
The Mandan City Commission met in special session at 5:30 pm on March 24, 2015 in the Ed “Bosh” Froehlich meeting Room at Mandan City Hall, Mandan, North Dakota. Commissioners present were Van Beek, Tibke, Rohr, Laber, and Braun. Department Heads present were City Administrator Neubauer, Finance Director Welch, Business Development & Communications Director Huber, Fire Chief Nardello, and City Attorney Brown.

B. OLD BUSINESS:

1. Discussion regarding facility needs and potential sales tax ballot language and consider the call of an election for the sales tax vote.

Commissioner Tibke stated that at the meeting held on March 20, 2015, she indicated she was interested in the “half-cent” sales tax and the Ballot language drafts indicate a “cent”. She said that can be changed as decided. Mayor Van Beek read all three drafts of the “Notice of Ballot Measure” out loud.

“BALLOT NO. A”

NOTICE OF BALLOT MEASURE

At a special election on June 9, 2015, the following proposed amendment to the Mandan Code of Ordinances will be placed on the ballot: Shall the City of Mandan amend its Mandan Code of Ordinances to adopt an additional one percent (1.00%) tax on gross receipts of retailers from all sales at retail and use tax as permitted by NDCC Ch. 57-39.2, and as amended, from time to time, to be dedicated:

- (i) To the financing and construction by the City of Mandan of:
- a) Replacement or renovation of Mandan City Hall; and
 - b) A new north side fire hall;

at an estimated cost of \$15,000,000;

-AND –

- (ii) To the Mandan Park District for the financing and construction of:
- a) A new two-rink hockey arena, including gymnastics facilities;
 - b) A new football and track field; and
 - c) Conversion of Lefty Faris football and track field into ball fields;

at an estimated cost of \$22,000,000.

Such sales and use tax revenues shall be pledged to the payment of bonds issued for such construction in anticipation of the collection and receipt of such sales and use tax, and as pledged, the sales and use tax may not be repealed so long as any such bonds or bonds refunding the bonds are outstanding. The sales and use tax shall expire at the time all costs of the projects and the bonds issued to finance construction of the projects are paid.

A **“YES”** Vote on each project means you approve levying of the sales tax for that project.

A **“NO”** Vote on each project means you reject the levying of the sales tax for that project.

You may vote “Yes” or “No” on each project, or “Yes” for both projects, or “No” for both projects. If either or both of the proposed projects receive a majority of **“YES”** votes in the election, it will be enacted by the City of Mandan by appropriate Ordinance.

“BALLOT NO. B”

NOTICE OF BALLOT MEASURE

At a special election on June 9, 2015, the following proposed amendment to the Mandan Code of Ordinances will be placed on the ballot: Shall the City of Mandan amend its Mandan Code of Ordinances to adopt an additional one percent (1.00%) tax on gross receipts of retailers from all sales at retail and use tax as permitted by NDCC Ch. 57-39.2, as amended, from time to time, to be dedicated:

(i) To the financing and construction by the City of Mandan of:

- a) Replacement or renovation of Mandan City Hall; and
- b) A new north side fire hall;

- AND -

(ii) To the Mandan Park District for the financing and construction of:

- a) A new two-rink hockey arena, including gymnastics facilities;
- b) A new football and track field; and
- c) Conversion of Lefty Faris football and track field into ball fields;

The estimated cost of the projects is \$37,000,000. Such sales and use tax revenues shall be pledged to the payment of bonds issued for such construction in anticipation of the collection and receipt of such sales and use tax, and if so pledged, the sales and use tax may not be repealed so long as any such bonds or bonds refunding the bonds are outstanding. The sales and use tax shall expire at the time all project costs are paid and the bonds issued to finance construction of the project are paid.

A **“YES”** Vote means you approve the city measure as summarized above.

A **“NO”** Vote means you reject the city measure as summarized above. If this proposed amendment receives a majority of **“YES”** votes in the next election, it will be enacted by the City of Mandan.

“BALLOT NO. C”

NOTICE OF BALLOT MEASURE

At a special election on June 9, 2015, the following proposed amendment to the Mandan Code of Ordinances will be placed on the ballot: Shall the City of Mandan amend its Mandan Code of Ordinances to adopt an additional one percent (1.00%) tax on gross receipts of retailers from all sales at retail and use tax as permitted by NDCC Ch. 57-39.2, as amended, from time to time, to be dedicated (i) to the financing and construction by the Mandan Park District of:

- a) A new two-rink hockey arena, including gymnastics facilities;
- b) A new football and track field; and
- c) Conversion of Lefty Faris football and track field into ball fields;

The estimated cost of the project is \$22,000,000. Such sales and use tax revenues shall be pledged to the payment of bonds issued for such construction in anticipation of the collection and receipt of such sales and use tax, and if so pledged, the sales and use tax may not be repealed so long as any such bonds or bonds refunding the bonds are outstanding. The sales and use tax shall expire at the time all project costs are paid and the bonds issued to finance construction of the project are paid.

