

Pursuant to due call and notice thereof, a Council Workshop of the North Mankato City Council was held in the Municipal Building Council Chambers on January 5, 2015. Mayor Dehen called the meeting to order at 6:00 p.m. The following were present for the meeting: Mayor Dehen, Council Members Norland, Freyberg, Spears and Steiner, Administrator Harrenstein, and City Clerk Van Genderen.

Extension of Sales Tax

Administrator Harrenstein reported the meeting was a continuation of the discussion held at the Council Workshop on December 15, 2014. The broad parameters of the discussion include the desire to seek an extension of the Sales Tax for 9 million with a termination date of 2035. Funds from the Sales Tax extension would be spent on areas already approved by the legislature including regional parks, transportation, library expansion, downtown redevelopment and lake improvements. Harrenstein noted that last year items were removed from the CIP due to lack of funds including library expansion, improvements to Benson Park, Fields 7 and 8 at Caswell Park, Spring Lake Park, trail reconstruction, downtown improvements and a regional recreation asset. Administrator Harrenstein reported that with the extension of the Sales Tax these projects have the potential to be addressed, but these are ideas and have not been vetted. He noted that it may be important for the Council to set up a commission to vet the ideas on the list. Vetting the ideas would allow the Council to bring specific requests before the legislature. He indicated it would be appropriate to convene the Intergovernmental Committee to begin discussion concerning a regional asset, but recommendations must be approved by the Council. Harrenstein reported there appeared to be overwhelming interest in a regional approach to advancing a Sales Tax extension to the legislation. He stated the City of North Mankato's revenue from the Sales Tax is needed in the community and would not be directed out of the community. Council Member Steiner requested clarification on the timeline for submitting the request to legislation. Mayor Dehen stated legislation could be brought before legislators in 2016.

Patrick Baker from Greater Mankato Growth was introduced by Administrator Harrenstein to provide information concerning a regional approach to advancing legislature. Baker reported Greater Mankato Growth's (GMG) priorities includes the discussion of a regional recreational facility. He reported GMG intends to use information gathered by Envision 2020 to help identify ideas, projects and community support. Baker stated GMG would like a regional discussion on advancing Sales Tax legislation. Baker indicated a regional discussion could include North Mankato, Mankato, and the counties of Nicollet and Blue Earth. He reported legislature passed legislation that allowed any Minnesota county to collect a ½ cent Sales Tax for transportation. Baker indicated the counties of Nicollet and Blue Earth had not acted on the opportunity to collect a ½ cent Sales Tax. Baker reported Mankato will also be looking at the extension of their Sales Tax by starting the discussion with legislation this year and moving next year after obtaining results from Envision 2020. Greater Mankato Growth would like to work with the regional community to start a conversation with the legislature in 2015 and present a formal request in 2016.

Mayor Dehen stated Envision 2020 may help reveal the need and desire from the community for continued improvement. The City of North Mankato could use the information from Envision 2020 to show community support for the extension of the Sales Tax to the legislature. Council Member Norland stated legislature gave Minnesota counties the ability to enact a ½ cent sales tax for transportation with the majority approval from the County board.

Baker reported counties were waiting to see what legislature does for transportation funding before enacting a Sales Tax.

Council Member Freyberg stated he supports the extension of the Sales Tax but remains concerned about how quickly the process is proceeding. Mayor Dehen responded that he was initially concerned about completing the process in 2015. He stated after discussion with GMG it was decided that a formal request could be presented in 2016. Mayor Dehen indicated that the City of North Mankato could start the conversation in 2015 with legislators and formally present the request along with Mankato in 2016.

Council Member Freyberg stated he wanted the resolution to clarify that some of the Sales Tax may be directed out of North Mankato for a regional asset. Administrator Harrenstein reported he could not recommend that the City allocate money from the Sales Tax outside of North Mankato borders. If North Mankato supports a regional asset outside of the borders of North Mankato it must come from an additional ½ cent Sales Tax or from another source not out of the current request. He indicated that if a regional asset is pursued outside of the borders of North Mankato a regional board must be created to gather support from the City Council of North Mankato. Council Member Norland stated the regional asset discussed is Caswell Park. Administrator Harrenstein reported if the Council would support a regional asset outside of North Mankato borders a 2.5 million dollar donation could be generated from refunding of 2009C Bond, a sizeable contribution to a project outside of North Mankato.

Council Member Spears stated he did not favor the Sales Tax based on how the City performed with the 2006-2007 referendum. He indicated projects were not completed, benefits from projects were not appreciated by many citizens such as Caswell Park, and funding for the maintenance of projects was not considered. Council Member Norland stated projects started in 2008 will be cheaper than those started in 2014 because of inflation. Mayor Dehen stated the completion of the 14/41 Interchange, the Marigold expansion and the downtown redevelopment prepared the ground for possible economic growth in the next 5 years.

Mayor Dehen indicated that if the Council agrees on the broad categories presented in the resolution, the City Council could pass the resolution and prepare specific projects to present to legislation in 2016.

There being no further business, the Council Workshop was adjourned at 6:50 p.m.

Mayor

City Clerk