike Harmon, Larry Janssen.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Assistant City Administrator/ Director of Economic Development; Jeff Faragher, Acting Director of Engineering; Mindy Eggers, City Clerk.

Others present: Ryan McGaughey, The Globe; Joel Jenkins, Lyle Vos, Chris Kielblock, Andy Johnson, Jayne Johnson, Randy Thompson, Steve Johnson, Tom Johnson.

The Pledge of Allegiance was recited.

AGENDA CLOSED / APPROVED

Mayor Kuhle noted that Item *F. 1. Worthington Small Business Assistance Grant Program* will be moved to F.2. and *F.2. Adopt a Resolution Accepting Donation* will be moved to F.1. There will also be an addition of *F.4 A Field house Construction Discussion Relating to COVID-19*. He notes the Council meeting will also recess after Item F.2. to go into a Economic Development Authority meeting and then reconvene. A motion was made by Council Member Janssen, seconded by Council Member Ernst and unanimously carried to approve the changes and addition as noted to the agenda.

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting of July 27, 2020
- Special City Council Minutes of July 23, 2020
- Memorial Auditorium Advisory Board Minutes July 8, 2020
- 2020 Private Dock Application
- Bills payable and totaling \$3,693,283.86 be ordered paid

PUBLIC HEARING - RESOLUTION NO. 2020-08-49 ADOPTED ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS AND RESOLUTION NO. 2020-08-50 ADOPTED RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENT BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

Pursuant to published notice this was the time and date set for a public hearing on the Cherrywood Addition Storm Improvement.

A motion was made by Council Member Janssen, seconded by Council Member Oberloh and unanimously carried to open the hearing.

Travis Winter, Bolton & Menk, stated that the Cherrywood Addition Storm Sewer Improvement as proposed in the project feasibility report consists of an urban drainage system including a bioretention pond for treatment for the area to be developed. The storm sewer improvement includes elements that need to be sized larger to accommodate flows from upstream (generally south) of the proposed development and is therefore not required to be developer installed.

A summary of the improvement costs and total estimated assessments for the project is provided below:

Public Rights-of-Way	\$18,337.69
Above Rate Limit and Non-Assessable Subdistricts	\$145,069.88
Rounding Adjustment	<u>-\$0.01</u>
Total City Share of Non-Assessable Cost	\$163,407.56
City Share of Assessable Costs	<u>\$0.00</u>
Total City Share	\$163,407.56 (72.7%)
Assessments Receivable	<u>\$61,292.44 (27.3%)</u>
TOTAL COST	\$224,700.00

Mr. Winter noted the maximum amount that may be bonded as stated in the resolution is approximately 10% more than listed in the report.

Mayor Kuhle asked if there was anyone who wished to present testimony. Joel Jenkins, Haack Acres, LLC read a letter that addressed the consideration Haack Acres, LLC has given to developing the property themselves or selling the land to others who would develop and expedite the growth of the property. The concern of Haack Acres, LLC is the significant financial burden of the proposed special assessments. Mr. Jenkins acknowledged they will ultimately need the drainage improvements, but at this time they will not benefit from the agricultural land use category they are currently in. Mr. Jenkins said considering the current prices associated with corn and soybean and the annual tax burden adding the proposed assessments would add a financial burden and challenge to Haack Acres, LLC. Mr. Jenkins asked if it would be an option to move the retaining pond to the Olson Park Campground property. Mayor Kuhle asked staff if this would be an option. Steve Robinson, City Administrator stated that it would need to go to the City Attorney for a legal opinion. Mr. Jenkins said they support the project and request the City continue to move forward with implementing the project but ask that the assessments to Haack Acres, LLC be deferred at no interest to a future point at which the current owners or new owners can facilitate a development.

Steve Johnson, Johnson Builders & Realtors, stated if the storm water project is not completed no construction will be allowed in 2021. The entire project will have a total of 17 condominiums in the development with 4 of those starting construction this year and is slated to start in 3-4 weeks and completed in the spring.

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

A motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to adopt a resolution ordering improvement and preparation of plans and specifications with a recommendation to delay or defer the assessments according to what has been done in past practice.

RESOLUTION NO. 2020-08-49

A RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

(Refer to Resolution File for complete copy of Resolution)

A motion was made by Council Member Harmon, seconded by Council Member Oberloh and unanimously carried to adopt a resolution Relating to Financing of Certain Public Improvement by the City of Worthington; Establishing Compliance with Reimbursement Bond Regulations under the Internal Revenue Code.

