

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 November 7, 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 Steiner, Norland, Schindle and Freyberg, Administrator Sande, Finance Director Thorne, City Attorney Kennedy, Engineer Malm, Planner Fischer and City Clerk Gehrke.

Approval of Agenda

Council Member Norland moved, seconded by Council Member Steiner to approve the agenda with the addition of Fire Department Report as Item 8.A. and moving Paul Donna, Northland Securities, Inc., as Item 8.B. as requested by Mayor Dehen. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Approval of Minutes

Council Member Freyberg moved, seconded by Council Member Steiner, to approve the minutes of the Council Workshop of October 17, 2011, the minutes of the Council meeting of October 17, 2011 and the Joint Council/Port Authority Workshop of October 24, 2011. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Correspondence

Thank-You Letter from Great ArfWalk Committee

The Mayor presented a letter from the Great ArfWalk Committee thanking the City for their contribution to the 7th Annual Great ArfWalk Festival which they proclaimed a tail-wagging success hosting 1,000 guests and netting more than \$10,000 for BENCHES.

Open the Meeting to the Public for the First Time

Tim Pohlman and Ed Hoffman, Fire Department

Fire Chief Tim Pohlman and Training Officer Ed Hoffman appeared before the Council and gave a recap of the Fire Department-Dino's Pizza Fundraiser which was held on October 10, 2011. He reported that 13 firefighters volunteered a total of 39 hours and raised \$2,785 which included \$5 per pepperoni pizza sold and \$210 in tips. The fundraiser was also used as training for the 13 firefighters who practiced their driving skills and finding addresses along with offering to check smoke detectors and conduct fire safety checks at the homes where they delivered pizzas. Total cost of diesel and gasoline for this event was \$175. Chief Pohlman reported in prior years the funds raised from this event have been used to purchase fire equipment; however, this year the funds have been dedicated for the firefighters memorial which will be erected on the State Capitol grounds. **Council Member Norland moved, seconded by Council Member Schindle, to go on record thanking the firefighters and Dino's Pizza for their efforts. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

Paul Donna, Northland Securities, Inc., - Recommendation of Sale of Bonds

Paul Donna, Northland Securities, Inc. appeared before the Council and presented the results of the sale of bonds. He reported bids were taken at 10:30 a.m. today for the \$3,215,000 General Obligation Bonds, Series 2011A, to fund the City's portion of the design and construction of the Trunk Highway 14 and County State Aid Highway 41 Interchange; and for the \$455,000 Taxable General Obligation Tax Increment Revenue Bonds, Series 2011B, to finance land acquisition costs associated with the 422 Belgrade Avenue Redevelopment Project. Mr. Donna reported that Standard & Poor's Rating Services affirmed the City's AA credit rating for both bond sales based on the City's strong economic development, financial reserves and moderate overall debt burden. He reported the bids were presented

to the North Mankato Port Authority Commission at 6 p.m. and the Commission adopted resolutions accepting the offer on the sale of Series 2011A and Series 2011B Bonds and providing for their issuance. The necessary action for the Council is to adopt concurring resolutions for the sale of these bonds.

Res. No. 62-11 Relating to \$3,215,000 General Obligation Bonds, Series 2011A, Concurring in the Action of the North Mankato Port Authority Commission in Awarding the Issuance and Sale thereof and Authorizing the Execution of a Continuing Disclosure Certificate

The following bids were received for the \$3,215,000 G.O. Bonds, Series 2011A:

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Cost</u>
BOSC, Inc.	\$1,427,586.69	3.2404%
United Bankers' Bank	\$1,424,881.25	3.2481%
Robert W. Baird & Co., Inc.	\$1,466,276.10	3.3535%
Bernardi Securities, Inc.	\$1,532,470.42	3.4946%

Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 62-11 Relating to \$3,215,000 General Obligation Bonds, Series 2011A, Concurring in the Action of the North Mankato Port Authority Commission in Awarding the Issuance and Sale thereof and Authorizing the Execution of a Continuing Disclosure Certificate. Vote on the Resolution: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Res. No. 63-11 Relating to \$455,000 Taxable General Obligation Tax Increment Bonds, Series 2011B, Concurring in the Action of the North Mankato Port Authority Commission in Awarding the Issuance and Sale thereof and Authorizing the Execution of a Continuing Disclosure Certificate

The following bids were received for the \$455,000 Taxable G.O. Tax Increment Bonds, Series 2011B:

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Cost</u>
Bernardi Securities, Inc.	\$333,733.00	4.8351%
BOSC, Inc.	\$362,636.69	5.2147%
Cronin & Co., Inc.	\$364,093.80	5.2424%

Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 63-11 Relating to \$455,000 Taxable General Obligation Tax Increment Bonds, Series 2011B, Concurring in the Action of the North Mankato Port Authority Commission in Awarding the Issuance and Sale thereof and Authorizing the Execution of a Continuing Disclosure Certificate. Vote on the Resolution: Steiner, Norland, Schindle and Dehen, aye; Freyberg nay. Motion carried.

