
The Mandan City Commission met in special session at noon on March 20, 2015 in the Veterans' Conference Room at City Hall, Mandan, North Dakota. Commissioners present were Van Beek, Tibke, Rohr, Braun, and Laber. Department Heads present were City Administrator Neubauer, Finance Director Welch, Business Development & Communications Director Huber, City Attorney Brown, Fire Chief Nardello and Planning & Engineering Director Froseth. Department Heads Absent: Assessor Shaw, Police Chief Bullinger, Building Official Lalim and Director of Public Works Wright. Also in attendance were Karee Magee, Joe Roeder, Kelvin Hullet, Jeff Essler, Tom Hansen, DeNae Kautzmann, George Bullinger, Cole Higlin –Mandan Parks & Rec Director, Laura Jundt – Board President of Dakota Star Gymnastics, Bernice Hilfer, Tim Helbling, Amanda Lantz – Program Director/Head Coach at Dakota Star Gymnastics, Perrie Schafer, Denae Johnson, Susan Beehler, Jena Nolte and Dot Frank.

B. OLD BUSINESS:

1. Discussion regarding facility needs and potential sales tax ballot language.
Parks and Rec Director Higlin provided background history: In April 2013 the Park District started discussions on a needs assessment for the community. The recommendations from that meeting were the All Seasons Arena and the Dakota Star Gymnastics (DSG) facility and their needs and how the City/Park Rec can partner with them. Another discussion point for a community opportunity that stood out were the football and track fields, (Faris Field). Those facilities have been the focus over the last 18 months. An itemized breakdown of expenses/costs from JLG has been provided to the Commissioners via PowerPoint, including information as to the opportunities available. From the Park District standpoint, discussions occurred as to what is happening across the state of North Dakota and what the Mandan community needs are in comparison to other communities. For Mandan needs, the All Seasons Arena project would include a two sheet ice arena. He provided an aerial site of the project. However, no specific site has been selected yet. But two sites are being considered in north Mandan. Negotiations have occurred with landowners and there have been discussions with the School District. The School Board passed a Resolution on 3/16/15 stating they would be interested in acquiring 20-50 acres depending on the cost for a future high school. A two sheet ice arena could potentially be located with this high school. This provides an idea of the athletic component and possible future high school needs.

Mr. Higlin provided an overview of a site plan pointing out the opportunities to work with other governmental entities and the opportunity to partner to acquire the lands that would save costs in the overall projects. He also noted that plans would have to be made with what to do with the All Seasons Arena that sits on the School District property today. He explained that this Arena could potentially be used as a back-up gym for practices and the lower-grade youth programs having a place to schedule practices on a regular basis, etc. Considering all the adult and youth activity of year-round events and demands, Mandan does have a facility shortage to accommodate the recreational activities going on in the community. A total project estimate of costs is \$22 million to upgrade those facilities. The Faris Field project would be separate from the other projects. Mr. Higlin provided a comparison of sales taxes seen throughout communities in the state which has been provided at the five public meetings that have been held.

Fargo, Minot, Valley City, and Williston are all within that 7% and Mandan is now up to 6.5% with the passage of the jail project. He pointed out that in regards to debt limitations; the Park District is separate from the School District and the City in that the Park District does not have the ability to take debt on for projects. By law, the Park District can only be 1% of the total tax collection which is \$6 million. But the Park District can do a Revenue Bond. But there has to be a means to pay the principal and interest and the projection to do that amounts to a loss of approximately \$50,000. Across the state in comparison to other Park District communities of comparable size or greater, it becomes a \$150,000 - \$200,000 subsidy noting that ice arenas are expensive, similar to indoor pools. Looking at the mills by law, we can only be 38.11 mills. Currently, we are at 35.94 mills. There are only two funds that the Park District can pay for debt out of. They are the General Fund (less than 1 mill at approximately \$60,000), and Capitol Improvement Fund (less than 5 mills at about \$300,000) per year and that's what the Park District is capped at. To undertake projects of this magnitude without a sales tax will just not happen. The existing All Seasons Arena does require a \$1 million improvement but that does not fix the needs for a second sheet of ice nor does it fix the need for adding quality ice.

In summary Mr. Higlin reiterated that this is not just a City issue nor is it just a Park and Rec issue. It is a community issue. The question is how do we package these projects together so everyone in the community benefits?

Mayor Van Beek concurred that there are decisions that need to be made regarding what is good for the community and our families. He noted that if we do not take care of our families and their interests, Mandan will lose families who are considering moving into the community. Mayor Van Beek stated he is in support of the projects that are being discussed today.

