

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 December 5, 2011. Mayor Dehen called the meeting to order at 7 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for the meeting, Mayor Dehen, Council Members Schindle, Freyberg, Steiner and Norland, Administrator Sande, Finance Director Thorne, City Attorney Kennedy, Engineer Malm, Planner Fischer and Deputy Clerk Peterson. Absent: City Clerk Gehrke.

Approval of Agenda

Council Member Schindle moved, seconded by Council Member Norland to approve the agenda with the addition of Auditor Discussion as Item 18.B. as requested by Council Member Schindle. Vote on the motion: Schindle, Freyberg, Steiner, Norland 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 Workshops of November 14, 2011 and November 21, 2011 and the Council meeting of November 21, 2011. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.

Correspondence

Thank-You Letter from Toys for Tots

The Mayor read a letter from Mankato Toys for Tots Coordinator Bernard Thompson thanking the City for the monetary donation from the Charitable Gambling Fund for the Toys for Tots program. The Mankato Toys for Tots program anticipates serving 3,100 children this year in the Blue Earth and Nicollet County area.

Thank-You Letter from STRIVE/Rotary

The Mayor read a letter from the North Mankato Rotary Club President Andrew Tatge thanking the City for the distribution of charitable gambling funds for STRIVE/Rotary.

Public Hearing, 7 p.m. – 2012 Budget

Mayor Dehen opened the public hearing to consider the 2012 Budget. Notice of the public hearing was published on the City's web site and publically announced at the Special Council Meeting of September 12, 2011. Finance Director Thorne presented a PowerPoint recap of the 2012 General Fund Budget and compared it to the 2011 Budget. The 2011 tax levy, collectible in 2012 is \$5,152,123, an increase of 7.02% over the prior year. The proposed 2012 General Fund Budget is in the amount of \$5,592,040, a decrease of 7/10ths of one percent from the prior year. Finance Director Thorne presented information outlining levy calculations, tax capacity rate comparisons, a history of property tax rates for the last ten fiscal years, tax estimate comparisons for \$100,000, \$150,000, \$200,000, \$250,000 and \$300,000 residential market value homes and graphs showing property tax distribution and General Fund expenditures and revenues. Administrator Sande stated that over the last 10 fiscal years the rate of increase in the City budget has been approximately 2 ½% per year which has been the rate of inflation. Finance Director Thorne stated that tonight is the public hearing and on December 19 the Council will approve the final budget and levy. Sample resolutions for the December 19 meeting have been included for the Council's review.

Kim Spears, 916 South Avenue, appeared before the Council and stated he still thinks the levy is too high and will continue to keep pressure on the Council for being conservative in the upcoming year. He appreciates what the Council has done. Bess Tsaouse, 136 Mary Circle, commended the Council for

their work on the 2012 Budget and also thanked the Boy Scouts for attending the meeting. She supports the idea of a multi-use center to meet the needs of the citizens and asked the Council to look into St. Peter's Community Center. Ms. Tsouse asked the Council to have staff cut down on the little things like how often we mow the parks and mowing only where needed. She would like to see the City utilize controlled burns to take care of large areas of mowing. She would like the Library to have a book bag drop location where residents could donate extra bags instead of purchasing Library book bags. She suggested selling ads for the City newsletter and mailing the City newsletter in the utility bill. Cody Schreyer, 1528 Peggy Lane, appeared before the Council stating his support of the newsletter being mailed in the utility bills also. He stated St. Peter is a smaller town and taxpayers pay less in property taxes. Administrator Sande stated St. Peter's General Fund is supported by their electric utility. Mr. Schreyer stated junk days, leaf pickup and brush pickup are nice amenities, however, inefficiencies and not needed. He stated North Mankato does not have the retail base to keep spending. With no one else appearing before the Council, the Mayor closed this portion of the meeting.

Open the Meeting to the Public for the First Time

Doug Pendergast, 1730 Lilac Lane, Boy Scout Troop 29

Doug Pendergast, 1730 Lilac Lane, Boy Scout Troop 29, appeared before the Council and thanked them for their support.

Staff Reports

City Administrator

Set Bid Opening for Materials and Rental Equipment for Year 2012

Council Member Steiner moved, seconded by Council Member Norland, to set January 3, 2012 for a bid opening on Materials and Rental Equipment for 2012. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.

Set Public Hearing for 7 p.m. on Tuesday, January 17, 2012 for Revision of Code of Ordinances

Administrator Sande presented the notice of public hearing to amend the North Mankato City Code reporting amendments are done annually to ensure the City Code is kept current. Proposed amendments to the code will be distributed prior to the January 17, 2012 meeting. **Council Member Norland moved, seconded by Council Member Schindle, to set a public hearing for 7 p.m. on Tuesday, January 17, 2012 for Revision of the Code of Ordinances. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Renewal of Annual Towing Contract

