

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING  
AUGUST 11, 2025**

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: Chris Kielblock, Dennis Weber, Mike Kuhle, Amy Woitalewicz. Amy Ernst (excused).

Staff present: Steve Robinson, City Administrator; Todd Wietzema, Public Works Director; Hyunmyeong Goo, City Engineer; Cristina Adame, Community Relations & Communication; Mindy Eggers, City Clerk.

Others Present: Sam Martin, *The Globe*; Ryan McGaughey, *Radio Works*; Oscar Martinez, *Cable 3 TV*.

The Pledge of Allegiance was recited.

**AGENDA APPROVED WITH ADDITIONS/CHANGES**

A motion was made by Council Member Kielblock, seconded by Council Member Kuhle and unanimously carried to approve the agenda as presented.

**CONSENT AGENDA**

A motion was made by Council Member Kuhle, seconded by Council Member Kielblock and unanimously carried to approve the consent agenda as presented with the correction that Ryan McGaughey should not have been listed as present in the Regular City Council Meeting minutes of July 28, 2025.

- Regular City Council Meeting Minutes of July 28, 2025
- Water & Light Commission Meeting Minutes of August 4, 2025
- Planning Commission Meeting Minutes of July 1, 2025
- LEC Joint Powers Meeting Minutes of May 14, 2025
- Freedom Veteran's Memorial Park Advisory Board Meeting Minutes of August 4, 2025
- Application for Parade Permit / to Block Streets - King Turkey Day, Inc.
- Applications for Temporary On-Sale Liquor Licenses - King Turkey Day, Inc.
- Application for Exemption from Lawful Gambling Permit - King Turkey Day, Inc.
- Application for Exemption from Lawful Gambling Permit - St. Mary's Church
- Bills Payable Totaling \$1,259,657.47

**PUBLIC HEARING AND RESOLUTION NO. 2025 08-50 ADOPTED APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN. STAT. 469.1813**

Pursuant to published notice, this was the time and date set for a public hearing for the review of

a Commercial Property Tax Abatement application submitted by Fertilizer Dealer Supply.

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

Steve Robinson, City Administrator, said a Commercial Property Tax Abatement Program application was submitted by Fertilizer Dealer Supply. The applicant is seeking approval of tax abatement for the construction of a new fertilizer equipment parts retail center on East Gateway Drive.

The proposed project is estimated at around \$4,000,000. Up to 7 new jobs are planned for the operation of the business with salaries ranging from approximately \$50,000 to \$100,000 per year.

Staff has reviewed the application and finds it meets all the parameters of the program guidelines. He noted tonight's public hearing is being held in compliance with State Statutes regarding tax abatement to allow for public comment on the proposed abatement.

Following the overview and Council comments, Mayor Von Holdt asked if there was any testimony. None was received.

The motion was made by Council Member Kuhle, seconded by Council Member Weber and unanimously carried to close the hearing.

The motion was made by Council Member Kuhle, seconded by Council Member Weber and unanimously carried to approve the development agreement and adopt the following resolution:

RESOLUTION NO. 2025-08-50

A RESOLUTION APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY  
PURSUANT TO MINN. STAT. 469.1813

(Refer to Resolution File for complete copy of Resolution)

### **LEASE AGREEMENT WITH GELDNER UNDERGROUND APPROVED**

Mr. Robinson said utility staff was recently contacted by a representative from Geldner Underground inquiring about the possibility of leasing a portion of the property containing the east water tower to be used as a lay down and staging yard for materials and equipment associated with an upcoming rural fiber optic installation construction project.

The lease agreement was drafted based on language contained in previous lease agreements that were in place on that property and presented to Geldner for consideration. Geldner has indicated their acceptance of the proposed terms in the agreement with the initial term of the lease yet to be determined.

The Water & Light Commission unanimously approved the lease agreement at their meeting held on August 4, 2025, and recommends Council also approve the agreement and authorize the Mayor and City Clerk to execute the agreement on behalf of the City.

The motion was made by Council Member Weber, seconded by Council Member Woitalewicz and unanimously carried to approve the lease agreement with Geldner Underground.

### **EMPLOYEE LONGEVITY AWARDS ACKNOWLEDGED**

Mr. Robinson said City staff will be treated to an Employee Appreciation Luncheon tomorrow and the following staff will be recognized for their years of service:

#### **2024 Longevity Awards**

##### **30 Years of Service**

Joe Byrne

##### **25 Years of Service**

Jesse Larson

##### **20 Years of Service**

Bob Brandner

Nate Grimmus

Chris Hillesheim

Eric Roos

Jake Walker

##### **10 Years of Service**

Ron Froderman

Tammy Makram

Jodi Mulder

Steve Robinson

### **RESOLUTION NO. 2025-08-51 ADOPTED TRANSFERRING FUNDS FROM THE SPENDING PLAN TO TAX INCREMENT DISTRICT NO. 7: DARLINGS THIRD ADDITION**

Mr. Robinson explained Council transferred \$2,329,478 of unobligated funds in TIF 7 to the Spending Plan in December 2022. Funds in the Spending Plan may be used 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.

The City undertook the North Humiston Utility Improvement Project to provide sanitary sewer and water service to properties on the east side of North Humiston during the 2023 construction season. TIF 7 funds had always been the designated funding source for this long-planned project. The project has been finalized and the total cost was \$1,121,835.77.