A **“YES”** Vote means you approve the city measure as summarized above. A **“NO”** Vote means you reject the city measure as summarized above. If this proposed amendment receives a majority of **“YES”** votes in the next election, it will be enacted by the City of Mandan.

Mayor Van Beek summarized the Ballot Measure options. There is “Ballot No. A” for both projects wherein you can vote “Yes” or “No” for the City and you can vote “Yes” or “No” for the Park projects. “Ballot No. B” is all of the projects put together for a “Yes” or “No” vote, and “Ballot No. C” is just for a new two-rink hockey arena including gymnastics, a new football and track field and conversion of Lefty Faris football and track into ball fields.

Mayor Van Beek stated the purpose of this meeting is to discuss two matters:

- (1) If the City Commission wants to bring the sales tax vote to the citizens, and
- (2) If the City Commission decides to bring these projects to the vote of our citizens, are these the projects that we feel are the most important.

Commissioner Tibke reiterated her comments from the last meeting stating that she is only interested in moving forward with what the Park District has presented to a vote of the people of Mandan. She reminded everyone that Commissioner Braun suggested selecting only the one-half cent sales tax for City flexibility in case of future needs from the City’s needs perspective. She also mentioned that Commissioner Laber was concerned about the timeframe of years it would be spread out over. Commissioner Tibke believes it could be paid within 20-25 years, based on the businesses being built and the

increases that have been seen in the past few years. She stated she is fairly comfortable with the timeframe of 20-25 years. She agrees there needs to be some flexibility for the projects in the future. She would recommend having the Ballot Measure include only the Park projects and leave the City off. Those should be handled separately so the community can vote “Yes” or “No” for the Park projects. Commissioner Tibke stated she would like a “half-cent” rather than a “cent” sales tax.

Finance Director Welch explained that the issue with the half-cent sales tax would only generate over 25 years, with the current revenues that we have in the one-cent City sales tax that would only get you about a \$16.5 million dollar project. Therefore, if we were to borrow all the money at one time for the improvements for the Park District we would only be able to borrow based upon the existing collections. So over 25 years a half-cent City sales tax would bring in the \$16-\$17 million dollar project which would be short of the \$22 million dollar project. Granted in 25 years, the one-cent City sales tax will generate more money, but you’re borrowing based on the current collection ability as you cannot borrow based on future collections. Finance Director indicated he did not have the numbers available on a three-quarter cent (.75%) City sales tax but was willing to run them.

Commissioner Laber had a question about the conversion of the Lefty Faris Field and turning that area into ball fields. How much of this is affected by the project and does anyone have any comment on the conversion of Faris Field?

Cole Higlin, Park & Rec Director came forward and stated that the conversion of Faris Field has been part of the project discussions in so far as what we would do with the land. The idea is to expand the ball diamonds and to use it for the “catch-all” activities such as youth baseball and girls’ softball, etc. The Park and Rec maintenance shop is located on that property. Negotiations have occurred with the School District regarding this project. He said that at least three fields will fit on that property: potentially two turf fields and one grass field. There was a Resolution passed to acquire the land for the new site but as far as the existing site there is no Resolution. In order to move forward with the project on that property the Park District needs to know if that will be placed on the ballot. Thus the reason for the added (conversion) language. Mr. Higlin stated that the Park District has a lot of shared resources with the School District of which there is an agreement to use each other’s facilities.

Mayor Van Beek reminded the Commission that at the meeting on March 20, 2015, several citizens that were present cautioned “Don’t undersell it” and bring it to the citizens for a vote as is demonstrated on Ballot No. A. Let them decide if they do or do not like the City’s projects. If they vote “No” we can look at this and rescale it and present it that way. Mayor Van Beek stated he would favor Ballot No. A.

Commissioner Labor state she is concerned with the one percent City sales tax increase at this time and that she is more in favor of Ballot No. C with the three-quarter cent (.75%) City sales tax assuming that number works out financially.

Mayor Van Beek opened the floor for comments and discussion at this time.

Brandon Leingang, Mandan resident came forward and commented that he has given his opinion previously. He is here to present on behalf of a friend Jonathan Simmers, a Mandan resident who could not be here to speak on his own behalf. Mr. Leingang read a letter addressed to the City Commission, summarized as follows: Simmers lives in rural Mandan and is not originally from Mandan. He is the CO at Bismarck-Mandan Aero Center. In summary, he stated that in over 90 applicants for airport technician jobs in Bismarck-Mandan, many well qualified applicants turned down positions in the Bismarck-Mandan area. They provided comments that there are no recreational activities in Bismarck-Mandan offered in order for them to start or bring their families here. He encouraged the Commission to consider building a shared-use recreational facility that will benefit the community as a whole and attract new families to the community.

Jayne Kramer, a Mandan resident came forward and stated that he does not think a sales tax increase is a deal-breaker. It is his position that if events are scheduled in Mandan, people will come and participate in those events. They will stay in the Mandan hotels and will eat in the Mandan restaurants. And they will pay the sales tax. It is his opinion that the City of Mandan cannot afford to miss this opportunity.

