

City Council Work Session
April 1, 2026
5:00 pm

The Atlantic City Council met in special work session in the Council Chambers at City Hall with Mayor Robert Clausen presiding. Council members were present: Emily Kennedy, Mike McDermott, Shawn Sarsfield, Dana Halder, Elaine Otte, and Jeremy Butler. Absent: Jim Behrens.

Motion by Sarsfield; second by McDermott to approve agenda as posted. All ayes. Motion carried.

Council recited the Pledge of Allegiance.

Lund addressed the City's potential participation in the Vision Atlantic/YMCA initiative and the need for early action to pursue a \$1,000,000 Community Attraction and Tourism (CAT) Grant application. The City would serve as the grant applicant as it is the building owner, while Vision Atlantic continues coordinating project development efforts. The proposed City financing structure includes \$535,442 from YMCA fund balance reserves, \$350,000 from sewer-related funding, and approximately \$3.8 million in LOST Revenue Bond proceeds, for a total anticipated contribution of \$4,685,442. Council was advised that these funding sources are restricted special revenue or proprietary funds and cannot be used to offset property tax reform impacts or support general operating services such as police, fire, or the library. Discussion also included the need for future allocation resolutions to redirect certain LOST revenues toward debt financing associated with the project. Lund noted the uncertainty surrounding the fiscal impacts of recent state property tax legislation, including Senate File 2472 and the elimination of business property tax backfills, though an estimated increase in the debt service levy is already anticipated. It was emphasized that the YMCA project is part of a broader community effort to address long-term economic challenges facing rural communities.

The Council asked several questions regarding the CAT Grant program, the City's contribution and the other funding sources. The County's contribution to the greater Vision Atlantic Project. Christina Bateman and Dan Haynes spoke on Vision Atlantic were able to answer questions on timeline and the nature of donations.

It was suggested that a resolution to support the CAT grant application be on the May 20, 2026, City Council agenda.

Motion by Butler; second by Kennedy to adjourn at 5:56 p.m. All ayes. Motion carried.

Mayor Robert Clausen

ATTEST: _____
John Lund, City Administrator