

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on December 3, 2012. 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 Freyberg, Steiner, Norland and Schindle, Interim Administrator Fischer, City Clerk Gehrke, Finance Director Thorne, Engineer Malm and Attorney Kennedy.

Approval of Agenda

Council Member Freyberg moved, seconded by Council Member Steiner, to approve the agenda as presented. Vote on the motion: Freyberg, 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 Joint Council/Port Authority Workshop of November 15, 2012 and the Council meeting of November 19, 2012. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; Freyberg abstained; no nays. Motion carried.

Correspondence

Thank-You Letter from River Meadows Community Garden

The Mayor read a letter from Lynn Solo, Garden Manager for River Meadows Community Garden, thanking the City of North Mankato for its continued support of their efforts. Ms. Solo gave a special thank you to Todd Metter, Park Superintendent, and Brad Swanson, Street Superintendent, for their assistance in delivering leaves, woodchip mulch and the port-a-potty.

Presentation of “Key to the City” – Tyler Stoffel, Handball Champion

The Mayor read a Certificate of Recognition and presented a “Key to the City” to Tyler Stoffel, handball champion.

Joint Economic Development Services Agreement

Jonathan Zierdt, President and CEO of Greater Mankato Growth, appeared before the Council and gave background information regarding the proposed Regional Economic Development Services Agreement. He stated that 3-1/2 years ago GMG formalized the Joint Services Agreement that serves as the guiding document for what today is known as the Regional Economic Development Alliance (REDAlliance). The current participants in the REDAlliance have expressed their support for this regional approach and approved continuation of the Joint Services Agreement. Mr. Zierdt reported the model is based on trust and engagement of all participants working as partners. He also stated that GMG is in the relationship building business, dedicated to facilitating business development resources and opportunities fostering existing and new business growth in the regional marketplace and is not an advertising agency or marketing firm. Mr. Zierdt referenced the correspondence from Paul Vogel, City of Mankato, which articulated what GMG has done for the City of Mankato.

Also appearing before the Council were Tom Riley, GMG Director of New Business Development, who spoke about the process of retaining businesses and attracting new businesses to the MSA area; and Chad Surprenant, President of I & S Group and a GMG Board Member

since 2007, who spoke of the value of the Cities of Mankato and North Mankato working together.

Mr. Zierdt appeared before the Council a second time and spoke of the web presence, resources and information GMG offers and maintains which he stated was the most complete in the industry. He also spoke of the access the City of North Mankato would have to the online GIS Planning and property listings services used by site selectors and business development specialists across the country. He reported that Minnesota is one of only five states in the nation to implement use of this business development tool.

Council Member Norland stated that she wants absolute assurance that if a business wanted to expand and they came to the City of North Mankato there was not another layer of bureaucracy for them to overcome in order to locate here. Council Member Freyberg stated that business retention is especially important during a recession and that the City of North Mankato staff is unable to accomplish what the GMG staff can do. In response to a question about the Small Business Development Corporation (SBDC), Mr. Zierdt stated GMG is a supporter of the SBDC and provides funding in the amount of \$5,000 to them annually. Council Member Schindle reported he believes this tool will help businesses who don't know about the City of North Mankato to find us. Council Member Steiner stated he appreciates North Mankato's independence. North Mankato has had incredible success with the Port Authority and he likes the work the City Planner has done bringing businesses into North Mankato. Council Member Schindle reported this is a chance to go outside the City of North Mankato and bring people in. The Mayor stated by participating in the Regional Economic Development Alliance GMG staff will keep a list of available properties for development and gives North Mankato the ability to be marketed to a much larger area. Council Member Norland asked why Nicollet County was not participating in the Regional Economic Development Alliance and Mr. Zierdt reported that all economic development done in Nicollet County is within the corporate limits of a city and for that reason they are not participating but are supportive of the efforts.