In September 2024, Council transferred \$1,072,574.77, resulting in a balance of \$49,261.00 to be transferred at this time.

Staff is requesting that Council transfer \$49,261.00 from the Spending Plan back to Tax Increment Financing District 7: Darlings 3rd Addition.

The balance that will remain in the Spending Plan will be \$1,073,991.52 following the transfer.

The motion was made by Council Member Woitalewicz, seconded by Council Member Weber and unanimously carried to adopt the following resolution:

RESOLUTION NO. 2025-08-51

A RESOLUTION TRANSFERRING FUNDS FROM THE SPENDING PLAN TO TAX INCREMENT DISTRICT NO. 7: DARLINGS THIRD ADDITION

(Refer to Resolution File for complete copy of Resolution)

**RESOLUTION NO. 2025-08-52 ADOPTED EXTENDING THE SPENDING PLAN TO DECEMBER 31, 2026**

Council transferred \$2,329,478 of unobligated funds in TIF 7 to the Spending Plan in December 2022. The legislation that granted this authority was scheduled to end December 31, 2025. However, during the 2025 session, the Legislature extended the deadline to December 31, 2026.

The extension grants the Authority temporary authorization to transfer an unobligated tax increment and any interest earned on the tax increment to provide improvements, loans, interest rate subsidies or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, which will create or retain jobs in the State, including construction jobs, so long as such private development commences no later than December 31, 2026. All transfers must be made by resolution, pursuant to the terms of a spending plan approved by the Authority and by the City, following a public hearing of the City Council.

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

RESOLUTION NO. 2025-08-52

A RESOLUTION EXTENDING THE SPENDING PLAN TO DECEMBER 31, 2026

(Refer to Resolution File for complete copy of Resolution)

**ICE ARENA LEASE AGREEMENT APPROVED**

Todd Wietzema, Public Works Director, said the formal agreement between the Worthington Hockey Association and the City to lease the existing Ice Arena was approved at the September 26th, 2022 City Council meeting. The agreement was set to automatically renew unless advanced notice to cancel the agreement was given by either party. Earlier this year, staff notified the Hockey Association that the City would like to renegotiate the terms of the lease agreement. He explained due to the increase in costs of staff and supplies, the City is proposing an increase from \$85 per/hour to \$115 per/hour which is a 35% increase. The rate increase would be the first in the 3 years the City

has been managing this facility.

The Worthington Hockey Association has agreed to the new proposed lease, the updated terms are as follows:

- 1) Term – A one year lease of the Arena to the City of Worthington. The lease will renew annually unless one of the parties gives advanced written notice.
- 2) The City of Worthington’s responsibilities include:
  - a) The inside and outside maintenance of the facilities.
  - b) Scheduling of events.
  - c) Manage and staff any arena programs including open skate times.
  - d) Maintain all facility equipment.
- 3) The Worthington Hockey Association shall:
  - a) Pay the City a lump sum fee of \$87,975.00, for 765 hours (115/Hour) of specified ice time. Additional hours can be paid for at a rate of \$115.00 per hour.
  - b) Maintain the concession stand.
  - c) Responsible for everything hockey related, other than ice maintenance.

Discussions were held with other entities that are involved in the Arena and all existing agreements will stay in place at this time.

The motion was made by Council Member Kuhle, seconded by Council Member Kielblock and unanimously carried to approve the proposed lease agreement with the Worthington Hockey Association.

#### **BUDGET AMENDMENT TO PURCHASE A NEW SNOW PLOW FOR VOLVO WHEEL LOADER APPROVED**

Mr. Wietzema said staff is requesting a budget amendment to purchase a new snow plow for our front wheel loaders. The 2026 ERS budget has a new 2026 plow truck and front end plow scheduled for replacement. After doing some research on different snow removal operations, it was decided that it would be a more versatile to purchase another front end loader with a plow attachment as the department would have a greater use for a third front end loader, than a sixth dump truck.

The Cost of this new plow would be \$46,800.00 and staff proposes the funds for the new plow be used from excess operational snow removal funds. At the present time the snow removal fund balance is at \$235,051.94 and the reserve balance is approximately \$143,000.

Due to the proposed price increases staff is requesting approval to purchase the new front end plow portion in 2025 instead of 2026. The new front end loader is included in the 2026 ERS and will be purchased as soon as budgets are approved.

A motion was made by Council Member Weber, seconded by Council Member Woitalewicz and unanimously carried to purchase the new plow in the amount of \$46,800.00.

## **COUNCIL COMMITTEE REPORTS**

Mayor Rick Von Holdt - No report.

Council Member Weber - No report.

Council Member Woitalewicz - No report.

Council Member Kuhle - He said the Freedom Veteran's Memorial Advisory Committee has been completely transferred to the City. The HRA has updated the procurement policy. Five resident candidates were interested in serving on the HRA Board, one has been selected.

Council Member Kielblock - The Planning Commission approved the HRA's purchase of the Opthamology building.

## **CITY ADMINISTRATOR REPORT**

Mr. Robinson reminded everyone about the Employee Recognition Luncheon at the 10<sup>th</sup> Street Plaza tomorrow. The CGMC Regional meeting will be held on Thursday, August 14, 2025 in Windom. Derocher's have started clearing ground for the apartment complexes.

## **ADJOURNMENT**

The motion was made by Council Member Kielblock, seconded by Council Member Weber and unanimously carried to adjourn the meeting at 6:03 p.m.

Mindy Eggers, MCMC  
City Clerk