

COUNCIL WORK SESSION October 2, 2023

Under due call and notice thereof, a Council Work Session of the North Mankato City Council was held in the Council Chambers on October 2, 2023. Mayor Carlson called the meeting to order at 6:00 p.m. The following were present for roll call: Council Members Oachs, Peterson, Steiner, and Whitlock, City Administrator McCann, Finance Director Ryan, and Administrative Services Manager-City Clerk Van Genderen.

Budget Work Session: Economic Development & Recreation Funds

Finance Director Ryan reported that the Spring Lake Park Swim Facility underwent renovations in 2019 and in 2023, had 48,000 visitors, conducted 133 swim classes, and offered a wide variety of events. She reported that in 2024 the City is anticipating personnel costs to increase from \$320,750 to \$390,130. Council Member Peterson questioned the almost 20% increase in personnel costs when it was not anticipated to hire additional staff. Finance Director Ryan stated the Aquatics Director positions will move from being coded only 50% out of the swim facility to 60%. While the position does work for other areas, the coding should be increased in the swim facility due to the majority of their work being focused on the facility. Finance Director Ryan also commented that an increase was made to account for the Employee Sick and Safe Time that will be offered to all seasonal employees. Council Member Peterson requested clarification on why there is a decrease in the number of attendees for the adult night and other events. Culture, Recreation, and Quality of Life Director Heintz stated a lot of the events are weather-driven. Mayor Carlson requested clarification on the number of resident vs. non-resident passes. Culture, Recreation, and Quality of Life Director Heintz reported there were approximately 350 non-resident passes and 400 resident passes. Council Member Whitlock asked if they thought the reopening of Tourtellote would affect next year. Culture, Recreation, and Quality of Life Director Heintz stated it might, but it was difficult to predict. Mayor Carlson asked if there were any actuals for 2023. Finance Director Ryan reported the Budget for 2023 for Revenues was \$557,000, and the actuals at the end of September were \$605,000. She noted the expenses budgeted were \$554,000, the actuals expended were \$564,000, and there would not be any transfers from the General Fund in 2023.

Finance Director Ryan stated that Caswell Sports hosted over 25 tournaments and facilitated summer softball leagues, summer sand volleyball leagues, and fall softball leagues. The facility sold over \$137,000 in concessions and an additional \$15,000 in alcohol sales. Finance Director Ryan noted that the personnel increased from \$213,249 to \$254,523 due to adding the volleyball referees into the payroll system. It was also noted that with the pending retirement of an employee, an additional employee was added so they could be trained in the position. Finance Director Ryan noted the City has been working with Pinnacle Sports to conduct a review of the department. They are looking at maintenance, management, and concessions, a full breakdown of how the department works looking for efficiencies. Parks and Recreation Coordinator Walsh was reported as a new employee. The study will help review all of the processes. He noted he will be working to fill the open weekends at the park. Mayor Carlson requested information on the streaming services. Parks and Recreation Coordinator Walsh stated he has met with the company to learn more about the system and the opportunities to utilize the services.

Finance Director Ryan stated the Culture and Recreation Fund is a collection of several sports offered to the youth of the community. In 2022 the program also began offering Active Aging Classes for seniors. In 2023 the program created the first Culture and Recreation activity guide, added youth volleyball, and offered over 70 scholarships while working with Connecting

COUNCIL WORK SESSION October 2, 2023

Kids Mankato. She noted that 2023 are not the actual numbers because the events are still going on, so it is difficult to know what the final numbers will be. Discussion was held about charging non-residents more to participate in the classes. It was determined not to charge more for participation. Council Member Peterson requested clarification on why the numbers were decreasing instead of increasing. Finance Director Ryan stated that the numbers were down in 2023, so using the years available reflects the trend. Council Member Peterson questioned whether the offerings were worth the personnel staff's time and strain. Culture, Recreation, and Quality of Life Director Heintz stated this year, they utilized the pool staff to fill coaching positions. Council Member Peterson commented that not all staff who assisted were interested in adding coaching to their job description. Parks and Recreation Coordinator Walsh stated he is still coming on board and has ideas and goals for the programs and would like the opportunity to complete a full year before changing the offerings. Mayor Carlson commented that the City started programs that were already offered by CER and the YMCA and it may be beneficial not to continue the programs, but agreed to a year to see how everything goes.