Pleasant View Parking

Sarah Collins, Lloyd Management, appeared before the Council and voiced her concern about the "No Parking" signs that were recently put up on Pleasant View Drive between Northridge Drive and Peregrine Lane. Ms. Collins reported that each apartment unit has one garage parking space and one other parking space which leaves nowhere for guests to park. She also reported that she spoke with each resident last year about moving their vehicles when the plows come around and it seemed to help tremendously. Chief Boyer reported the 2010 Ordinance does not allow parking on any street until the streets are cleared if a snow emergency is called. Mike Haga, 1735 Pleasant View Drive, and Elle

Ribbe, 1628 Pleasant View Drive #C, appeared before the Council and addressed their concerns about the “No Parking” signs on Pleasant View Drive. Kevin Mock, 1640 Pleasant View Drive #D, suggested no parking Monday-Friday from 9 a.m. to 3 p.m. to allow for snow removal but also to allow parking when residents come home from work and on the weekends. He also suggested bagging the signs for a month so that the no parking can be reconsidered. Matt Novak, 1732 Pleasant View Drive #6, presented a petition to allow parking on Pleasant View Drive. **Council Member Schindle moved, seconded by Council Member Norland to temporarily cover the “No Parking” signs on Pleasant View Drive pending review of this item by the Traffic & Safety Committee. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council and voiced his objection to the Tax Increment Financing for the 422 Belgrade Avenue Project.

Corey Brunton, Brunton Architects

Corey Brunton, Brunton Architects, appeared before the Council and responded to the concerns raised by Mr. Henry, reporting the taxes payable on the undeveloped property at 422 Belgrade Avenue are \$12,000 annually and the taxes on the \$2.4 million developed property will be \$35,000. He reported he will be paying principal and interest on the TIF.

Consent Agenda

Council Member Steiner moved, seconded by Council Member Norland, to approve the Consent Agenda which includes:

1. Application for On-Sale Intoxicating Liquor, Sunday On-Sale Liquor and Soft Drink Licenses for Borders-Las Fronteras, LLC, 503 Belgrade Avenue, for 2012.
2. Audio and Large Group Permit for Probach/Enge Wedding, Bluff Park, on Saturday, June 23, 2012, from 11 a.m. to 6 p.m.
3. Audio and Large Group Permit for Schultz/Cecka Wedding, Spring Lake Park, on Saturday, June 9, 2012, from noon to 6 p.m.

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

Staff Reports

City Planner

Letter Requesting the Minnesota Department of Natural Resources to Develop a Master Plan for Trail Corridor Between Mankato and St. Peter

Planner Fischer presented a letter to the Director of Parks & Trails at the Minnesota Department of Natural Resources requesting that the DNR move forward on planning for a trail along the Minnesota River between Mankato and St. Peter. He reported the Unimin Company owns property they will be mining along the likely corridor for the trail and will continue the trail on their property at their expense. The City of North Mankato, along with the Cities of Mankato and St. Peter, the Counties of Blue Earth, LeSueur and Nicollet and the Greater Mankato Bike & Walk Advocates and the Bicycle Alliance of Minnesota, is requesting the DNR create a master plan for the trail corridor between Mankato and St. Peter. Mayor Dehen reported the Greater Mankato Area is trying to become a bike-friendly community. In response to a question, it was reported that Legacy Funds cannot be used for State projects. **Council Member Steiner moved, seconded by Council Member Norland, to approve the letter requesting the Minnesota Department of Natural Resources Develop a Master Plan for the trail corridor**

between Mankato and St. Peter and authorize the Mayor's signature on the letter. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Report on 2011 Minnesota Bicycle Tourism Summit

Planner Fischer reported he attended the 2011 Minnesota Bicycle Tourism Summit held on November 3, 2011. Discussion at the Summit was related to what communities can do to bring bikers to their area. Bikers want a quality trail system that runs many miles with a scenic view and that can accommodate bikers from ages 8 to 80.