Public Hearing, 7 p.m. – 2013 Budget

Mayor Dehen opened the public hearing to consider the 2013 Budget. Notice of the public hearing was published in the City's official newspaper. Finance Director Thorne reported this hearing does not address property market values; those were set in January by the County and any questions related to the market value of the property should be addressed to the Nicollet County Assessor's Office. She presented a PowerPoint recap of the 2013 General Fund Budget and compared it to the 2012 Budget. She reported the preliminary levy set in September was a 7.00 percent increase over 2012 and has since been reduced to 4.42 percent by the Council. The final 2012 General Fund Budget is \$5,592,040 and the proposed 2013 General Fund Budget is \$5,828,063. Finance Director Thorne presented information outlining levy calculations, tax capacity rate comparisons, a history of property tax rates for the last ten fiscal years and graphs showing property tax distribution and General Fund expenditures and revenues. The Finance Director reported a 2013 proposed levy of \$5,379,784 compared to a 2012 final levy of \$5,152,123. She presented estimates of the impact to the proposed tax levy increase on homes valued at \$100,000, \$150,000 and \$200,000. Council Member Schindle asked if the employee was moved from the bookmobile to the library, if cost could be saved by eliminating temporary employees. Finance Director Thorne reported that since the library is short-staffed there would likely not be a savings in temporary help; however, this could be reviewed in the 2014 Budget. Council Member Freyberg asked why the firemen's relief fund increased by 50 percent. The

Finance Director reported the fire state aid received and the City contribution is included in the calculation. With no one appearing, the Mayor closed this portion of the meeting.

Open the Meeting to the Public for the First Time

Kim Spears, 916 South Avenue, Council Member Elect

Kim Spears, 916 South Avenue and Council Member Elect, appeared before the Council and stated he was pleased to hear that prioritization has to occur and with the levy reduction from an increase of 4.5 percent to 4.42 percent but stated prioritization has to occur all year long. We need to work harder not only in our workshops but throughout the year. As an example, he stated temporary help was hired for the leaf pick up because our City employees were working on the soccer fields. He stated that even at 4.42 percent, this is still well above the CPI and we need to look at every opportunity to cut costs.

Bernadette Wilson, Beans Plus Daycare Center, 1754 Commerce Drive

Bernadette Wilson, Beans Plus Daycare Center, 1754 Commerce Drive, appeared before the Council and asked for removal of the tax abatement for the building located at 2101 Rolling Green Lane owned by Theuninck Rolling Green Properties, LLC. She presented a history of the tax abatement for this property which was originally given for the Beans Plus, Inc. Daycare facility.

Barb Church, 102 E. Wheeler Avenue

Barb Church appeared before the Council and requested the names and contact information including the length of terms of the Port Authority Commissioners and Planning Commission. Ms. Church also expressed her support for the City of North Mankato joining the Regional Economic Development Alliance.

Sharon Schaller, Sharon's Craft-N-Floral, 241 Belgrade Avenue

Sharon Schaller, Sharon's Craft-N-Floral, 241 Belgrade Avenue, appeared before the Council and asked them to increase the taxes to pay off the bonds for the Marigold property instead of building the 108-unit apartment complex. She also expressed concern about the drainage in this area.

Consent Agenda

Council Member Freyberg moved, seconded by Council Member Schindle, to approve the Consent Agenda which includes:

1. Res. No. 71-12 Declaring Costs to be Assessed for Municipal Charges – 732 Wall Street.
2. Res. No. 72-12 Declaring Costs to be Assessed for Municipal Charges – 833 Belgrade Avenue.

