

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING, FEBRUARY 21, 2018**

The meeting was called to order at 4:00 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Larry Janssen, Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Todd Wietzema, Public Works Director; Janice Oberloh, City Clerk; Brian Kolander, Finance Director.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hillstorm, The Globe; Darlene Macklin.

RESOLUTION NO. 2018-02-04 ADOPTED ACCEPTING A DONATION OF PERSONAL PROPERTY

Steve Robinson, City Administrator, said Bedford Industries has offered a cash donation equal to one-half of the cost of installing six concealed sprinkler heads in each of the racquet ball courts at the Center for Active Living. The current installed exposed fire suppression sprinkler heads impact play and are also subject to being broken when hit. Estimated total cost of the work is \$5,000 - the City's portion of the funds would come from the Municipal Building Funds, which had a balance of \$47,705.60 as of December 31, 2017.

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

RESOLUTION NO. 2018-02-04

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

RE-IMPOSING A LOCAL OPTION SALES TAX

Current Local Option Sales and Excise Tax - Steve Robinson, City Administrator, provided information on the current local option sales tax, which the 2017 Legislature approved extending the tax and increasing the allowable collection amount from \$6.0 million to \$7.3 million, plus financing costs of approximately \$300,000. Current projections indicate that we will reach the allowed collection in April or May of this year. Per statute, we must notify the Commissioner of Revenue 90 days in advance of ending the tax collection, and the tax collection must terminate on the last day of a calendar quarter. Mr. Robinson said based on communication with the Department of Revenue we are scheduling termination on September 30, 2018.

Future Local Option Sales and Excise Tax - Steve Robinson, City Administrator, noted the following steps that must be taken by the City to obtain enactment of a special law authorizing a local option

sales tax:

1. The City must pass a resolution proposing the tax and stating:
 - The proposed tax rate
 - The amount of revenue to be raised and its intended uses, and
 - Anticipated date that the tax will expire.(Anticipated date for the Resolution is proposed to be July 9th, 2018)
2. The proposed tax must be submitted to and passed by a majority of the voters at the general election held at least 90 days after the resolution was passed. (Election would be November 6, 2018) The City may not expend money to advertise or promote the tax.
3. The City must request and get enacted a special law authorizing imposition of the tax (2019 Legislative Session)
4. The City must file local approval with the Secretary of State before the start of the next regular legislative session after the session in which the enabling law was enacted.
5. The City must pass an ordinance imposing the tax and notify the Commissioner of Revenue at least 90 days before the first day of the calendar quarter on which the tax is to be imposed. (Starting date is estimated to be January 1, 2020).

Council reviewed a history of average monthly tax collections of the current sales and excise tax since its inception in 2009, which ranged from \$48,985 in 2009 to \$84,067 in 2017. Mr. Robinson said, following the same schedule if tax collection begins in 2020, a 15-year, one-half percent sales tax would have an average monthly sales and excise tax collection of \$113,902. Total collections over a 15 year period would be \$20.5 million, which supports a bond of approximately \$16.5 million based on current rates.

Mr. Robinson asked for Council direction regarding the rate and duration of a new local option sales tax. Following discussion, consensus was one half-cent for 15 years.

Council and staff also discussed intended uses for the sales tax, which included a list supplied by the Vision 2030 Committee, and input from sales tax meetings with some of the larger employers in the city. Following discussion, Mr. Robinson said what he took away from it was the most requested items/necessities from staff and residents were:

- Public Works Facility
- Indoor Recreation Facility
- Movie/Event Facility
- Prairie View Trails
- Day Care Facility
- Lake Front Eatery/Marina
- Aquatic Center - focus on expansion of outdoor pool and deck area.

The City's investment in some of the items on the list would be only providing a facility but not the operations. Council Member Oberloh said trails should not be a part of it as there is funding available for them. Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said he would like to see something more extensive with the Beach Nook project, like paddle board and kayak rentals. The Hockey arena and its state of disrepair was discussed, along with a recent push to install a second sheet of ice. Council determined that improvement to the arena would need to be a collaborative effort.

ADJOURNMENT

The motion was made by Council Member Ernst, seconded by Council Member Oberloh and unanimously carried to adjourn the meeting at 5:28 p.m.

Janice Oberloh, MCMC
City Clerk