

**WORTHINGTON CITY COUNCIL  
SPECIAL MEETING, SEPTEMBER 1, 2017**

The meeting was called to order at 7:30 a.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; Janice Oberloh, City Clerk; Deb Olsen, Staff Accountant.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hillstrom, The Globe.

**BUDGET DISCUSSION CONTINUATION**

Steve Robinson, City Administrator, noted the following from the general fund:

Revenues:

- The current proposed ad valorem taxes were \$1,591,749 representing an 8.78% increase over last year's levy. LGA will be \$3,273,551, which is just under a \$100,000 increase from the current year.
- Revenues include \$68,000 and \$185,000 in state grants to the Police Department.
- 101-34109 - \$184,333 - what each department pays our Finance Department to offset the expenses of running the Finance Department
- Gas franchise revenues are down - probably due to weather
- Court fines revenues are down
- Transfers in include: \$625,650 from the Electric Department; \$225,000 from the Liquor Store; Other (Insurance safety loss - premium refunds) \$250,000
- 101-21422 - due to fund 211- includes \$1.2 million from the sales tax extension and will go back to the hospital fund
- The equipment revolving fund budget of \$495,800 is down from \$759,000

Council requested that staff get an explanation of the \$1,150 for Folkers-Dredge.

Council Member Oberloh requested that staff look at the Smith Trucking rent as it has remained the same for 10 years - Mr. Robinson said he would take care of it.

General Fund Expenses

- Mayor Council health insurance premiums show a decrease with people dropping off City insurance
- Administration shows 5 ½ % increase over last year
- Elections - just under \$20,000 - new from 2017 (no election in 2017)
- Clerks office - 2% decrease in personnel/supplies/services but total including elections is up slightly - health insurance premiums are down due to plan changes in the department

- Personnel Services in Accounting shows an increase in insurance premiums due to plan changes in that department

In response to a question from Mayor Kuhle, Council did state they would like an annual update from the County Assessor's office like they get from the County Attorney.

- 101-41720 - Community & Economic Development - personnel costs are down due to the open position
- 101-41720-3438 - is housing grants coming in and being paid out (\$116,906)
- Total general government for 2017 is \$1.9 million, in 2018 is \$3.15 million, but includes the \$1.2 for community growth - if you take that out the increase from 2017 to 2018 is \$17,658, or .9% increase, including \$20,000 for the election
- Center for Active Living - costs us about \$80,000 per year - they were awarded some grants this year
- 101-45161 is a new budget of \$4,500 for the Public Arts Commission - original request was considerably higher with \$40,000 to do projects - but that was removed
- ERS - Engineering and Community and Economic Development expenditures that were already addressed
- Event Center - no changes - we do meet with them on an annual basis for their fees - agreement will automatically renew for five years
- Economic Development Authority - Includes \$45,179 in EDA taxes as we assessed ourselves for the Highway 59 improvements. Rents from the BAC were up slightly
- Aquatic Center - \$11,500 in proposed taxes for 2018 - as of December 31, 2016 there was \$829,924 in the Aquatic facility reserve fund, which may be reduced slightly by the end of 2017.

Council discussed the level of the fund - it was initially thought to build a reserve in case of a catastrophic loss - but should today's residents pay for a pool that might be 40 years out? We need to keep a reserve for repairs, etc., but should it be a quarter of a million?

Following a discussion regarding the Aquatic Center reserve fund, the motion was made by Council Member Oberloh to have another meeting to investigate \$329,000 worth of money put toward amenities. The motion was seconded by Council Member Cummings. Following additional discussion, Council Member Oberloh amended his motion to cap the Aquatic Reserve fund at \$500,000 with the remaining \$329,000 to go to into surplus to go to the Community Growth Committee for consideration. Council Member Cummings accepted the amendment - the motion was unanimously carried.

- Data processing fund - the charge to each of the departments internally for data processing

**DETERMINATION OF PRE-CERTIFICATION LEVEL - 2018 TAX LEVY**

The motion was made by Council Member Oberloh to set the 2018 pre-certification level at 8.78% over 2017. The motion died for lack of a second.

The motion was made by Council Member Cummings and seconded by Council Member Ernst to pre-certify at 10% over 2017. Council Member Harmon asked how to get the 10<sup>th</sup> Avenue bridge and Cecilee Street in the budget. Steve Robinson, City Administrator, responded that Cecilee is a separate issue and won't come out of the tax levy, and the bridge is not in the 2018 budget at this point. Council Member Harmon said he would not support the budget if the bridge wasn't in it. Mayor Kuhle called the question - the following Council Members voted in favor of the motion: Cummings, Ernst; and the following Council Members voted against the motion: Oberloh, Janssen, Harmon. Motion failed.

The motion was made by Council Member Oberloh to set the pre-certification at 8.9%. The motion died for lack of a second.

The motion was made by Council Member Oberloh to set the pre-certification at 8.78%. The motion died for lack of a second.

The motion was made by Council Member Ernst and seconded by Council Member Cummings to set the pre-certification at 9.5%, with the following Council Members voting in favor of the motion: Janssen, Ernst, Cummings; and the following Council Members voting against the motion: Oberloh, Harmon. Motion carried.

**ADJOURNMENT**

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 8:53 a.m.

Janice Oberloh, MCMC\  
City Clerk