

**WORTHINGTON CITY COUNCIL  
SPECIAL MEETING, JULY 30, 2008**

The meeting was called to order at 6:30 a.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Ten Haken, Woll, Wood, Kuhle, Petrich.

Staff present: Gary Hoffmann, Interim Administrator; Brian Kolander, Finance Director; Janice Oberloh, City Clerk.

Others present: Kari Lucin, Daily Globe.

**TEMPORARY TRANSFER FROM GENERAL FUND FOR AQUATIC CENTER  
INVOICES AUTHORIZED**

Council briefly reviewed updated information on the proposed YMCA/Aquatic Center project and the following changes were noted:

- Changes in the number restrooms have been made
- There will be no grassy area outside, only plantings
- There will be 6,500 square feet of water outside, which is more than the current pool
- The water slide has been shifted to the “add alternate list” due to funding

Mayor Oberloh said the shifting of the water slide alarmed him as if the City has indicated they want the water slide the YMCA needs to provide it. Aldermen Petrich and Ten Haken agreed, noting if the cost is extra the YMCA needs to step up and pay. Alderman Woll will take Council’s comments back to the Committee. Mayor Oberloh noted the time line has become more aggressive as there are sections of the current facility that may not last another year. Alderman Woll noted there will now be an outdoor play area for kids.

Staff submitted two invoices (\$48,000 and \$7,500) related to the Aquatic Center project, but while there has been a fund set up for the YMCA/Aquatic Center project for tracking purposes, there have been no funds transferred into that account yet. Brian Kolander, Finance Director, said they were requesting a temporary transfer from the General Fund into that account until such time the funding is established, then transfer it back into the General Fund. Mr. Kolander said they anticipated that \$4.5 million could be into that account by the end of the year or early next year. The invoices are from architectural and engineering design services, which, Mr. Kolander noted, there will be more coming up to several hundred thousand dollars.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to authorize a temporary transfer from the General Fund until such time the YMCA/Aquatic Center fund is established and the funds will be repaid to the General Fund.

**USE OF HOSPITAL SALE PROCEEDS**

Council discussed at length proposals from staff and Council for the use of the proceeds from the

sale of the hospital, and the structure of those uses. The discussion included funds for economic development, housing, lake improvement, flood control, youth recreation, debt service, Aquatic Center funding, property tax relief, impact projects, and storm water. Gary Hoffmann, Interim Administrator, reminded Council that we need to have a secondary plan if the half-cent sales tax referendum does not pass this fall. Mayor Oberloh said he hears consistently that the proceeds should not be use for any projects the City would normally bond for. Discussion was also held on the hospital receivables, and when those numbers would be available.

It was somewhat of a consensus that of the \$21 million from the sale, \$12 million could be an interest only government portfolio, with 1% of that interest going back into that account to grow the principal, and put \$9 million into a higher risk commercial portfolio to be used as project loans and paid back with interest. Alderman Ten Haken added that we need to be as prudent as possible with our debt service. Alderman Kuhle asked about endowing some funds for youth recreation through the Worthington Area Foundation, which Alderman Wood noted may not be possible after we've already received the funds. Council also briefly discussed the adult soccer league and the request for assistance with funding the renovation of the soccer fields.

#### **ADJOURNMENT**

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to adjourn the meeting at 8:14 a.m. Council set the date and time for the joint meeting with the Nobles County Board of Commissioners as 7:00 a.m. on Monday, August 4, 2008.

Janice Oberloh  
City Clerk