

City Council Minutes
Special Meeting

Detroit Lakes, Minnesota
January 26, 2023

CALL TO ORDER

The special meeting of the City Council was called to order in the Conference Room of M-State at 7:00 PM, January 26, 2023; all members of the City Council having been notified of the meeting and the business to be transacted.

ROLL CALL

Council Present: Mayor Matt Brenk
Alderman Boeke
Alderman Buboltz
Alderman Carlson
Alderman Dallmann
Alderman Deraney
Alderman Stearns
Alderman Zeman

Council Absent: Alderman Spry
Alderman Josephson

Staff Present: City Administrator Kelcey Klemm
Deputy Clerk Kari Tyson
Finance Officer Heidi Tumberg
City Attorney Charlie Ramstad
Public Works Director Shawn King

LOCAL OPTION SALES TAX

City Administrator Kelcey Klemm spoke about the process to obtain a Local Option Sales Tax.

City Administrator Klemm stated that the Public Works Facility bids came in under budget, therefore the Pavilion project is the only project seeking Legislative Approval for a possible Local Option Sales Tax. The estimated project costs are \$17.3 million with a 12 year pay schedule.

Alderman Carlson clarified that this resolution is not committing to the project, but simply asking for the possibility of it if the Council chose to in the future.

City Administrator Klemm clarified that yes, this resolution only asks the MN legislature for approval on the project. That way, in the next year or two if the City Council chose to, they could go to the public for a referendum vote for approval.

Alderman Deraney asked what this does to the timeline for West Lake Drive and the Arena Project.

City Administrator Klemm stated that the funds could be requested to be added at a later date prior to a referendum vote, and then there could be multiple questions on the ballot.

Alderman Dallmann stated that the City should be working on a childcare facility project, and not a Pavilion project.

Alderman Zeman mentioned that he, Alderman Carlson, and City Administrator Klemm had just returned from the MN Capital where they met with the Governor

during the CGMC Legislative Action Day, and the Governor spoke about his plans to assist with the childcare, housing, and workforce issues.

Clayton Schott of 1774 North Tower Rd was present to speak against the Pavilion project and local option sales tax.

Alderman Carlson stated that he sees Alderman Dallman's point, but that this decision only allows for more conversation and decisions to happen in the months to come and he would hate for the City to miss the opportunity if they so chose to use it.

Alderman Zeman mentioned that a building like this is needed in the City and the current building needs a lot of work and updates. The community had a good turn out during the open house last fall, and Alderman Zeman stated he believes that shows they believe the project is important and could set up the community for the next 100 years.

Alderman Deraney asked for further clarification on the process.

City Administrator Klemm stated that the resolution if passed tonight would go to the State Legislature for approval. Then if approved, would allow the City to vet the project more, and decide if they want to put it to a referendum. Then if put to a referendum and approved. The project would be a go, and the City would start collecting a half percent sales tax.

Alderman Buboltz asked if this would be a continuation of the current sales tax that is in place.

City Attorney Charlie Ramstad stated that the current sales tax will be done in May, and therefore this tax would potentially be replacing the current one.

Alderman Buboltz stated that she believes funding the project this way is good because it shares the cost with the region and doesn't add a burden to the local property tax payers.

A resolution was introduced by Alderman Zeman who moved its approval, supporting the authority to impose a local sales tax to fund specific capital improvements. The motion was seconded by Alderman Boeke and carried with one dissenting vote from Alderman Dallmann. Mayor Brenk declared resolution 2023-0126A approved.

ADJOURNMENT

There being no further business to conduct, by general consent, Mayor Brenk adjourned the meeting at 7:24 PM.

Respectfully submitted, Kari Tyson, Deputy Clerk