Administrator Sande presented the Annual Towing Contract from the City of Mankato. Based on bids taken by the City of Mankato, the towing agreement is with All American Towing for the term of December 1, 2011 to November 30, 2013. The basic towing charge is \$54.00 which is a slight decrease from the current contract. A provision has been added under Section 17 of the Agreement to provide for an administrative fee in the amount of \$10 per tow to be collected by the company and remitted to the respective city. Administrator Sande stated the City of North Mankato proposes to use those funds to offset any overtime or other City expenses incurred in the process of initiating the tows. The Police Department will keep record of how many tows occur to make sure the City receives the proper amount of administrative fees. **Council Member Steiner moved, seconded by Council Member Norland, to approve the renewal of the Annual Towing Contract at the rate of \$54.00 per tow with All American Towing. Vote on the motion: Schindle, Steiner, Norland and Dehen, aye; no nays; Freyberg abstained. Motion carried.**

Schools and Conferences

Council Member Schindle moved, seconded by Council Member Steiner, to approve actual and necessary expenses for the following schools and conferences:

1. 56th Annual Institute for Building Officials, St. Paul, January 12-13, for one Building Inspector.
2. 2012 ICC Upper Great Plains Region III Educational Institute, Chaska, February 6-10 for two Building Inspectors.

Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.

City Clerk**License Renewals for 2012**

Deputy Clerk Peterson presented a list of the 2012 liquor license renewals for on-sale intoxicating liquor, Sunday liquor, off-sale intoxicating liquor, club on-sale liquor, pints-on-premise and off-sale intoxicating (growler). The establishments that held cabaret licenses last year have not renewed them for 2012. Hott Shotts, 1750 Commerce Drive, Suite 103, will be changing their name to Cross Roads on January 1, 2012. The Police Department recommends approval and issuance of the renewal applications for 2012. All insurance certificates have been received and appropriate fees and property taxes have been paid. The Deputy Clerk also presented the 2012 license renewals for soft drink, cigarette, mechanical amusement devices, refuse haulers, mobile home parks, 3.2 non-intoxicating off-sale and taxi. All appropriate fees and insurance certificates have been received and staff recommends approval of all license renewals for 2012. **Council Member Norland moved, seconded by Council Member Schindle, to approve all 2012 liquor and other license renewals and authorize the Mayor and Clerk to sign all licenses. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Finance Director**Res. No. 70-11 Approving Consent Assessment Agreement – 404 Monroe Avenue**

Finance Director Thorne presented Resolution No. 70-11 for costs to be assessed in the amount of \$474.00 for a delinquent utility bill at 404 Monroe Avenue. **Council Member Schindle moved, seconded by Council Member Steiner, to adopt Resolution No. 70-11 Approving Consent Assessment Agreement for a delinquent utility bill at 404 Monroe Avenue. Vote on the Resolution: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Res. No. 71-11 Approving Consent Assessment Agreement – 1712 Mary Lane

Finance Director Thorne presented Resolution No. 71-11 for costs to be assessed in the amount of \$9,138.47 for repair of a sewer line at 1712 Mary Lane. **Council Member Norland moved, seconded by Council Member Schindle to adopt Resolution No. 71-11 Approving Consent Assessment Agreement for sewer line repair at 1712 Mary Lane. Vote on the Resolution: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Res. No. 72-11 Declaring Costs to be Assessed for Municipal Charges – 1702 Candi Lane

Finance Director Thorne presented Resolution No. 72-11 for costs to be assessed in the amount of \$1,388.40 for curb box repair at 1702 Candi Lane. **Council Member Steiner moved, seconded by Council Member Schindle, to adopt Resolution No. 72-11 Declaring Costs to be Assessed for Municipal Charges for 1702 Candi Lane. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Res. No. 73-11 Declaring Costs to be Assessed for Municipal Charges – 2049 Roe Crest Drive

Finance Director Thorne presented Resolution No. 73-11 for costs to be assessed in the amount of \$570.00 for curb box repair at 2049 Roe Crest Drive. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 73-11 Declaring Costs to be Assessed for Municipal Charges for 2049 Roe Crest Drive. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Res. No. 74-11 Declaring Costs to be Assessed for Municipal Charges – 2158 Willow Trail

Finance Director Thorne presented Resolution No. 74-11 for costs to be assessed in the amount of \$340.00 for curb box repair at 2158 Willow Trail. **Council Member Norland moved, seconded by Council Member Schindle, to adopt Resolution No. 74-11 Declaring Costs to be Assessed for Municipal Charges for 2158 Willow Trail. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Report from Council Members

Council Member Schindle

Traffic & Safety Committee Meeting Minutes of December 5, 2011

Council Member Schindle presented the December 5, 2011 Traffic & Safety Committee meeting minutes reporting the Traffic & Safety Committee reviewed a request for no parking signs to be installed on a portion of the 1600 Block of Pleasant View Drive. This request was made at the November 21, 2011 City Council meeting by a resident and the Council requested the Traffic & Safety Committee review the request. The Traffic & Safety Committee reviewed the existing conditions in this area as well as past accident data which revealed no major concerns. Further discussion was held regarding existing trees in the area. The Traffic & Safety Committee recommends that no new “No Parking” signs be installed on this section of Pleasant View Drive and that an existing evergreen tree either be trimmed or removed in an attempt to improve visibility. Staff will contact the owner and ask them to trim the tree or allow the City to remove it.