Finance Director Ryan reported the Youth Football Fund personnel budget would be decreasing by approximately \$19,188 due to reducing the full-time position to a part-time/seasonal position. City Administrator McCann reported that this was in response to the study conducted by David Drown and Associates. It was also noted that the uniform expenses would be decreasing. A transfer would occur from Youth Football to Caswell North to help cover costs for their use of the fields. It was noted that the program continues to grow.

Finance Director Ryan reviewed the Library Endowment Fund, which was created from a donation from the Glen Taylor Foundation. The fund provides funds for Bookin' on Belgrade, Music in the Park, Adult Spelling Bee, Backpack for Books, Community Read, Art Splash, and Party on the Prairie. Mayor Carlson asked how low the fund could go, Culture, Recreation, and Quality of Life Director Heintz reported that the fund must stay at \$50,000, and the City transfers funds from the General Fund to help it maintain those numbers. Mayor Carlson asked if the City could host fundraisers to increase the Endowment Fund Balance. Culture, Recreation, and Quality of Life Director Heintz reported the City was not legally allowed to host fundraisers, but others could host fundraisers and donate the money.

Finance Director Ryan reviewed the Local Options Sales Tax Fund, which has been collecting sales tax. The collection has been increasing from \$695,603 in 2020 to \$832,743 in 2022. At the end of September, the City had collected \$710,000. The fund is growing in anticipation of the Indoor Recreation Facility.

Finance Director Ryan reviewed the Gambling Fund and noted that the City is able to collect these funds and give them to local charities.

City Administrator McCann reviewed the Joint Economic Development Fund noting that it is a collaboration between the North Mankato Port Authority and BENCO Electric Cooperative to develop the North Port Industrial Park and began in 1990. The Port Authority currently owns approximately 20-30 acres which is being considered for the Public Works Building. The Port could consider the purchase of additional property to continue the venture and development of the North Port Industrial Park. Finance Director Ryan reviewed the Federal Revolving Loan, which provides loans up to \$300,000. Currently, there are four active loans, with the City receiving \$474,258 by the end of 2022. City Administrator McCann reviewed the local Revolving Loan Fund, which can provide loans up to \$100,000, and also provides the Northside Revival Loans of up to \$25,000. City Administrator McCann reviewed the TIF Funds,

COUNCIL WORK SESSION October 2, 2023

noting that there are seven TIFs with two new TIF projects in progress, including Gordini and the Hotel Redevelopment.

DNA-Branding Campaign Discussion

City Administrator McCann reported the Council had requested further discussion on the DNA Branding Campaign. He stated Culture, Recreation, and Quality of Life Director Heintz and Public Information Officer Brown provided a memo that reviewed the introduction and implementation of the campaign and the current use of the campaign. He stated five options were provided for the City Council to consider concerning the continued use of the materials. He stated the Council could decide to terminate the Darn Nice Area campaign and remove all logos and branding from use. The Council could terminate the use of the Darn Nice Area campaign and develop a budget for creating a new campaign. The Council could remove the words "Darn Nice Area" from the wording and logos and just use DNA without referring to Darn Nice Area. The Council could transfer ownership of the Darn Nice Area campaign to the North Mankato Activities and Business Association. Or, the Council could continue the Darn Nice Area Campaign.

Council Member Steiner stated he wanted to get rid of Darn Nice Area but is okay with the use of DNA. Council Member Oachs agreed that she liked the colors and the rest of the effort but could not get behind Darn Nice Area. Council Member Peterson stated the use of the word Darn is hokey. Mayor Carlson stated it appeared the Council was in consensus to continue with using DNA but remove the use of the words Darn Nice Area.

Council Member Steiner moved, seconded by Council Member Oachs, to adjourn the Council Work Session at 6:56 p.m.

Mayor

City Clerk