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

Staff Reports

Interim City Administrator

Set Bid Opening for Materials and Rental Equipment for Year 2013

Council Member Schindle moved, seconded by Council Member Steiner, to set January 7, 2013 for a bid opening on Materials and Rental Equipment for 2013. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Set Public Hearing for 7 p.m. on Tuesday, January 22, 2013 for Revision of Code of Ordinances

Interim Administrator Fischer reported amendments are done annually to ensure the City Code is kept current. **Council Member Norland moved, seconded by Council Member Steiner, to set a public hearing for 7 p.m. on Tuesday, January 22, 2013 for Revision of the Code of Ordinances. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

Renewal of Annual Towing Contract

Interim Administrator Fischer presented a letter from the City of Mankato to All American Towing Company approving the extension of the existing towing contract for one year extending it until November 30, 2013. Based on the Consumer Price Index for the twelve-month period ending September 30th reflecting a 2.1% increase, it is recommended the tow rate be increased from \$54.00 to \$55.25 for 2013 with all other sections of the contract remaining unchanged. **Council Member Norland moved, seconded by Council Member Schindle, to approve the renewal of the annual towing contract at the rate of \$55.25 per tow. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

Schools and Conferences

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

1. League of MN Cities Newly Elected Officials Leadership Conference, Mankato, January 25-26, for one Council Member.
2. MPCA 39th Annual Collection System Operators Conference, Brooklyn Park, January 23-25, for one Water Serviceman.
3. Bituminous Street Recertification – E-Learning, Online Prior to May 1 for Construction Inspector.
4. Grading & Base Recertification, Rochester, January 29, for Construction Inspector.
5. Concrete Field Recertification ACI, Arden Hills, January 22, for Construction Inspector.

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

City Clerk

License Renewals for 2013

Clerk Gehrke presented a list of the 2013 liquor license renewals for on-sale intoxicating liquor, Sunday liquor, 3.2 on-sale and wine, off-sale intoxicating liquor, club on-sale intoxicating liquor pints-on-premise and off-sale intoxicating (growler). The Police Department recommends approval and issuance of the renewal applications for 2013. All insurance certificates have been received and appropriate fees and property taxes have been paid. The Clerk also presented the 2013 license renewals for soft drink, cigarette, mechanical amusement devices, refuse haulers, mobile home parks, 3.2 non-intoxicating off-sale, cabaret and taxi. All appropriate fees and

insurance certificates have been received and staff recommends approval of all license renewals for 2013. **Council Member Norland moved, seconded by Council Member Schindle, to approve all 2013 liquor and other license renewals and authorize the Mayor and Clerk to sign all licenses. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

Finance Director

Proposal for Professional Auditing Services

Finance Director Thorne presented a summary and staff's recommendation as a result of the Request for Proposal for Auditing Services (RFP) issued August 21, 2012. She reported a total of six proposals were received which were evaluated according to mandatory elements and technical quality as set forth in the RFP. Council Member Schindle stated that last year he asked that a fresh set of eyes take a look at the City's books and he asked for information that he did not receive. He also stated that he has asked Abdo, Eick & Meyers for a list of suggested written policies the City should have in place and has not received that list. Council Member Freyberg stated he believes the new City Administrator should be part of this selection. He also stated the Comprehensive Annual Financial Report (CAFR) Management Letter states items that should be addressed by staff and these items have not been brought forward to the Council. In response to a question, Finance Director Thorne reported she is happy with the work of Abdo, Eick & Meyers and would be more comfortable staying with them for another year. Mayor Dehen stated the City Administrator finalists all have strong financial qualifications. **Council Member Steiner moved, seconded by Council Member Norland, to award the contract for Professional Auditing Services to Abdo, Eick & Meyers for a one-year period ending December 31, 2013 with the stipulation that Council and the City Administrator are provided with the list of recommended written policies the City needs to establish. Vote on the motion: Freyberg, Steiner, Norland, and Dehen, aye; Schindle nay. Motion carried.**

City Attorney

Attorney Kennedy reported that he provided a written opinion to the Council several months ago regarding the abatement for the property known as 2101 Rolling Green Lane. In summary, he stated the resolution adopted by the Council was for tax abatement for the building at this address, not to an individual. He stated there was no sunset provision provided for in the event of a change in the use of the building. It was therefore his opinion there was no basis to end this abatement.