City Administrator Neubauer indicated two projects; City Hall and North Fire Station have been presented by JLG to the Commission. Mr. Neubauer presented the amount of sales tax that would be generated over a 15-20 year period for a half cent increase or a full cent. He stated that the City has been working with Mike Manstrom, Dougherty & Co., LLC who outlined (6) different scenarios for consideration:

- 1st Option @ half-cent over 15 yrs = net bond proceeds \$11.9 million
- 2nd Option @ half-cent over 20 yrs = net bond proceeds \$14.5 million
- 3rd Option @ half-cent over 25 yrs = net bond proceeds \$16.6 million
- 4th Option @ one-cent over 15 yrs = net bond proceeds \$23.9 million
- 5th Option @ one-cent over 20 yrs = net bond proceeds \$29.1 million
- 6th Option @ one-cent over 25 yrs = net bond proceeds \$33.3 million

City Administrator Neubauer stated that other options would be mill levies, increasing property taxes (depending on which project and the dollar amount) which may have to go to a vote if the increase would be in excess of 5 mills. City Hall is estimated at \$12.6 million, the Fire Station at \$2.4 million, or approximately \$15 million for those two projects.

Finance Director Welch stated that if the City was to consider funding its projects, the \$15 million for City Hall and the north side Fire Station, its General Obligation (GO) bond over a maximum of 20 years for a “GO” bond that would equate into 19.5 mills on the current tax valuation. On an existing \$225,000 home that would be an approximate \$200 increase in property taxes for a \$15 million project.

Administrator Neubauer said there were questions from the Commissioners for a possibility to partner with the Rural Fire District. He and Fire Chief Nardello attended their annual meeting on 3/18/15 and asked if they would be willing to contract more coverage in the north side of town. They also asked if they would be able to respond within the 5 minutes, (the NFPA guideline) if they were located in North Mandan. Another question they had was whether, if they weren’t willing to do that, consideration would be given if they would be willing to add on to their facility or let us utilize their facility.

Commissioner Tibke stated that she has requested Chief Nardello look into the options to organize a partnership. Commissioner Rohr inquired if an option to remodel the current City Hall at a lesser cost would suffice the needs of business. He stated he does not feel he has received enough information to distinguish what is needed and/or to justify a \$12 million project vs. a \$3million or \$4 million renovation project.

Mayor Van Beek summarized that the consensus of the Commissioners is that they would like more time to research the possibility of an agreement with rural fire and to look at the cost of a City Hall renovation or if it should be rebuilt. Commissioner Rohr commented that it will be necessary to prioritize the projects and determine how to get those funded. Commissioner Laber commented that there are infrastructure problems the City has to address before asking the taxpayers and citizens for additional money for these projects. The City Commission first needs to determine what is urgent and then prioritize from there. She said the City Hall is in need of a new roof and the Commission needs to figure out how to fund that. She is hesitant to put it into sales tax at this time because that may not be the best use of resources.

Commissioner Tibke concurred with Commissioner Laber’s comments and agreed that City Hall is in need of an upgrade. After looking at the cost estimates, on being on the conservative side, an upgrade may be the way to go. It is her opinion that the Park District project is a priority and from a City prospective, infrastructure is more of a priority than City Hall. Commissioner Braun commented that Mandan residents are aware these items need to be addressed and he fully agrees that priorities need to be set. He would be in favor of a remodel of the City Hall and partnering with the Fire Station rather than building a new one stating that would save substantial amounts of money. Commissioner Tibke commented that Mandan participates in many events throughout the years and noted the importance of drawing people to the community. It is her opinion that the Park and Recs projects are a first in line for priorities. If it were to go to a vote and if it were to pass, then make plans for the City Hall needs based on that vote. In the meantime, build relationships with the rural fire department and attempt to combine those.

Based on the all the Commissioners providing input, Mayor Van Beek summarized that the Park District projects should be considered first and then subsequently the City Hall projects. Commissioner Tibke clarified that she understands the consensus is to focus on the Park and Rec projects, putting that to a vote based on the voter's preferences and see what results that will bring. Then the Commission should address City Hall plans which would include infrastructure by working within the City budget and in this space.

