

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING, NOVEMBER 4, 2010**

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: Lyle Ten Haken, Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll.

Staff present: Craig Clark, City Administrator; Brian Kolander, Finance Director; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk; Margaret Vosburgh, Memorial Auditorium Manager (7:15); Dan Wycoff, Liquor Store Manager (7:47 a.m.).

Others present: Glenn Thuringer, Dan Greve, and Brian Hagen, WREDC; Byron Swart, Nobles County Assessor.

2011 BUDGE DISCUSSIONS

Fund 231 - Economic Development Authority - EDA Levy

Glenn Thuringer, WREDC Director, was present at the meeting to discuss his proposed 2011 budget and plans for the \$86,000 EDA levy with Council. Dan Greve and Brian Hagen, WREDC Board of Directors, provided information on conference costs, contacts made, salary comparisons, etc. Council noted the economic development growth in Worthington has been more on the internal side rather than new, but agreed that growing existing businesses was important.

Financial support from the City, Worthington Public Utilities and Nobles County were discussed. Nobles County has not increased their support over the past few years, and were actually now considering reducing their contribution. Council questioned the lack of support from the private sector. Mr. Thuringer responded the private sector was already contributing through the EDA levy. Also discussed was how Brad Chapulis's role worked with WREDC as the Community/Economic Development Director for the City of Worthington. Mr. Chapulis said there was a misconception out there of the roles. WREDC is the marketing arm and the company that does the exploring. The City provides the grant writing and the technical stuff, including the administration of tax increment financing, etc.

Mr. Thuringer noted their proposed budget included \$70,000 of the EDA levy up front, and warned that if private sector memberships were increased too much it could impact support to the Chamber of Commerce. Alderman Ten Haken inquired if it would make some sense if some of the EDA levy was kept at the City to bolster the economic development work performed by Mr. Chapulis's department.

Brad Chapulis and Byron Swart, Nobles County Assessor, provided information to Council on the property owned by the Economic Development Authority, comparing rent received to taxes paid, and assessments by the City for improvements. Mr. Swart noted the City would be taxed on the incubator business next year, although only the portion that is in use. He will do some further checking into a "incubator law."

Memorial Auditorium

Council and staff reviewed the proposed 2011 Memorial Auditorium budget, paying particular attention to the increased personnel costs. Margaret Vosburgh, Manager of the Auditorium, noted past personnel costs were based on nine month of operations, noting that after remodel/addition project is completed, the Auditorium will be in operation year round. Ms. Vosburgh stated the Friends of the Auditorium obtain sponsorships for the shows and are responsible for ticket sales. Craig Clark, City Administrator, noted that the increases in wages and health insurance benefits would not be recouped from the shows, therefore, there will be an increased commitment from the City.

Council also discussed three options for financing the project at the auditorium: Temporary interfund transfer; issuing a bond that the City would immediately buy back, or issuance of external bonds. By making a decision in the next couple of days, the issuance costs could be saved as it could be piggy-backed on the bond issuance that is scheduled for approval at the November 22nd meeting. Mr. Kolander reported the sales tax collections to date were about \$910,000, and noted the most cost effective option would be the second option. Alderman Ten Haken inquired if the collected sales tax could be used to buy down the bond. Mr. Kolander responded he thought it could but was going to verify that.

The motion was made by Alderman Wood, seconded by Alderman, seconded by Alderman Woll and unanimously carried to continue the financing discussion to the special budget meeting scheduled for tomorrow, November 5, 2010.

Liquor Store

Council reviewed the proposed 2011 Liquor Store budget with Dan Wycoff, Liquor Store Manager. Mr. Wycoff noted he had only been on the job for about two months and was still learning. The budget reflects a 6% increase in sales, and current profits put that on target. Plans include the purchase of two new credit card terminals, and to lower the ceiling to accommodate new light fixtures. Mr. Wycoff noted approximately 80% of his time will be floor time.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to adjourn the meeting at 8:02 a.m.

Janice Oberloh
City Clerk