

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 July 5, 2016. Mayor Dehen called the meeting to order at 6:05 p.m. The following were present for the meeting: Mayor Dehen, Council Members Freyberg and Steiner, Administrator Harrenstein and City Clerk Van Genderen. Absent: Council Member Spears and Norland.

Extension of Local Sales Tax

City Administrator Harrenstein stated he was providing a list of eligible projects and possible language for a ballot question on November 8, 2016. The City has provided opportunities for citizen input including the utility bill questionnaire and the Brewing Ideas events. City Administrator Harrenstein indicated some of the original ideas are included in the language because not all original projects were completed. City Administrator Harrenstein reported North Mankato began seeking extension of the local option sales tax in January of 2015 and were joined by Mankato. The two cities have been lobbying together for their respective sales tax extension. City Administrator Harrenstein stated working together has been beneficial since Senate Tax Committee Chairman Skoe views local option sales tax as a regional tax not specific to a city.

City Administrator Harrenstein reported the sales tax enacted in 2008 provided the City of North Mankato with a fairly broad tool allowing the sales tax to be used in many areas. The City of Mankato is looking to broaden their use of sales tax beyond the Civic Center and airport.

City Administrator Harrenstein indicated possible language for the question to pose before voters includes the option “not to exceed \$15 million” because if the City only requests \$9 million, many projects will not be completed. He also stated the language is a broad set of ideas and projects.

Council Member Freyberg indicated he approved of the language not to exceed \$15 million. He offered a caution that Mankato is now forced to ask for sales tax money to fund maintenance rather than using the money for a project. Council Member Freyberg also indicated the money needs to be separate from Mankato.

Council Member Freyberg requested clarification on how the use of sales tax money could affect the audit if the City bonds for a project that will not have the money collected until later. Administrator Harrenstein reported that in terms of debt limits established by legislature these are exempt because they are sales tax bonded. If sales tax revenue declines then the rating agencies would become concerned.

Council Member Freyberg indicated communication with the citizens needs to be clear that these are projects that can be funded and the City does not have a shovel ready project.

Mayor Dehen stated he was in favor of the language not to exceed \$15 million but reported he was not in favor of using the funds for maintenance of streets. Council Member Freyberg indicated he would like to remove the use of the sales tax money for maintenance of streets because he views that as a use for the general levy tax. Administrator Harrenstein indicated the language was included in response to survey comments received from citizens. Council Member Freyberg indicated the survey results should be considered carefully as many people who responded may not be aware of the work the Council has done to maintain and improve the streets system including the Pavement Management Plan.

Administrator Harrenstein indicated transit was included in the language because the cost for sharing Mankato’s transit system was increasing and would increase as State and Federal

funds decreased. Mayor Dehen stated the language concerning transit could be included but should be changed to regional transit.

Council Member Freyberg requested clarification on what would happen if Mankato voters did not approve the sales tax extension and North Mankato did approve the sales tax extension. Mayor Dehen responded that North Mankato's could still be presented to legislation.

Council Member Norland joined the meeting at 6:30 p.m.

Caswell Sporting Advisory Group

Administrator Harrenstein stated the City has a great summer of events and is looking to build a brand around healthy lifestyles. The resolution establishes an advisory group that could assist the City establish and maintain an array of different activities. The advisory group would help formalize, promote and support events. The resolution is for review and will be brought back to Council in August. Council Member Freyberg stated he liked the idea which could help organize and coordinate events through involving community members with specific interests and skills.

There being no further business, the Council workshop was adjourned at 6:40 p.m.

Mayor

City Clerk