RESOLUTION NO. 2020-08-50

A RESOLUTION RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENT 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)

RESOLUTION NO. 2020-08-51 ADOPTED AUTHORIZING THE ACCEPTANCE OF CORONAVIRUS RELIEF FUNDS FROM THE STATE OF MINNESOTA

Steve Robinson, City Administrator, stated the City of Worthington has received Coronavirus Relief Funds from the State of Minnesota in the amount of \$1,017,847.00 for eligible COVID-19 expenses incurred during the period that begins March 1, 2020 and ends on November 15, 2020. He said any necessary expenditures that have or will be incurred due to the public health emergency with respect to the Coronavirus Disease (COVID-19) are eligible for reimbursement.

A motion was made by Council Member Harmon, seconded by Council Member Janssen and unanimously approved to Adopt the Following Resolution Accepting the Donation.

RESOLUTION NO. 2020-08-51

A RESOLUTION AUTHORIZING THE ACCEPTANCE OF CORONAVIRUS RELIEF FUNDS FROM THE STATE OF MINNESOTA

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2020-08-52 ADOPTED TRANSFERRING FUNDS TO THE WORTHINGTON ECONOMIC DEVELOPMENT AUTHORITY FOR THE WORTHINGTON SMALL BUSINESS ASSISTANCE GRANT PROGRAM

Jason Brisson, Assistant City Administrator/Director of Economic Development, explained in response to the COVID-19 global pandemic, US Congress passed the Coronavirus Aid, Relief, and Economic Security Act economic stimulus bill, which provided \$339.8 billion in assistance to state and local governments. The Minnesota State Legislature, in turn, created the Coronavirus Relief Fund, which allocated \$1,017,847.00 to the City of Worthington to be used for eligible expenses relating to the COVID-19 pandemic. The funds can be used to reimburse the City for its unbudgeted, eligible expenses as defined by the CARES Act and the Coronavirus Relief Fund. Eligible expenses also include economic support, defined as provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Mr. Brisson said due to the City's limited qualifying unbudgeted expenses, the Worthington City Council allocated \$700,000.00 to a business recovery fund to provide economic support to businesses that have been interrupted by COVID-19. The League of Minnesota Cities said that cities are not authorized to provide these grants directly and that the City should forward the program funds to its Economic Development Authority (EDA) to administrate and disburse.

Council Member Oberloh stated the small communities and townships should be extended the offer so their funds could also be distributed from the EDA since they probably do not have separate EDA Authorities that would allow this.

A motion was made by Council Member Janssen, seconded by Council Member Ernst and unanimously carried to adopt the following resolution with the addition of language allowing small communities and townships to also use our EDA to disburse funds.

RESOLUTION NO. 2020-08-52

A RESOLUTION TRANSFERRING FUNDS TO THE WORTHINGTON ECONOMIC DEVELOPMENT AUTHORITY FOR THE WORTHINGTON SMALL BUSINESS ASSISTANCE GRANT PROGRAM

(Refer to Resolution File for complete copy of Resolution)

RECESS COUNCIL MEETING

A motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to recess the Council meeting at 7:55 p.m. and reconvene at 8:00 p.m.

RECONVENE COUNCIL MEETING

A motion was made by Council Member Ernst, seconded by Council Member Harmon and unanimously carried to reconvene the meeting at 8:00 p.m.

PROFESSIONAL SERVICES AGREEMENT WITH SEH ARCHITECTURE FOR WORTHINGTON ICE ARENA RE-ROOFING CONSTRUCTION AND BID DOCUMENTS APPROVED

Mr. Robinson stated improvements to the Worthington Ice Arena were included in the Local Option Sales Tax referendum approved by voters in the November 2018 referendum and passed by the state Legislature in 2019.

At their June 17, 2020 special meeting approved advancing up to \$500,000 in local option sales tax proceeds to address immediate building improvement needs at the Worthington Ice Arena. He explained the most pressing needs are addressing roof leakage and enhancing the insulation of the roof system. A proposal from SEH Architects for professional services to prepare a re-roof bid and construction documents were received in the amount of \$12,800.

Discussion was held on the possibility of the City taking over the management of the Ice Arena which would allow for more people to have the opportunity to use the facility. Mr. Robinson stated that the offer has been extended.

