

CITY OF CASSELTON
Tuesday, January 17, 2017
SPECIAL MEETING 7:00 P.M.
Council Chambers

Present: Mayor Lee Anderson, Councilmen Joan Carvell, Mike Eberhardt, Charlie Francis, Char Gust (via speaker phone) and Kent Buss. Also present: Troy Klevgard, Ed McConnell, Morgan Forness, Jack Haines, Bob Miller, Janice Miller, Steve Link, Jesse Hagen, Julie Nelson, Mark Belter, Mike Lee, Chad Priewe, Tami Lemar, Brent Everson, Mary Jendro, Julie Burgum, Becky Dunker, Lowell Gunderson, Bernie Sinner, Angela Kolden, City Auditor Sheila Klevgard and City Attorney Del Losing.

This meeting was to discuss a possible city-wide vote on a sales tax increase. Losing gave an update that the city was seeking an attorney general's opinion and found that an opinion would not be favorable to the school owning property and the city segregating funds. A change in legislation was recommended but that couldn't be accomplished this year even with the legislature in session. The Wellness Center will be owned by or leased by the Park District with a joint powers agreement between Parks and Recreation and the city. The area is to be separated from the school, open 24/7 and would include a weight room, rest rooms/locker rooms/dressing rooms and an office. It will be owned, and staffing would be managed, by the Park District with a joint powers agreement between the school and Parks and Recreation. It could be used by the school during the school day but majority usage of the building must be non-school related. Gunderson, owner of Governors Inn, argued that this is no different than Shopko wanting to use sales tax dollars to open a store, but with a competing business in town they were told "no". He expressed concern that his business could not compete with a sales tax sponsored wellness center available to the public at reduced rates or even free. The Park District would run programs and fees as they see fit and it wouldn't replace what the hotel has since there won't be a walking track or swimming pool. Tami Lemar, a member of the park board, explained that the demographics of those using the facility would be different, for example the senior citizens at the neighboring facility that may not be able to drive to the hotel and Parks could also host larger youth activities that need more space than available at Governors Inn. Gunderson requested that it be put into the joint powers agreement that the wellness center won't compete with the hotel. It was stressed that an improved community center is needed for tournaments that involve a lot of out-of-town people and those events benefit the entire community.

Dedication for use of the tax proceeds will be on the ballot but it will be a minimum of 64 days before an election can be held. Carvell indicated that she is in support of a wellness center and 1% sales tax increase; her only issue is bonding because it increases the amount from \$2 million from the sales tax plus \$500,000 from Parks and Recreation to an anticipated cost of \$3.5 million. Anderson stated that he originally didn't know the school couldn't finance the sales tax portion. If it is put to a public vote and approved it is still considered an advisory vote and the city could then pass the revised sales tax ordinance. The vote is not necessarily tied to bonding. According to Forness, \$3.5 million has already been raised by the school with others waiting to see how the vote goes. Francis noted that there is a need for a community center and the city couldn't build it for \$3.5 million.

Councilman Francis made a motion, seconded by Councilman Buss to put the sales tax increase to a public vote. Carvell, Francis and Buss voted aye on voice vote; Gust and Eberhardt voted no; **motion passed.**

Councilman Francis made a motion to adjourn at 8:08 pm.

Next regular meeting February 6, 2017 at 7:00pm.

Respectfully Submitted,

Sheila K Klevgard
City Auditor