

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 September 4, 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 Steiner, Norland, Schindle and Freyberg, Interim Administrator Fischer, Finance Director Thorne, Engineer Malm, Attorney Kennedy and City Clerk Gehrke.

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, Freyberg and Dehen, aye; no nays. Motion carried.

Approval of Minutes

Council Member Schindle moved, seconded by Council Member Freyberg, to approve the minutes of the Special Council meetings of August 13, 2012, August 15, 2012 and August 16, 2012, the Council meeting of August 20, 2012, as amended; and the Council Workshop of August 27, 2012. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Correspondence

Public Service Announcement – Farm Vehicles on City Streets

Mayor Dehen read a Public Service Announcement reporting that over the next two months farm equipment will be on North Mankato city streets in the hilltop due to reconstruction of Highway 14.

Public Hearing, 7 p.m. – Consolidated Annual Performance and Evaluation Report (CAPER)

The Mayor opened the public hearing to consider the Consolidated Annual Performance and Evaluation Report. Planner Fischer reported that as part of our status as a HUD Entitlement Community, the City is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) on the use of 2011 Community Development Block Grant (CDBG) funds which are received on an annual basis. As part of the process, it is necessary to hold a public hearing to present the CAPER and allow a 15-day comment period after the public hearing. A notice of public hearing was published in the official newspaper. Planner Fischer reported the 2011 Action Plan specified that CDBG funds would be used to acquire a vacant residential property addressed as 202 Christensen Street and to allocate funds to assist in the purchase of a vacant convenience store addressed as 238 Belgrade Avenue. However, the new owner of the property at 238 Belgrade did not wish to accept CDBG funds. In 2010, the Action Plan was amended to purchase and demolish a residential dwelling addressed as 706 Range Street; however, funds for this project were used in 2011. The Planner presented a summary of resources and distribution of funds for FY2011 reporting \$152,282 was made available to the City through a 2011 formula allocation and unused 2010 funds. The breakdown of the funds include 1) \$30,500 for the purchase of the property addressed as 202 Christensen; 2) \$75,000 for the purchase of the property addressed as 706 Range Street; and 3) \$8,000 for administration of the funds, for a total expenditure of \$113,500. Planner Fischer reported the proposed use of the properties at 202 Christensen and 706 Range are for low- to moderate-income housing. Kim Spears, 916 South Avenue, appeared before the Council and asked when the properties would be returned to the tax rolls and where the funds would be deposited when the properties are sold. Planner Fischer reported the funds received from sale of the properties would go into the General Fund subject to federal regulations. Some discussion was held about the amount of funds received, the reporting involved and the point at which it is no longer feasible to accept the funds. With no one else appearing before the Council, the Mayor closed this portion of the meeting.

Public Hearing, 7 p.m. – Vacation of Utility Easement – Parks Edge Addition

Mayor Dehen opened the public hearing to consider the vacation of a utility easement in Parks Edge Addition due to the replatting of Lot 1, Block 4, Parks Edge Addition. Interim Administrator Fischer reported a notice of the public hearing was published in the official newspaper and the utility companies have been notified. He reported the utility companies have no objection to the utility easement vacation. With no one appearing before the Council, the Mayor closed this portion of the meeting.

Res. No. 54-12 Vacating Utility Easement, Parks Edge Addition

Council Member Norland moved, seconded by Council Member Schindle, to adopt Resolution No. 54-12 Vacating Utility Easement, Parks Edge Addition. Vote on the Resolution: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Public Hearing, 7 p.m. – Vacation of Utility Easements – Whispering Oak Twins

Mayor Dehen opened the public hearing to consider the vacation of utility easements in Whispering Oak Twins due to the replatting of five lots into four lots. Interim Administrator Fischer reported a notice of the public hearing was published in the official newspaper and the utility companies have been notified. He reported the utility companies have no objection to the vacation of the utility easements. With no one appearing before the Council, the Mayor closed this portion of the meeting.

Res. No. 55-12 Vacating Utility Easement, Whispering Oak Twins

Council Member Freyberg moved, seconded by Council Member Steiner, to adopt Resolution No. 55-12 Vacating Utility Easements, Whispering Oak Twins. Vote on the Resolution: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Open the Meeting to the Public for the First Time

Barbara Church, 102 E. Wheeler Avenue

Barbara Church, 102 E. Wheeler Avenue, appeared before the Council and reported she has spoken to Burt Lyman, Executive Director of the Civic Center, about the noise created at Riverfront Park at their events. He reported they are aware of the problem and are working to resolve the noise issue. He did mention that national acts will not adjust the volume level.

Ms. Church also asked that the selection of a City Administrator be postponed.

Kim Spears, 916 South Avenue

Kim Spears, 916 South Avenue, appeared before the Council and reported his concern about the budget process and the proposed tax levy discussed at the Council Workshop. He stated his belief that the increase in a tax levy should not exceed the cost of living and urged the Council Members to take this into account when setting the levy.

Mr. Spears also commented about the Metropolitan Planning Organization (MPO) and asked whether this duplicates MATAPS and if so, if MATAPS should be eliminated.