Auditor Discussion

Council Member Schindle stated he would like the City to send out a Request for Proposals to conduct the City audit and that he feels engaging a different auditor for one year would benefit the City. Finance Director Thorne stated dates for the auditor are already scheduled for 2012 and with her being new at the City she would like to continue with our current auditor for a smooth transition this year. She stated she would write an RFP and send it out in the summer of 2012. The Council expressed concerns about the date of delivery for the audit. Finance Director Thorne stated she would work with the current auditor to make sure the Council has at least two weeks to review the audit prior to it being presented at a Council meeting. The Council will discuss the RFP for audit services in 2012.

Council Member Freyberg

Council Member Freyberg stated he was intellectually insulted by Dave Arnold’s comment in the November 7, 2011 Port Authority minutes about keeping the Central Business District Grant criteria loose. No one came forward at that meeting to thank the citizens and the taxpayers as this is the people’s money. They only thanked the Commissioners. He stated this is a reflection of how the Port Authority is run. The Port Authority has made a lot of good decisions but when we have Federal Revolving Loan guidelines that state you should not issue revolving loans to retail businesses and we continue to do that it is troublesome. Council Member Freyberg stated the Port Authority Commission needs defined criteria for loans and grants.

Council Member Freyberg thanked the North Mankato Police Officers and all other local law enforcement for participating in the “Shop with a Hero” program.

Council Member Norland

Council Member Norland stated she attended the Community Education and Recreation Advisory Committee meeting last week. Programs are doing very well and growing. The Greater Mankato Early-Learning Initiative developed a program called “Ready for Kindergarten,” unfortunately, that organization is going away. The Community Education and Recreation Department is set to take over the program, however, there is no funding that follows. Council Member Norland is hoping business leaders will step up to help fund this program.

Report from Mayor

Res. No. 75-11 Making Appointment to North Mankato Port Authority Commission

Mayor Dehen presented Resolution No. 75-11 appointing Duane Olenius to fill the vacancy on the North Mankato Port Authority Commission for the period of January 1, 2012 through December 31, 2015. Mr. Olenius is the president of Pioneer Bank in North Mankato. **Council Member Norland moved, seconded by Council Member Steiner to adopt Resolution No. 75-11 appointing Duane Olenius to the North Mankato Port Authority Commission effective January 1, 2012 through December 31, 2015. Vote on the Resolution: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

The Mayor stated Coffee with the Council will resume in January 2012.

The Mayor attended a meeting with the Commissioner of Commerce talking about taxes. The property tax issue is a bigger issue than just North Mankato, they are out of sync throughout the state. There are hopes the Legislature will balance the issue out on their own through sales tax or income tax adjustments and leave the property taxes alone. There does appear to be a budget surplus predicted rather than a deficit and that is slightly encouraging that they will not come back and reduce Local Government Aid again and put cities in the same situation they have been in the past.

Open the Meeting to the Public for the Second Time

Kim Spears, 916 South Avenue

Kim Spears, 916 South Avenue, appeared before the Council stating he agreed with Council Member Schindle on the timeliness of receiving the CAFR. He also agrees with Council Member Freyberg that he did not like to hear the term “loose” at the Port Authority meeting in reference to spending tax and City dollars. He feels the Port Authority should look at every expenditure closely. Mr. Spears does not feel a furnace is a necessary expenditure and is a cost of doing business. He remains to have his doubts about the Port Authority and what they do. Certainly they do some good things, however, there are so many avenues where this can go wrong and he does not think it is a function of our government.

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council referencing a policy analysis book entitled “Crony Capitalism and Social Engineering - The Case Against Tax Increment Financing” put out by the Cato Institute. The policy states once developers build projects with Tax Increment Financing subsidies they are not likely to build competing projects without subsidies.

Mr. Henry stated we wouldn't be in quite such dire straights if we were collecting taxes on these projects. We wouldn't have quite the budget deficit and our school and county taxes would not be quite as high as they would be participating. He encouraged the Council to hold the line on the levy increase. People who draw Social Security have not had an increase in two years. There will be a small increase this year but most of the increase will be taken by increased Medicare costs.

Council Member Schindle stated he would like the tax forms for senior citizens to be available at the Library.

Cody Schreyer, 1528 Peggy Lane

Cody Schreyer, 1528 Peggy Lane, appeared before the Council stating he feels crossing guards should be volunteers. Minnesota State University-Mankato has a law enforcement class that may be willing to volunteer if the name is changed to traffic control. Students would love to have that on their resume. He feels it is the school district's responsibility, not the City's responsibility. If there is a traffic problem then our local Police Department should be driving around the schools to monitor traffic control.

Council Member Norland stated the Police Department does monitor the schools and stated crossing guards are necessary and she supports them as they have saved lives.

Bills and Appropriations

Council Member Steiner moved, seconded by Council Member Norland, to approve all bills and appropriations in the amounts of \$50,470.80 and \$188,260.09. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.

There being no further business, the meeting was adjourned at 8:23 p.m.

Mayor

Deputy City Clerk