

Pursuant to due call and notice thereof, a special meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on August 8, 2016. Mayor Dehen called the meeting to order at 10:00 a.m. asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Mayor Dehen, Council Members Steiner, Norland, Freyberg and Spears, City Administrator Harrenstein, Finance Director McCann, and City Clerk Van Genderen.

**Approval of Agenda**

**Council Member Steiner moved, seconded by Council Member Norland, to approve the agenda as presented. Vote on the motion: Steiner, Norland, Freyberg, Spears and Dehen aye; no nays. Motion carried.**

**Public Comments**

None

**Business Items**

**Reconsider Res. No. 68-16 Specifying Proposed Use of Revenues from the Extension of the Local Sales and Use Tax. Council Member Freyberg moved, seconded by Council Member Norland to reconsider Res. No. 68-16 Specifying Proposed Use of Revenues from the Extension of the Local Sales and Use Tax. Vote on the motion: Steiner, Norland, Freyberg, Spears and Dehen aye; no nays. Motion carried.**

City Administrator Harrenstein stated due to the lack of Special Session action taken by the State Legislature there has been interest by Council Members to increase the amount requested from \$9 million to \$15 million. The original 2006 sales and use tax was established in 2006 with a request for \$6 million. The first \$6 million was quickly allocated and the City currently has a request before the State Legislature to extend the sales and use tax until 2038 for an additional \$9 million. The question before Council is if they want to increase the requested amount to \$15 million. Conservative revenue estimates project \$15 million could be easily obtained. Council Member Norland requested clarification on the City of Mankato's allowable use list which includes water and water quality in Nicollet and Blue Earth County. Administrator Harrenstein stated there were no definitive projects outlined by the City of Mankato, but the language allows matching funds for improvements such as lift stations and ravine work. Council Member Norland requested clarification on if the City of North Mankato should consider including language allowing water quality improvements as a permitted use. Administrator Harrenstein indicated the language could be included but cautioned that during the Council's tax legislation work session Council indicated that they did not want to include water quality because the needs in the existing defined areas exceeds amounts available. Council Member Freyberg indicated he did not have a problem with including water quality and he supports the increase of requested funds to \$15 million. Council Member Freyberg stated the City started many projects with the initial sales tax money and unless the City funds the completion of those projects with additional sales tax money the City will need to increase property taxes to pay for the completion of those projects. Mayor Dehen proposed changing the language in the resolution as follows: "the City proposes to extend the one-half local option sales tax through 2038 if as authorized by the Minnesota Legislature and to use the proceeds not to exceed \$9 15 million dollars". He requested the use of the word as instead of if to address the issue of a state legislative special session in 2016 passing the tax bill with the current language at the State requesting an additional \$9 million in Sales and Use Tax for the City of North Mankato. Administrator Harrenstein indicated that if a State Legislative special session was called there would not be an opportunity for the City to change the language from \$9 million to \$15 million or include language including water and water quality, rather a referendum

would need to be held in order to include those items. **Council Member Norland moved, seconded by Council Member Steiner to amend Res. No. 68-16 to change if to as and \$9 million to \$15 million.** Council Member Spears requested a full reading of the resolution with changes.

WHEREAS, The City of North Mankato wishes to extend the local option sales and use tax approved by the voters of North Mankato in 2006 and authorized by the Legislature in 2008; and

WHEREAS, Many improvements in the public interest could be funded from such a local option sales tax; and

WHEREAS, Pursuant to Minnesota Statutes 297A.99 upon approval by voters at the November 8<sup>th</sup>, 2016 general election and authorization by the Minnesota State Legislature, the one-half of one percent local option sales and use tax will be extended by the City.

NOW THEREFORE, be it resolved by the City Council of the City of North Mankato Minnesota, the City proposes to extend the one-half local option sales tax through 2038 as authorized by the Minnesota Legislature and to use the proceeds not to exceed \$15 million dollars as follows:

1. Development of Regional Parks and Hiking and Biking Trails
2. New and Existing Recreational Facilities
3. Expansion of the North Mankato Taylor Library
4. Riverfront Redevelopment
5. Lake Improvement Projects

Adopted this 8<sup>th</sup> day of August 2016.

**Vote on the motion: Steiner, Norland, Freyberg and Dehen aye; Spears nay. Motion carried.**

**Reconsider Res. No. 69-16 Determining the Necessity for the Extension of a Sales and Use Tax and Calling a Special Election Thereon. Council Member Norland moved, seconded by Council Member Steiner to reconsider Res. No. 69-16 Determining the Necessity for the Extension of a Sales and Use Tax and Calling a Special Election Thereon. Vote on the motion: Steiner, Norland, Freyberg, Spears and Dehen aye; no nays. Motion carried.**

City Administrator Harrenstein indicated the requested change increased the amount requested from \$9 million to \$15 million. **Council Member Norland moved, seconded by Council Member Steiner to Amend Res. No. 69-16 Changing the Requested Amount from \$9 million to \$15 million. Vote on the motion, Steiner, Norland, Freyberg and Dehen aye; Spears nay. Motion carried.**

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Norland, the meeting adjourned at 10:24 a.m.

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Mayor

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City Clerk