City Administrator

Approve 2012 Library Services and Bookmobile Services Contracts Between Nicollet County Library Board and City of North Mankato

Administrator Sande presented the 2012 Library Services and Bookmobile Services Contracts between the Nicollet County Library Board and the City of North Mankato. He reported the County proposes to reduce library funding from the current \$61,105 to \$54,544, a reduction of \$6,561. A change in State Statute regarding maintenance of effort has allowed the County to reduce its library levy. This change will result in a reduction to the library operational budget in the amount of \$4,561 and to the bookmobile budget in the amount of \$2,000. **Council Member Schindle moved, seconded by Council Member Norland, to approve the 2012 Library Services and Bookmobile Services Contracts between the Nicollet County Library Board and the City of North Mankato. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

Res. No. 64-11 Approving Local Government Business Development Infrastructure Application

Administrator Sande reported there are currently business development infrastructure funds available from the Department of Employment and Economic Development (DEED). Staff is proposing to submit an application in the current funding round for the extension of Carlson Drive west of County State Aid Highway 41. He reported the Engineer has estimated the construction cost to be \$724,878 and application would be made for a grant of \$350,000 which would require a local match of \$375,000. If the grant is approved, the City may enter into an agreement with the State for the project. Administrator Sande reported this extension of Carlson Drive would be the primary access to any highway frontage development west of CSAH 41 and north of T.H. 14 as realigned. The City Engineer has submitted a tentative time table for this project. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 64-11 Approving Local Government Business Development Infrastructure Application. Vote on the Resolution: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

Schools and Conferences

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

1. Minnesota South Central Investigators Coalition 2012 Winter Conference, Mankato, January 30-31, for 7 Patrol Officers.
2. Minnesota State Auditor Local Government Training Conference, St. Cloud, November 16, for Finance Director.

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

Finance Director**Res. No. 65-11 Declaring Costs to be Assessed for Municipal Charges – 10 Arlington Court**

Finance Director Thorne presented Resolution No. 65-11 for costs to be assessed in the amount of \$75.00 for lawn mowing at 10 Arlington Court. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 65-11 Declaring Costs to be Assessed for Municipal Charges for 10 Arlington Court. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

City Engineer**Update of Projects**

City Engineer Malm reported the Minnesota Department of Transportation has completed the design for the eastbound lanes of the T.H. 14/CSAH 41 Interchange Project. MnDOT may design the second phase of the interchange or send it out for design depending on their workload. It is estimated that the plans will be 95 percent complete by January 4, 2012.

City Engineer Malm reported the seeding has been completed for the wetland bank reporting mowing, controlled burns and maintenance of the wetland bank will continue during the five-year establishment period.

Report from Council Members**Council Member Norland**

Council Member Norland read the following article which she has sent to be published in the *Free Press*:

“Once upon a time, there was a Happy Valley and in that valley (and up on the hill) there was a town called North Mankato. Now in that town there were many heroes, called leaders. Those leaders had many meetings, discussions, and gathered a treasure chest full of information because they had big decisions to make. And the dragon was always ready to eat them if he didn't like the decisions.

Where is this going, you ask? It is going to the minutes of the recent joint City Council/Port Authority meeting and the resulting editorial produced by the Free Press. There was enough inaccurate information at both the meeting and in the editorial to make a princess cry.

True: There have been no significant Port Authority policy changes because these policies have created successful projects.

True: The City Council receives packets for review from the Port Authority on all projects. Part of our responsibility is to review the project against its criteria. Going back 5 years, our votes have almost always been 5-0, on rare occasions, 4-1. Our faith in this committee has been borne out by the fact that successful PA projects have brought around 250 jobs to our community in the last 2 years.

Questionable: The project subsidies create winners and losers in the market place. In reality, the subsidies help blighted properties come to life again and enhance the value of neighborhoods. Anyone who has a good idea for a property can make an application to the PA for support.

False: "Landlords". In reality, one landlord came to the Port Authority to complain about competition one time. Last time this princess counted, that's one, not more than one. A recent survey of North Mankato landlords, both business and residential, shows that the vacancy rate is 5% or less, depending

on the building. Business vacancies are running between 3 and 6% depending on whether you count the bankrupt Budget Marts.

False: The grocery store subsidy was badly used. In reality, the failure of the grocery store lies at the feet of the residents of North Mankato. The owner will tell you residents didn't buy enough to keep it open.

False: The criteria for the Downtown loans and grants are haphazard. In reality, criteria have been created with much input from business people who will use them. They are anything but haphazard.

It occurs to me that the real dragon is inaccurate and inadequate information. My recommendation is to talk to any city council person or city staff if you have questions. It is dangerous to listen to the "sirens" from the dragon's lair or believe everything you read."

Report from Mayor

Mayor Dehen reported the next "Coffee with the Council" will be held from 10-11 a.m. on Saturday, November 12, 2011 at Subway, 1102 North River Drive.

Open the Meeting to the Public for the Second Time

The Mayor opened the meeting to the public for the second time with no one appearing.

Bills and Appropriations

Council Member Schindle asked where the trees purchased from Countryside Tree Service were planted. Administrator Sande reported trees were planted on the Water Department property, the extension of Lookout Drive and evergreens were planted adjacent to the batting cages at Caswell Park. **Council Member Steiner moved, seconded by Council Member Norland, to approve all bills and appropriations in the amounts of \$787,734.38 and \$123,740.41. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

There being no further business, the meeting was adjourned at 8:00 p.m.

Mayor

City Clerk