Council Member Oberloh asked if the funds could be withheld so something could be in place before moving forward. Mr. Robinson reminded Council that advancing the money had been approved to address the immediate roofing needs of the arena. Mr. Oberloh stated that a work session should be held to address the management possibilities.

A motion was made by Council Member Cummings, seconded by Council Member Janssen and unanimously carried to approve the professional services agreement with SEH in the amount of \$12,800.00.

FIELDHOUSE CONSTRUCTION DISCUSSION RELATING TO COVID-19

Council Member Cummings stated that after the MSHSL announced changes to the High School athletics program he called Steve Robinson, City Administrator about a unique opportunity the City of Worthington has to assist our School District with our proposed indoor recreation center that would help with the fall sports that will be taking place in March. Mr. Robinson said he talked with the Athletic Director and the High School principal regarding this and asked if it would help the School District, he was told it would.

Council Member Cummings stated the City would have to obtain for a variance that would allow construction of the restrooms for the fieldhouse portion. Mr. Robinson stated that by using the COVID-19 emergency standards this would allow the City to move forward with an interim plan to complete the turf field and the bathroom facilities in the recreation field house.

A motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to seek a variance to construct bathrooms and a turf field for the proposed recreation field house due to the COVID-19 pandemic and in the spirit of the Resolution Declaring a Local Emergency passed at the March 23, 2020 meeting. City Council directs staff to proceed with an interim plan to prepare construction and bid documents for completion of the turf area of the Field House and to temporarily adjust building codes as necessary in support of the student athletes and residents of the Worthington area.

RESOLUTION NO. 2020-08-56 APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

Jeff Faragher, Acting Engineer, stated with Council approval of the Cherrywood Addition Storm Sewer Improvement, as proposed in the project feasibility report staff is asking Council to approve the following resolution approving Plans and Specifications and Ordering Advertisement for Bids to be received September 10, 2020 and considered at the Council meeting on September 14th.

A motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to approve the following resolution Approving Plans and Specifications and Ordering Advertisement for Bids.

RESOLUTION NO. 2020-08-56
APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

(Refer to Resolution File for complete copy of Resolution)

ADOPTED RESOLUTION NO. 2020-08-53 APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS AND RESOLUTION NO. 2020-08-54 APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

Jeff Faragher, Acting Engineer, stated Bolton & Menk, Inc. have prepared the plans for the Glenwood Heights Second Addition street surfacing improvement; and for the storm sewer, sanitary sewer, and water distribution improvements.

The initial Phase I of the Glenwood Heights Second Addition housing subdivision will have 22 executive and move-up single family lots along with six villa/twin home lots. The work includes site grading, drainage, storm sewer, streets, sanitary sewer and water main improvements. The northwest and southeast areas of the 50 acre Dugdale acquisition are being developed at this time with future development undertaken as needs and the market dictate.

Mr. Faragher said the total estimated cost of the site grading, drainage, storm sewer, streets, sanitary sewer and water main improvements, including engineering and contingencies, is \$2,377,000. This work is funded in collaboration with Worthington Public Utilities. He said if approved bids would be received September 10, 2020 and considered at the Council meeting on September 14th.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt a resolution approving plans and specifications and ordering advertisement for bids.

RESOLUTION NO. 2020-08-53

APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

(Refer to Resolution File for complete copy of Resolution)

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt a resolution Approving Plans and Specifications and Ordering Advertisement for Bids.

RESOLUTION NO. 2020-08-54

A RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

(Refer to Resolution File for complete copy of Resolution)

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - No report.

Council Member Jansen - No report.

Council Member Oberloh - HRA is looking into some city owned properties that could be used for less expensive market rate housing.

Council Member Cummings - He said Centennial Park looks amazing with the new shelter house and playground equipment, he has observed the park is very busy.

Council Member Ernst - No report.

Council Member Harmon - Attended a City, County, School meeting, Tom Johnson reported that there is no money in the bonding bill for the WELL project and no funding for the library. Lewis & Clark is looking at expanding the water project from Vermillion in the next 7-8 years, which could give us another 1 million gallons of water. Our share of the cost would be approximately 4 million dollars.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, stated that the City cannot get a commitment from Marthaler Motors on the Cecilee Street project so the City could start moving forward with the 18 single family lots that are available.

The construction will be starting on the Tenth Street Plaza and the theater project is continuing and planned to open the week of Thanksgiving.

ADJOURNMENT

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 8:38 p.m.

Mindy L. Eggers, MCMC
City Clerk