Report from Council Members

Council Member Schindle

Council Member Schindle requested the Council set a policy that requires information be given to the Council within a reasonable amount of time once it has been requested. He asked that a resolution addressing this issue be an agenda item at the next Council meeting. The Mayor asked Council Member Schindle to craft this resolution or to contact him and they could craft this resolution together.

Council Member Schindle asked that consideration of the variances for the Marigold Project be delayed until the City has received a commitment letter from the bank. Planner Fischer reported that notices have already been sent to the affected property owners regarding the hearing on this variance. Attorney Kennedy stated the Council should be mindful of the 60-day rule whereby the City has 60 days from the date of application to act on a variance request.

Council Member Freyberg

Council Member Freyberg publicly apologized to Port Authority Commissioners Knutson and Arnold relative to the misunderstanding about the cancelation of the Joint Port Authority/Council meeting.

Council Member Freyberg reported 37 applications were received and reviewed for the City Administrator position. Preliminary interviews were conducted and the top four candidates will be interviewed by the Expanded Personnel Committee. A Schedule of Events was presented outlining the timeline for the interview process.

The Mayor reported members of the Expanded Personnel Committee include Interim Administrator Michael Fischer, Mayor Dehen, Council Member Freyberg, citizen member Trudie Gustafson, Bonnie Bennett of Turning Point Management, Inc. and one finance person yet to be selected. He stated that video conferencing may be use for the Expanded Personnel Committee interviews for out-of-state candidates. The Mayor reviewed the outline of the proposed schedule for final interviews.

Set Special Council Meeting

Council Member Steiner moved, seconded by Council Member Freyberg, to set a Special Council meeting for 12 noon on Friday, December 14, 2012 to announce the two finalists for the City Administrator position. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Approve Schedule for Candidates

Council Member Norland moved, seconded by Council Member Steiner, to approve the schedule for candidate interviews as presented with final interviews with the Council to be held on December 19, 2012. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Council Member Steiner

Council Member Steiner stated he was surprised to learn the status of the interview process for the City Administrator position by reading the *Free Press* Sunday morning. He stated he would have appreciated notification prior to information going out to the public.

Council Member Norland

Council Member Norland reported the website www.Minnesota.info will be enhanced over the next 3-4 months to provide more information to veterans and their families about transportation. She also reported Community Education and Recreation is offering a very good class for parents, "Ready for Kindergarten" and more information and registration is available at www.mankatocer.com. She reported that anyone interested in foster grandparenting should contact Alison Troidahl at Community Education and Recreation.

Report from Mayor

The Mayor reported a Legislative Forum will be held at Heritage Hall, South Central College, on Friday, December 7, 2012 to discuss legislative issues.

The Mayor reported that no "Coffee with the Council" is schedule for December 2012. "Coffee with the Council" will resume in January 2013.

Open the Meeting to the Public for the Second Time

Bernadette Wilson, Beans Plus Childcare Center, 1754 Commerce Drive

Bernadette Wilson, Beans Plus Childcare Center, 1754 Commerce Drive, again appeared before the Council and asked that a copy of the City Attorney opinion regarding the abatement for the property addressed as 2101 Rolling Green Lane be forwarded to her. The City Clerk will email a copy of the Attorney's opinion regarding this subject to Ms. Wilson.

Barb Church, 102 E. Wheeler Avenue

Barb Church, 102 E. Wheeler Avenue, appeared before the Council and spoke of the history of some of the projects supported by the Port Authority, the variances necessary for the Marigold Project, the canceled Port Authority/Council Joint meeting and the value in partnering with the Regional Joint Economic Development Alliance.

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council in support of Bernadette Wilson's request for removal of the tax abatement on the building located on the property addressed as 2101 Rolling Green Lane.

Bills and Appropriations

Council Member Steiner moved, seconded by Council Member Norland, to approve all bills and appropriations in the amounts of \$21,160.94 and \$317,251.79. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

There being no further business, the meeting was adjourned at 9:03 p.m. on a motion by Council Member Steiner, seconded by Council Member Norland. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Mayor

City Clerk