

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Council Chambers of the Municipal Building on August 15, 2011. Mayor Dehen called the meeting to order at 7:00 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for the meeting, Mayor Dehen, Council Members Steiner, Norland and Schindle, Administrator Sande, Finance Director Mork, Engineer Malm, Attorney Kennedy, Planner Fischer and City Clerk Gehrke. Absent: Council Member Freyberg.

Approval of Agenda

Council Member Steiner moved, seconded by Council Member Norland, to approve the agenda as presented. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Approval of Minutes

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of August 1, 2011 and the Council Workshop of August 1, 2011. Vote on the motion: Steiner, Schindle and Dehen, aye; Norland abstained; no nays. Motion carried.

Correspondence

Thank-You Letter from CityArt Walking Sculpture Tour

The Mayor read a letter on behalf of the City Center Partnership, Twin Rivers Council for the Arts and the CityArt Committee thanking the City for the generous contribution to the CityArt Walking Sculpture Tour. The letter stated that a special plaque which highlights the various sculptures displayed on the tour will be presented to the City. Plans are underway for next year's tour.

Coalition of Greater Minnesota Cities

The Mayor read a letter from Mayor Oberloh of the City of Worthington and the President of the Coalition of Greater Minnesota Cities thanking the CGMC members for electing him President for 2011-12 and outlining CGMC's accomplishments in 2011. He also addressed the Governor's and Legislature's failure to adopt a structurally balanced budget which means there is a strong possibility the State will face another deficit within the next two years.

Open the Meeting to the Public for the First Time

Kyle Meyers, Abdo, Eick & Meyers – 2010 Comprehensive Annual Financial Report

Kyle Meyers, Abdo, Eick & Meyers, appeared before the Council to present the Comprehensive Annual Financial Report for the year ended December 31, 2010. Mr. Meyers recapped the year's activities noting a net asset decrease of \$39,319 as compared to an increase of \$4,000,267 in the previous year, net assets of \$52,338,413 and an unreserved fund balance for the general fund of \$2,164,198 or 38.4 percent of total general fund expenditures. He noted the City currently has few written policies and procedures and is recommending the creation and adoption of written policies and procedures including accounting policies and procedures. Council Member Schindle requested this item be added to a future Council Workshop agenda. Administrator Sande reported copies of the 2010 Comprehensive Annual Financial Report will be on file at the North Mankato Taylor Library and Municipal Building and that any questions may be directed to the Finance Director. **Council Member Steiner moved, seconded by Council Member Norland, to accept the Comprehensive Annual Financial Report (CAFR)**

and place it on file. **Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

J.D. Burton, Coalition of Greater Minnesota Cities

J.D. Burton, Coalition of Greater Minnesota Cities, appeared before the Council and recapped the 2011 Legislative Session.

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council and requested clarification of the City's donation to the ArtWalk. Administrator Sande reported City personnel assisted in setting the limestone bases, welded the bases and was part sponsor of one of the sculptures. Mr. Henry stated he does not believe we should spend money for projects of this type with a projected 10% property tax increase.

Staff Reports

City Planner

Set Public Hearing for Consolidated Annual Performance and Evaluation Report (CAPER) for 7 p.m. on Tuesday, September 6, 2011

Planner Fischer reported that as part of our status as a HUD Entitlement Community, it is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to report the use of 2010 Community Development Block Grant (CDBG) funds which the City receives on an annual basis. As part of the reporting process, it is necessary to set and hold a public hearing to present the CAPER and allow a fifteen (15) day comment period after the public hearing. **Council Member Norland moved, seconded by Council Member Steiner, to set a public hearing for the CAPER for 7 p.m. on Tuesday, September 6, 2011. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

City Administrator

Res. No. 40-11 Requesting Deletion of the Proposed Noise Barriers on South Side of Highway 14 between Lookout Drive and CSAH 41

Administrator Sande reported the City Engineer and staff met with representatives of the Minnesota Department of Transportation regarding the proposed noise barriers which included the possible construction of a 20-foot high sound wall or an earthen berm a distance of 1,660 linear feet on the south side of Highway 14 between Lookout Drive and CSAH 41. He stated staff and MnDOT representatives concur that the noise barriers are not cost effective and would cause significant problems with snow removal and that insufficient space is available to construct the earthen berm. As an alternative, it is recommended trees be planted in this area.

Council Member Schindle moved, seconded by Council Member Steiner, to adopt Resolution No. 40-11 Requesting Deletion of the Proposed Noise Barriers on South Side of Highway 14 between Lookout Drive and CSAH 41. Vote on the Resolution: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Set Fall Special Services Drop-off for October 7-9, 2011

Administrator Sande recommended fall special services week be conducted as a drop-off at the Public Works Compound on October 7-9, 2011 as was done in 2010. He reported the drop-off worked well last year. **Council Member Norland moved, seconded by Council Member Schindle, to set fall special services drop-off for October 7-9, 2011. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

Set Watermain Flushing for October 10-21, 2011

Council Member Norland moved, seconded by Council Member Steiner, to set watermain flushing for October 10-21, 2011. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Set Leaf Pickup for October 31-November 4, 2011 for Valley and November 7-10, 2011 for Hilltop

Council Member Schindle moved, seconded by Council Member Norland to set leaf pickup for October 31-November 4, 2011 for the valley and November 7-10, 2011 for the hilltop. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Set Brush and Compost Pile Closing for November 28, 2011 to Re-Open April 2, 2012

Council Member Norland moved, seconded by Council Member Steiner, to set the brush and compost pile closing for November 28, 2011 to re-open April 2, 2012. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

