

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING**

7:00 A.M., Thursday, June 28, 2018
City Hall Council Chambers

A. CALL TO ORDER

B. CITY COUNCIL BUSINESS

1. Local Option Sales Tax Projects and Budget

C. ADJOURNMENT

ADMINISTRATIVE SERVICES MEMO

DATE: JUNE 21, 2018
TO: HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: ITEMS REQUIRING CITY COUNCIL ACTION OR REVIEW

CASE ITEM(S)

1. LOCAL OPTION SALES TAX PROJECTS AND BUDGET

At their June 6, 2018 Special Meeting, Council discussed the terms, projects and budgets for the proposed new local option sales tax. The consensus was for a one-half percent sales tax based on a 5% annual growth for 15 years. Such terms would result in a collection of \$25,199,807.58 and would support a \$20 million bond.

Council also discussed a list of potential projects, and committed to the following four projects and budgets:

- Aquatic Center \$4.5 million
- Field House \$3.0 million
- Park Improvement (Ehlers) \$3.3 million
- Lake Improvement \$4.2 million

Decisions on the 10th Street Pavilion and the Ice Arena were postponed until meetings with the Community Growth Committee and with Hockey Association representatives could be held to gather additional information. A copy of the approved minutes of the June 6, 2018 meeting is included as *Exhibit 1*.

Council is asked to make a final determination of the sales tax projects and budget so a resolution regarding the tax can be brought forward for adoption at the July 9, 2018 regular City Council meeting.

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING, JUNE 6, 2018**

The meeting was called to order at 4:00 p.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. Council Members absent: Ryan Weber, Honorary Council Member.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Todd Wietzema, Public Works Director; Janice Oberloh, City Clerk.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hillstrom, the Globe; Logan Ahlers.

LOCAL OPTION SALES TAX TERMS

Steve Robinson, City Administrator, said staff will be asking Council to adopt a resolution for the new sales tax at the July 9, 2018 meeting. In order to do that, Council needs to set the terms of the tax, and determine projects for the tax and the budgets for those projects. Mr. Robinson said it seems that Council is pretty set on a one-half percent sales tax for 15 years. At 3% annual growth, we would collect a total of \$20,502,463.78, or roughly \$20.5 million, which would support an \$18 million bond. Information was also reviewed based on 4% and 5% annual growth, and what the average annual growth of the current sales tax has been.

Council consensus was support of a one-half percent tax based on a 5% annual growth for 15 years, which would result in a collection of \$25,199,807.58, and would support a \$20 million bond. Council Member Oberloh asked what happened if that did not materialize. Mr. Robinson said it would go to the tax levy.

Intended Uses - Mr. Robinson presented the following proposed projects and budgets as previously discussed by Council:

- | | |
|------------------------------|---------------|
| • Tenth Street Pavilion | \$1.8 million |
| • Aquatic Center | \$4.5 million |
| • Field House | \$3.0 million |
| • Park Improvements (Ehlers) | \$3.3 million |
| • Ice Arena | \$2.2 million |
| • Historical Society | unknown |
| • Lake Improvement | \$4.2 million |

Council was hesitant to commit sales tax funds to the Historical Society when the County has not decided where they are going with it. Council also questioned committing to the Ice Arena when the City does not have control of the facility. Mr. Robinson noted that the \$2.2 million for the arena was only for facility upgrades that would allow for a longer season at the arena.

Park Improvements - Mr. Robinson noted the budgeted amount was only for Ehlers Park and did not include improvements in the other parks. Todd Wietzema, Public Works Director, distributed a list of potential miscellaneous park improvements with a total estimated cost of \$1.35 million. Council Member Cummings said he would like to see a fish cleaning/game station with water added, probably at Sunset Park by the campground. Council Member Oberloh suggested adding \$1.2 million for additional improvements at the other parks, bringing it up to \$4.5 million. Mr. Robinson said the Ehlers Park number included realigning the street, utility relocation, restaurant facility, other site improvements, marina, building demolition, and storage building replacement for what is at Heles already.

Field House - Council Member Ernst said this was important as we are moving the Public Works Department into what has been the current field house facility. Logan Ahlers was at the meeting representing Regional Activity Development (RAD), a group of young adults who are focused on developing activities in Worthington, especially indoor activities during the winter season. Mr. Robinson said he had asked the group to be involved in these discussions as an advisory group. They have not yet worked with the school district for possible use of their facilities as they wanted to see what the City will do. Mr. Ahlers noted the group also wants to grow diversity within the activities.

10th Street Pavilion - Council Members Oberloh and Ernst said that they were not comfortable with committing that amount of money to the project, which has morphed into something different than the initial vision. They proposed pulling the Community Improvement Group together again in the next couple of weeks to address it again.

Aquatic Center - Council Member Cummings reminded Council that an enhanced aquatic center will entail hiring quite a few additional employees and will need to be looked every year. Council Member Oberloh said he wanted the City to be sure the location of the current municipal pool is the right location for the project. Mr. Robinson said we could include the project but it would be premature to commit to a site.

Following discussion, it was decided to commit to the following projects/budgets, which as discussed, have a budget of \$16.2 million:

- Aquatic Center
- Field House
- Park Improvement
- Lake Improvement

Council agreed to hold off on the pavilion (currently \$1.8 million) and arena (\$2.2 million) to allow time to set up a committee growth meeting and a meeting with Hockey Association representatives in the next week or so for further discussion.

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ADJOURNMENT

The motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 5:09 p.m.

Janice Oberloh, MCMC
City Clerk