

**WORTHINGTON CITY COUNCIL  
SPECIAL MEETING, AUGUST 23, 2011**

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. Honorary Council Person: Carol "Zuby" Jansen.

Staff present: Craig Clark, City Administrator; Brian Kolander, Finance Director; Janice Oberloh, City Clerk.

**WORTHINGTON REGIONAL HOSPITAL UPDATE**

Staff provided an update to Council regarding the hospital sale funds (legacy and impact) reserves (sources/uses) approved to date. Brian Kolander, Finance Director, noted the City will still receive payments of \$1.8 million (plus interest @ 4%) on January 1, 2012-2013. The recently approved funding for Worthington Hockey Association will come from the portion of the funds reserved/designated for Community Development (Lake Improvement, Sports and Recreation).

**2011 AND 2012 BUDGET DISCUSSIONS**

In addition to the general budget discussion, the department budgets for the Council, Administrator, Clerk, and Finance departments, and the Data Processing Fund, were scheduled for initial review. Craig Clark, City Administrator, noted that the TIF district coming off line next year would add about 7 ½ points to the levy, but would not result in a tax increase to the existing tax payers. To recapture our LGA loss of \$325,000 however, would be a little over 12 ½%. The initial proposed budget included a 15.9% increase over the 2011 budget, however, Council and staff agreed the budgets were "bare bones" with 0% increases in salary, and a 10% increase in health insurance - the majority of the budget increase was due to the reduction in Local Government Aid and Market Value loss. Discussion was held on possibly increasing the transfers from the enterprise funds into the general fund to address some of the shortfall.

Brian Kolander also updated Council on the past Homestead Market Value Credit in comparison to the new Homestead Market Value Exclusion process used by the State, and how it will affect the EDA and HRA levies. The exclusion takes away the reimbursement from the state for the Homestead Market Value Credit and instead allows a portion of the Homestead Market Value to be excluded from taxation - leaving cities to find a way to fund that gap.

**ADJOURNMENT**

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to adjourn the meeting at 8:00 a.m.

Janice Oberloh, CMCM  
City Clerk