Mayor Van Beek asked if any of the Commissioners have discussed these projects with community members to get their thoughts on these projects. Commissioner Laber stated she has had several phone calls from residents informing her of their positions on these matters. She stated that calls are so dynamically "split" on what people's opinions are. Commissioner Rohr stated that the majority of the people he has talked to indicated that they would like the Park District and the City projects voted on separately on their own merits. Commissioner Laber said several of the callers voiced concern about future potential for added expenses that may be incurred to maintain larger facilities or entities such as more employees, more lawns to take care of, etc. Mr. Higlin commented that regarding the Water Park and the golf courses, the gate fees and contributions collected at those entities are used to pay the expenses to run them. There is a similar agreement with the gymnastics club and there is work in progress to come up with an arrangement with the School District who use these facilities as they benefit from them. Mr. Higlin stated that there is, or will be, an annual revenue stream for expenses associated with these plans. It is hoped that revenue has all been taken into consideration for these projects by anticipating the costs now and into the future.

Mayor Van Beek commented that both the City Hall/Fire Station & the Park District projects are important to the community and he would like to see both of them put to a vote as one project and to let the citizens decide. He doesn't want to short the community by bringing one or the other forward. Commissioner Rohr stated that he believes the citizens want a separate choice on what should or should not be done. Commissioner Tibke commented that improvements do need to be done at City Hall. But she feels that fire services are more important even though the Fire Chief has assured her that they can make do over the next couple years. She stated that it is her opinion that the Park District projects are first priority. She feels that these projects should be addressed one at a time and that a vote will be necessary to determine that. She mentioned that she has also received many split calls with regards to which project is more important to citizens.

Commissioner Laber commented that she would be in favor if $\frac{3}{4}$ of a cent would be considered for a maximum of 20 years or a maximum of \$21 million; whichever occurs first. Her recommendation would be to see how that goes with this measure.

Commissioner Braun noted that there should be a decision made with what will be done with the fire station, (proposed partnership with rural). Because that may have to be addressed by the City at some time if a partnership does not work out. Then the City will have to come up with a plan for funding that. Finance Director Welch clarified that if the City were to build a fire department by using GO (General Obligation) bonds to get 5 mills on the books, that would require 60% of voter approval. This is unlike City Hall improvements which can go up to 5 mills without voter approval according to NDCC.

Mayor Van Beek opened the floor to the audience for comments and suggestions.

Susan Beehler came forward to speak. She stated that with the funding of the projects one of the concerns among Mandan residents has been the property tax. If it goes to vote, she suggested that it be worded that the half-cent be used to buy-down property tax that would normally go for the infrastructure or the new Fire Station or the new City Hall. Another concern besides property tax is the street behind City Hall that is in need of repairs. If a half-cent is earmarked towards City Hall and its street repairs and the other half-cent earmarked for the Park District. Then they would have to work within their budget. For example, when thinking about projects, she said the City lost the Community Center. Whenever we lose those buildings to the School District or the Park District it becomes exclusive to others needing the use of such a facility rather than it becoming inclusive for other community use. For example, consideration should be given that facilities be available for others to use rather than limited to just hockey or gymnastics, etc.

Kelvin Hullet, President of the Bismarck-Mandan Chamber of Commerce, thanked the Park Board and the others who have been a part of this work in progress over the last couple of years. He summarized the two major items that have been discussed in length: (1) The business community is interested in attracting new businesses as well as retaining businesses. He stated that the main interest sought from people moving to a community is recreational facilities – those quality of life projects. When strategic plans are made, the quality of life in a community is higher on the list more so now than it ever has been. Today's young professionals entering the workforce look for a place they want to live that offers them the things they want to do. (2) The Mandan Tomorrow project that was initiated a couple years ago was another item Mr. Hullet discussed. The plan is to expand on that project as it pertains to attracting new residents to the City of Mandan so that we can become a "Destination Community". In general, Mr. Hullet foresees opportunities to put Mandan on the map with the projects the City is bringing forward.

Jena Nolte, Mandan resident who works for JLG Architects, came forward to provide comments. She stated that she wasn't necessarily involved in both of the projects personally. She chose Mandan as her place of residence because of what Mandan has the potential of offering. She stated that she feels the City Commission would be doing a disservice to the Mandan residents if they do not provide an opportunity for residents to be heard on both matters as to what is their priority. She requested that both matters be included on the ballot.

