

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING - BUDGET SESSION
NOVEMBER 4, 2015**

The meeting was called to order at 5:30 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Mike Harmon, Diane Graber, Rod Sankey, Larry Janssen, Scott Nelson.

Staff present: Steve Robinson, City Administrator; Brian Kolander, Finance Director; Mindy Eggers, Assistant City Clerk; Kevin Black, Prairie View Golf Links.

Others present: Justine Wettschreck, KWOA; Kristin Kirtz, Daily Globe.

PRAIRIE VIEW GOLF LINKS

Steve Robinson explained that the current preliminary 2016 budget for Prairie View Golf Course operations is \$219,470. The budget amount was left at the same level as last year in the event there were no changes in operations. The amount does not include the management of the clubhouse, with the first \$55,000 in revenue being paid to Dakota Golf, approximately \$105,000 in revenue comes back to the City.

Mayor Kuhle stated that a decision needs to be made on whether to close the course but also allow for time to strategically decide what will happen to it after the closure. If the City plans on keeping it to sell in the near future we need to make sure things are taken care of properly. Kevin Black, Grounds Superintendent stated that if Prairie View was to stay open another year and operate as normal knowing that it would close at the end of next year there is potential for a cost savings of \$23,500 that could be found by eliminating some of the winterizing materials. Mr. Robinson stated that at this time we have 3 years left on the cart lease that was originally a 5 year lease. The yearly cost of the lease is approximately \$17,000 and staff is currently working with the company to come to a resolution to eliminate the lease if possible.

Mayor Kuhle explained that city staff has had a conversation with an interested party that would take over the clubhouse operations for 6 months at a cost of \$2,000 per month for a total of \$12,000. This would be a 1 year agreement and they would work diligently to reduce expenses and for every dollar they reduce expenses they would only want half of it back.

Discussion was held by the Council on different options to take concerning Prairie View and whether or not to run it another year with the interested party or to not fund it and close it now and evaluate further options over the winter.

Amy Ernst stated that from a financial standpoint \$219,000 is a lot of money to put towards something that is going to close. The Long Range Planning Committee voted to decommission the course and keep it for water quality purposes. Council Member Graber agreed that the main concern of the committee is water quality and wants to make sure that water quality remains a priority.

Mr. Robinson stated that there needs to be clarification given on decommissioning. There is a difference between decommissioning and removing City funds. Mr. Robinson asked if someone came in and wanted to buy it and operate it without the use of City funds would that be a viable

option? Mr. Robinson also asked that Council consider that whatever is decided on the budget for Prairie View there is a stipulation that it does not go towards the operation of the golf course but remains in the park & recreation budget in the general fund.

Council agreed that Prairie View Golf Links will not be funded for operations next year. Council will leave it up to staff to make adjustments in the line items on the budget.

BUDGET/LEVY DISCUSSION

Mayor Kuhle stated that we are currently at 6.79% for the tax levy. Mr. Robinson explained for budget purposes figures were put together showing that an average homeowner with a home value of \$125,000 with a 3 ½% levy increase would see a \$24.00 per year increase, a 4 ½ % increase would be \$30.00 per year, a 5 ½% increase would be a \$37.00 per year increase, and a 6 ½% increase would be a \$44.00 increase. Mr. Robinson noted that these figures are only estimates as there are many factors that go in to figuring the final tax amounts.

Mayor Kuhle stated that over the last 8 years ERS items have been underfunded or many items were not replaced on time. Mr. Robinson explained that Public Safety has gone from a 3 year rotation to a 4 year rotation on police cars and repair costs have gone up. The goal is to get back to a 3 year rotation. Mayor Kuhle stated that the proposed \$200,000 budgeted for the Public Works department ERS would be funded over a 3 year period.

Brian Kolander, Finance Director stated that over the last 10 years the tax levy has averaged a 3.36-4.12% increase per year. Council Member Nelson stated that he would like to stay around a 4% tax levy increase.

Mr. Kolander noted that in the packet are the Storm Water Utility Rate increases and range from a 1.3% to 3.8% increase per year. Staff is requesting Council to give a recommendation.

Council Member Larry Janssen recommended a 6.25% levy increase to staff. Council Member Nelson stated that he would not go above 5%. After additional lengthy discussion Council recommended eliminating Prairie View part-time employees from the budget with some agreement on a 5.5% levy increase.

Mayor Kuhle asked if Council could come to a recommendation on the Storm Water Utility increase. Mr. Robinson stated that he feels that 2.5% is a fair increase. Council concurred.

ADJOURNMENT

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to adjourn the meeting at 7:17 p.m.

Mindy Eggers, MCMC
Assistant City Clerk