

Public Works Committee
September 3, 2009 (Corrected)

Present: Schulz, Nygaard, Liechty, Parisien, Kourajian, Sveum and Fuchs. Absent: Dalsted.

The purpose of the meeting was to hear the views from the public relative to a proposal to use ½ of the current 1% City Sales Tax for city infrastructure needs.

John Grabinger, 1008 8th Ave NE, appeared in support of the proposal and indicated that over 1,100 residents of the city signed a petition in support of the proposal.

Dean Remboldt, 702 10th Avenue SE, stated that since the flooding has exposed the need for the improvement of the city's infrastructure, the use of the sales tax funding would assist with offsetting the need for additional taxes and rate hikes.

Jim Boyd, President of the JSDC, indicated that the voters of the City in 1991 and again in 2005 voted to support the use of the 1% city sales tax for economic development activities. He indicated that the JSDC is sensitive to the issue before the city; however, to date no plans or assessments have been completed as of yet and suggested that when they are available the issue be re-looked at and should sales tax funds be needed the issue be taken back to the voters.

Nygaard stated that the City is facing many millions of dollars of infrastructure improvements and even with the use of sales tax dollars it will take several years and additional other funding in order to make the needed improvements.

Schulz stated he did not dispute the emergency nature of the sewer improvements needed; however, the issue of using sales tax dollars for infrastructure had been brought up by others prior to the recent events. He stated that planning for infrastructure improvements is in process and that even though we made a substantial investment in repairing the sewer mains in the Klaus Park area we still had problems with infiltration from private sewer service lines. He further stated that the sales tax dollars being discussed would not cover our current annual expenditures for street repairs.

Parisien stated that the City is looking at a substantial amount of money for improvements and even if sales tax funds were used, other fees and assessments would need to be increased as well. She stated that infrastructure and economic development go hand in hand.

Liechty stated other North Dakota cities used sales tax funds for infrastructure and many requests for use of economic development funds to the JSDC are rejected by the Stutsman County Commission.

Discussion was held as to establishing a committee of Council and JSDC members to work out a recommended solution. Concern was expressed as to whether such a meeting could take place under the North Dakota open meeting laws. It was determined and understood that such a meeting, if it were to take place, would need to be open to the public.

Schulz moved to establish a committee of two Council Members, two members from the JSDC, the City Engineer and City Administrator to develop a formula for use of sales tax funds for City Council consideration and to report its efforts to the October 2009 Public Works Committee. Seconded by Parisien. Voice Vote showed: 4 ayes, 1 nay (Liechty). Carried.

Leslie Horgan, 1108 10th Ave SE, stated the City Council should keep in mind the intent of the public at the last election held on the issue.

Schulz moved to appoint Nygaard and Parisien as the City Council members to the committee. Seconded by Parisien. Voice vote showed: 3 ayes, 2 nays (Liechty and Kourajian). Carried.

John Schweitzer, 234 18th Avenue NE, stated that the 1% City Sales Tax for economic development has created many jobs in the area and the funds should not be diverted.

Jim Lees, 1730 3rd Avenue NE, stated that jobs development has not only created jobs in the area, but also increased the tax base and that development infrastructure should be stressed and not general infrastructure.

Liechty moved that the City Council take action as necessary to utilize up to a maximum of one-half of the 1% city sales tax presently collected for economic development to be used for necessary infrastructure related issues that the City of Jamestown faces now and in the future. The motion died for lack of a second.

Pam Phillips, 507 1st Avenue North, stated she was glad to see the approach to the issue result in a meeting with JSDC, and even should sales tax be used for infrastructure, it will not prevent a raise in taxes or special assessments.

Nygaard moved to adjourn. Seconded by Kourajian. Unanimous aye vote. Carried.

Jeff Fuchs
City Administrator