

**CITY OF MARSHALL
WORK SESSION
M I N U T E S
Wednesday, May 19, 2021**

The work session of the Common Council of the City of Marshall was held May 19, 2021, at the Minnesota Emergency Response and Industrial Training (MERIT) Center, 1001 West Erie Road. The meeting was called to order at 4:30 PM P.M. by Mayor Robert Byrnes. In addition to Byrnes the following members were in attendance: Craig Schafer, Steve Meister, Don Edblom, John DeCramer, Russ Labat and James Lozinski. Absent: None. Staff present included: Sharon Hanson, City Administrator; Dennis Simpson, City Attorney; Annette Storm, Director of Administrative Services; and Kyle Box, City Clerk.

Review Long-Term Plan and Debt Study Done by AEM in 2018, Comparable City Debt Analysis, and Long-Term Plan Discussion.

Director of Administrative Services, Annette Storm introduced the work session agenda items 1, 2, and 3. Director Storm provided the background information on the Long-Term Debt, Comparable City Debt, and Long-Term Planning. The presented Long-Term Plan that was completed in 2018 by AEM via PowerPoint presentation. Among other items, the AEM plan calls for significant increases to the general levy to best reduce debt. The target numbers were not reach over the last two years.

Director Storm provided additional discussed on comparable city debt referencing other similar sized cities and made it a point to explain that it is very difficult to compare cities and that every city has its own level of uniqueness.

Director storm also asked for additional long-term debt reduction guidance and how the city wishes to proceed moving forward.

Councilmember Lozinski commented that not all debt is bad debt and that not all interest is bad interest, especially when interest rates are so low at this time and that borrowing now is a good idea to finance larger pieces of equipment.

Councilmember DeCramer commented on payment for projects and those that are using and benefiting from the project should pay for the project.

There was continued discussion and options on bonding vs. paying cash for certain projects and equipment.

Councilmember Meister discussed the cost of constructing and operating the pool and its community and regional draw it can bring.

Councilmember Labat discussed the AEM report and the recommendations within the report to pay as we go rather than bond.

City Administrator Hanson commented on the tax burden on the community that is reviewed by bond council and that staff prefer to include smaller items (\$60,000 - \$80,000) into the levy rather than bond.

Councilmember Edblom commented on debt, spending and the importance of understanding that we are all a part of a growing community and it continues to be important to providing funding and bonding options for projects in needs (i.e. schools, city hall and the pool). Bonding is an essential tool as to how the city operates.

Councilmember DeCramer discussed aging capital equipment should be considered for replacement at historically low interest rates.

Pool Funding Discussion

City Administrator Sharon Hanson introduced the Pool Funding Discussion item and provided information via PowerPoint.

Administrator Hanson discussed amenities that the city has and is requesting to remain attractive to its residents and surrounding communities. Administrator Hanson discussed funding options for the pool that include: General Obligation/ Abatement Bonds, EDA Lease Revenue Bonds, Property Tax, and Sales Tax.

Mayor Byrnes commented on the projection for sales and use revenue. Currently the City will be able to sunset the sales and use tax for the Red Baron and MERIT Center 1 or 2 years prior to 2028.

Administrator Hanson discussed financing options and using and extending the current sales tax the City has.

Councilmember Craig Schafer and Don Edblom commented in favor of the Sales Tax extension if it can logistically work out and the potential of adding additional projects.

Mayor Byrnes commented that on the revenue generated on the sales tax may be greater than what was presented with Marshall's reported 1.55 pull factor.

Councilmember DeCramer commented that the sales tax option has the least impact on the levy when compared to some other financing options.

Councilmember Meister commented that he was in favor of having this funding option be up to a vote of the community.

City Administrator Sharon Hanson commented that staff would begin working on the sales tax revenue option and that a scientific survey would need to be developed to gather community interest and support.

Councilmember Lozinski commented in favor of the sales tax revenue option for funding of projects.

There was continued discussion on the regional draw Marshall brings.

Councilmember Labat commented on the difficulty of picking additional projects potentially listed on the sales tax revenue funding option and gathering a consensus from the community and areas of need.

There was continued discussion on additional projects needed in Parks and Recreation which draw the most community support.

Adjournment

At 6:14 P.M. Mayor Byrnes adjourned the meeting.

Mayor

Attest:

City Clerk