Laura Jundt, Board President of Dakota Star Gymnastics, came forward and inquired on Ballot No. A. If the City would vote to pass the Mandan City Project and not pass the Park and Rec project what would happen to the Gymnastics club? She stated that as a parent this could be a concern to vote for the city project or it could cause some confusion and maybe displacement?

Cole Higlin, Park and Rec Director came forward to provide insight to the question posed by Ms. Jundt. Mr. Higlin stated that if the gymnastics club were to be displaced, the Park District would have to inquire as to what other facilities would be available for that group. As of today, there are no empty facilities so the Park District would have to look at alternatives and partner with them (Dakota Star Gymnastics) to come up with a plan. Ms. Jundt commented that the gymnastics program has grown over 200% in the last few years and that they offer year-round services. Even a short-term displacement would create a negative impact on the program. Mayor Van Beek commented that he would not think any group or organization will be displaced as a result of these projects.

Tim Olson came forward and stated that he moved to Mandan about a year ago although his wife was born and raised in Mandan. He stated they are in favor of the sports center projects. He believes this to be an economic development for the Mandan community and it may also serve as a recruitment tool for businesses for people who want to move to this community and be here long-term. He stated he was involved with the creation of a sports center in Marshall, Minnesota. His experience was that many developers will come forward and be part of the project. They will bring hotels, restaurants, etc., which in turn will create revenue for the City.

Wayne Jundt, a Mandan resident since 2006, moved to Mandan from Bismarck.

He stated that he believes that a new sports complex and new diamonds would help Mandan in attracting more tournaments, including softball activities. He does not think the sales tax is an issue. Similar to other cities, people just pay it. He favors Ballot No. C and to expand the recreational facilities and everything that goes with it.

Nick Renner a life-long Morton County-Mandan resident came forward and commented that there were some confusing statements made tonight, in particular, reference was made about a sports center. He said the ballots are talking about a hockey rink arena including gymnastics. Are there going to be other things going on there? Another concern was the discussion on City sales tax. If you vote for everything on Ballot No. A, (that's talking about \$37 million dollars), that will have to be more than a one-cent increase in sales tax if this were to be done all at the same time. Is that doable with a one-cent sales tax increase? He also stated he has a problem with retail in Mandan noting that for over 40-50 years it has been stereo-typed that everything is cheaper in Bismarck. He would like to know how much of that extra half percent sales tax increase collection will go to lost sales to people who will still drive to Bismarck.

Amy Torgerson a life-long Mandan resident came forward and stated that she had attended Dakota Star Gymnastics as a child. She said she left Mandan and went to Watford City for 5½ years and has since moved back to Bismarck-Mandan because of opportunities for her children. She currently lives in Bismarck but stated she is interested in creating a future for recreational activities in Mandan.

Mayor Van Beek asked for any other interested parties wanting to speak to come forward. Hearing none, he asked if any of the Commissioners had any further comments.

Commissioner Rohr requested clarification if the potentially new hockey arena / gymnastics facility would be used for other activities?

Park and Rec Director Cole Higlin said that with regard to gun shows, flea markets, and those types of events were not initially considered as potential users of the facility. However, he said that in order to subsidizing paying for the projects, optimizing usage by other entities will be a consideration to make this happen.

Commissioner Braun extended a thank you to everyone who came out tonight to speak on these matters. He stated that from the very beginning these two projects have been very important to the City. He stated that he supports Ballot No. A or Ballot No. C and to be fiscally responsible for these projects. In looking at the projects, City Hall and Fire Station, there remain unanswered questions. At this point he believes the priority is the activity center.

City Attorney Brown recommended reviewing the two draft Resolutions presented. One Resolution would finance a one percent (1.0%) sales and use tax for the Park District Project and the other would be both projects. The first motion would be to approve the Resolution which calls the election and second which Ballot Measure would be used.

Commissioner Laber moved to approve the Resolution Calling Election to Increase the Sales and Use Tax to include three-quarter cent (.75%) and to include only the Park District in the City of Mandan and those undertakings and not the alternative. Commissioner Tibke seconded the motion.

Administrator Neubauer asked for clarification on the motion that if it is three-quarter of a cent (.75%) City sales tax to pay for the Park District projects only? Commissioner Laber stated that is correct.

Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Mayor Van Beek: No. The motion carries.

City Attorney Brown stated that it would be appropriate that the Notice of Ballot Measure Referenced as Ballot No. C be motioned on and noted at three-quarters of a cent (.75%) if that is the wish of the City Commission.

Commissioner Laber moved to approve Notice of Ballot Measure Referenced as Ballot No. C noting that the sales tax percent would be at three-quarters of a cent (.75%). Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Mayor Van Beek: No. The motion carries.

Mayor Van Beek explained that his preference was to see all of these projects go to the vote of the citizens. The Park District projects will be a great addition to the Park District and the City of Mandan. He commented that he is not voting “No” to the Park District projects, because his preference was to bring all projects to a vote.

There being no further actions to come before the Board of City Commissioners, Commissioner Tibke moved to adjourn the meeting at 6:17 p.m. Commissioner Braun 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