DeNae Kautzmann, Mandan citizen, came forward and concurred with Jena Nolte's request. However, she stated that she does not look at this as a "City Project" or a "Park District Project". She sees the projects separately: a City Hall, a Fire Station, a Hockey Arena. She requested the projects be broken out independently because each one has a certain priority. She also reminded the City Commission about what Susan Beehler brought forward. Mandan's property taxes are too high. Residents are paying for two new schools, new streets and special assessments. The City just adopted a new transportation plan and a new infrastructure plan for the streets. Those all cost money.

She stressed consideration be given to the project costs for plans already in place and also noted that plans for a new jail are in the making. She encouraged the Commission to consider the priorities and determine what is most important. Then those priorities should be put on the ballot but allow for the residents to vote on each one of them independently.

Another Mandan resident, Tom Hansen, came forward to speak. He stated that he agrees with the aforementioned comments. But he stressed the importance of setting priorities. In particular, he questioned combining city and county services. Are there enough resources/land available to combine for a new fire hall? As a whole, bringing in a new fire station allows for a bigger fire force and safety codes which in the long run, insurance rates stay down. All in all, that benefits the whole community by rates staying at a stable level. He is unsure if an ice rink is a priority. He is not in favor of a mill levy affecting property taxes but he may favor a sales tax. He said the matters have to be voted on separately in order to be fair to residents.

Laura Jundt, Board President of Dakota Star Gymnastics, addressed the board and stated that she believes the younger generation today is looking at this from a recreation standpoint as a “need” rather than a “want”. There are safety issues (at the current location) that need to be addressed and she welcomed members to come view the facility to observe the needs of an updated facility. She said the gymnastics program has increased 200% in the last 3 years and that the classes are already at maximum capacity. The space to hold the classes are limited and some of the water fountains are non-functional.

Annette Behm-Caldwell, past Chair of the Bismarck-Mandan Chamber, came forward to speak on behalf of business owners in Mandan. She and her husband own Open Road Honda and her No. 1 request are people in town. She agrees strongly in the recreation programs as a No. 1 priority. She explained that she hires young people whose main interest is family and what the community has to offer for family recreational activities. She says that paying sales tax has never been an issue with her customers. She requested the City Commission consider separating out the projects if it goes to a city-wide vote. She stated that the recreational activities in the Mandan community are a “need” and not a “want”. She is in favor of the sales tax increase as the funding source for these projects.

Susan Beehler came forward again and stated that the main concern is letting the people decide and it would be disservice if this election is held now rather than when people expect to vote in November. They need time to think about it and have as much information available to them in order to make a decision. She suggested that taxpayers be able to buy into it rather than having them think these projects were railroaded through. So in the long run it is a win-win for the Park District and the City and the residents.

DeNae Kautzmann asked for a clarification as to whether Dakota Star Gymnastics is a private entity or part of the Park District. Laura Jundt replied that they are a non-profit organization who has a partnership/affiliation with both the School District and the Park District.

Denae Johnson, Mandan citizen, commented that her choice for selecting a community to move into was that Mandan fit the needs of her family at the time. A priority for her now is to have extracurricular activities available for their children. She pointed out that as a resident in this community it is her priority to be able to have good and positive things available to keep her children involved. She voiced concern that residents need to have an opportunity to voice their opinion on what is important to them.

Former Mayor Tim Helbling came forward and stated that he concurs with the comments brought forward by all the individuals. He said it is important for the community to be on board. He did not agree with the location recommended by the Chamber. He suggested the north side of Mandan would allow for growth over the next 25 years. He stressed the importance of letting the taxpayers decide what they want and they will support it. That is very important. Partnering with the School District is a good idea. Think big. Put it on the table and let people vote on it. A one-cent sales tax over the long term would be the way to go if it is done correctly. Location is a vital part of the decision.

Mayor Van Beek stated the two recommendations brought forward tonight:

- (1) Park and Rec projects only;
- (2) List the City and the Park & Rec projects on the ballot but separate them so the public can have the choice to vote on both projects.

Mayor Van Beek asked for any other recommendations. There were none. Members discussed their preference not to go past 20-25 years or 1% for the total scope of both projects until the bonds are paid; and that would be split at a half cent for each if they are both voted in. A proposed ballot will be drafted and discussed at the next meeting on March 24, 2015 at 5:30 p.m.

There being no further actions to come before the Board of City Commissioners, Commissioner Rohr moved to adjourn the meeting at 1:20 p.m. Commissioner Tibke seconded the motion. The motion received unanimous approval of the members present. The motion passed.

/s/ James Neubauer

James Neubauer,
City Administrator

/s/ Arlyn Van Beek

Arlyn Van Beek,
President, Board of City
Commissioners