City Clerk

Audio Permit and Large Group Permit for South Central Work Force Council Training, Wheeler Park

Clerk Gehrke presented a request from South Central Work Force Council for an audio and large group permit to hold training in Wheeler Park on Thursday, September 22, 2011 from 7:30 a.m. to 4 p.m. Council Member Norland moved, seconded by Council Member Schindle, to approve the audio and large group permit for South Central Work Force Council to hold training at Wheeler Park on Thursday, Septemer 22, 2011 from 7:30 a.m. to 4 p.m. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Audio and Large Group Permit for Muslim Students Association at MSU, Wheeler Park

Clerk Gehrke presented a request from the Muslim Students Association at MSU for an audio and large group permit to hold their Eid Celebration picnic from 7 a.m. to 6 p.m. on Tuesday, August 30, 2011 and Wednesday, August 31, 2011. Council Member Schindle moved, seconded by Council Member Steiner, to approve the audio and large group permit for the Muslim Students Association at MSU to hold their Eid Celebration picnic from 7 a.m. to 6 p.m. on Tuesday, August 30, 2011 and Wednesday, August 31, 2011. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Finance Director

Res. No. 41-11 Approving Consent Assessment Agreement – 1401 LorRay Drive

Finance Director Mork presented Resolution No. 41-11 for costs to be assessed in the amount of \$885.41 for repair of curb box at 1401 LorRay Drive. Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 41-11 Approving Consent Assessment Agreement for curb box repair at 1401 LorRay Drive. Vote on the Resolution: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Res. No. 42-11 Approving Consent Assessment Agreement – 1582 Sherwood Drive

Finance Director Mork presented Resolution No. 42-11 for costs to be assessed in the amount of \$3,200 for sewer line repair at 1582 Sherwood Drive. Council Member Steiner

moved, seconded by Council Member Norland, to adopt Resolution No. 42-11 Approving Consent Assessment Agreement for sewer line repair at 1582 Sherwood Drive. Vote on the Resolution: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Res. No. 43-11 Approving Consent Assessment Agreement – 418 McKinley Avenue

Finance Director Mork presented Resolution No. 43-11 for costs to be assessed in the amount of \$1,881.00 for curb box repair at 418 McKinley Avenue. **Council Member Schindle moved, seconded by Council Member Steiner, to adopt Resolution No. 43-11 Approving Consent Assessment Agreement for curb box repair at 418 McKinley Avenue. Vote on the Resolution: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

Commercial and Residential Tax Comparison

Finance Director Mork presented a comparison of real estate taxes for North Mankato commercial and residential properties. As background information he reported two residents have raised concerns about the use of Tax Increment Financing for businesses locating in North Mankato or improving their property. In reviewing the property tax statements for the two residents who raised concerns and coincidentally have homes with an identical value and the UPS site which is the latest TIF District to be decertified, he noted the residents' City portion of their bills total \$585.13 or \$3.92 per thousand dollars of market value and the UPS property's City portion of their bill totals \$7,082.71 which equals \$8.64 per thousand dollars of market value. The Finance Director reported this comparison shows that this commercial property pays more than double the amount of property taxes than the residential properties pay based on market value.

Report from Council Members

Council Member Norland

Council Member Norland reported she received an email regarding concerns about the product used for spraying for weeds on the levee and about whether protective clothing was being used during the spraying. Council Member Norland may request a resolution calling for the use of environmentally friendly products be placed on the first September Council meeting. Engineer Malm reported Monsanto makes an environmentally friendly product and he will forward this information to the City Administrator.

Report from Mayor

Res. No. 44-11 Making Appointment to the North Mankato Housing and Redevelopment Authority Board

Mayor Dehen presented Resolution No. 44-11 appointing Council Member Billy Steiner to fill one of the vacant positions on the North Mankato Housing and Redevelopment Authority (HRA) Board for the period of August 15, 2011 until December 31, 2012. Administrator Sande reported a resident has been contacted about filling the second vacant position but no response has been received as of this date. Anyone interested in serving on City Boards and Commissions should complete a Talent Bank form which can be found on the City's website www.northmankato.com. **Council Member Schindle moved, seconded by Council Member Norland, to adopt Resolution No. 44-11 appointing Council Member Billy Steiner to the North Mankato Housing and Redevelopment Authority Board effective August 15, 2011 through December 31, 2012. Vote on the Resolution: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

Intergovernmental Committee Meeting

The Mayor recapped the minutes of the Intergovernmental Committee meeting held on August 10, 2011. He reported the next Intergovernmental Committee Meeting will be held at 7 p.m. on November 9, 2011 at which time the Committee will discuss cooperating on some of the larger budget items.

Coffee with the Council

The Mayor reported Coffee with the Council was held at Best Webster's from 10 a.m. to 11 a.m. on Saturday, August 13, 2011.

Open the Meeting to the Public for the Second Time

Kim Spears, 916 South Avenue

Kim Spears, 916 South Avenue, appeared before the Council and stated he disputes the Finance Director's figures regarding commercial and residential taxes and he is still against Tax Increment Financing.

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council and stated it would take \$200,000 in taxable sales for the \$1,000 donation to the CityArt Walking Sculpture Tour and believes the City should spend money only on what he believes are necessary items. Mayor Dehen responded that he disagreed and that the ArtWalk is a worthwhile project and worthy of the City's support.

Bills and Appropriations

Council Member Steiner moved, seconded by Council Member Norland, to approve all bills and appropriations in the amount of \$278,731.74. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

There being no further business, the meeting was adjourned at 8:28 p.m. on a motion by Council Member Steiner, seconded by Council Member Norland. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Mayor

City Clerk