Tom Rieff, 2059 Sundance Lane

Tom Rieff, 2059 Sundance Lane, appeared before the Council and asked that a selection for the City Administrator position be delayed and the process be re-opened.

Consent Agenda

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

1. Audio and Large Group Permit for Evangelical Free Church Punk'n Pie Event, 354 Carol Court Back Parking Lot, Wednesday, October 31, 2012 from 5-9:30 p.m.

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

Staff Reports

City Planner

Metropolitan Planning Organization (MPO) Update

Planner Fischer presented an update of the Metropolitan Planning Organization (MPO) reporting that on March 27, 2012, the Mankato/North Mankato Area was designated an urbanized area of more than 50,000 people. Under federal law, all such urbanized areas must have a designated MPO for any expenditure of federal transportation funds within the urbanized area, including transit funds. He reported the MPO is required to draft and implement a unified planning work program, a 20-year long range transportation plan, and a transportation improvement program that contains a four-year listing of regionally significant projects receiving federal funds, including transit. He reported the governance of the MPO activities is through a Joint Powers Agreement and involves establishing a Policy Board that consists of elected officials from each member jurisdiction. A Technical Advisory Panel is established comprised of staff from each jurisdiction which provides recommendations to the Policy Board. The MPO also enters into a Memorandum of Understanding between the MPO, State and the Transit Operator (City of Mankato). Planner Fischer reported State and Federal grants are provided to cover up to 80 percent of the costs associated with MPO activities, which in the case of the Mankato/North Mankato MPO anticipated State and Federal grants will provide an estimated \$307,812 annually and the local partners are expected to provide a 20 percent match estimated at \$28,865. MPO activities include 1) Long-range transportation planning, 2) Transportation improvement plan and 3) Unified work plan as directed by the Policy Board. Since MnDOT oversees the administration of MPOs within the State of Minnesota, they have held a series of meetings with the affected local units of government impacted by the designation and suggested using the MPO model that Janesville, Wisconsin has in place. Planner Fischer reported a small intergovernmental working group of staff was appointed in order to formulate a recommended strategy for the formation of the MPO and a summary of the group recommendations for the MPO structure and Joint Powers Agreement was presented. He noted the deadline for finalizing an agreement and being formally designated as an MPO is March 26, 2013. Paul Vogel, City of Mankato, appeared before the Council and reported the cost of the MPO would be split among Mankato, North Mankato, Blue Earth County and Nicollet County and Mankato would be the host agency with two staff members, an Executive Director and a Transportation Director. Planner Fischer reported that no formal action is necessary at this meeting and that the Joint Powers Agreement will be drafted and brought before the Council for approval and submission to MnDOT for forwarding to the Governor's Office for formal designation. If the MPO is organized by October 1, 2012 or soon thereafter, approximately \$18,000 can be immediately appropriated by the State to assist in start-up costs.

Set Public Hearing for Regional Park and Park Legacy Grant Program Application

Planner Fischer reported that as part of the grant application for the Regional Park and Park Legacy Grant Program for Benson Park, it is necessary to set a public hearing to consider submission of the grant application. Planner Fischer reported no local match of the grant funds is required this year; however, preference will probably be given to those communities that participate with matching funds.

He reported that last year the City's grant application proposed matching funds of 40 percent. **Council Member Norland moved, seconded by Council Member Steiner, to set a public hearing for the Regional Park and Park Legacy Grant Program Application for Monday, September 17, 2012 at 7 p.m. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

**Interim City Administrator
Introduce Proposed 2013 Budget**

Mayor Dehen reported a Council Budget Workshop was held prior to the Council meeting and discussion was held regarding the preliminary tax levy. He read a resolution for the approval of a proposed tax levy in the amount of \$5,512,772, which is a 7.00 percent increase over the prior year. The Mayor reported the budget and levy will be discussed and public comment may be given at a public hearing at 7 p.m. on Monday, December 3, 2012, a public hearing at 7 p.m. on Monday, December 10, 2012, if necessary, and the 2013 Budget and final tax levy will be adopted at the Council meeting of Monday, December 17, 2012. He reported the preliminary tax levy must be certified to Nicollet County on or before September 15th each year. After this date the levy can be lowered but not raised. Council Member Norland commended the staff for being resourceful and frugal.

Res. No. 56-12 Approving Proposed Tax Levy

Council Member Steiner moved, seconded by Council Member Freyberg, to adopt Resolution No. 56-12 approving the proposed tax levy in the amount of \$5,512,772. Vote on the Resolution: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Res. No. 57-12 Setting Hearing for Belle House, LLC Request for Reasonable Accommodation

Interim Administrator Fischer presented a resolution prepared by the City Attorney to set a hearing for 7 p.m. on Monday, September 24, 2012 to consider the request for accommodation from Belle House, LLC. This request is to allow housing of not more than eight (8) recovering addicts/alcoholics at 2107 Northridge Drive, North Mankato, Minnesota. Attorney Kennedy reviewed the process for the hearing reporting the hearing will be scheduled for two (2) hours. The applicant shall have a total of one (1) hour to present evidence (including documents, testimony and arguments of counsel or a party) at the hearing. Anyone opposing the application shall have a total of one (1) hour to present evidence (including documents, testimony and arguments of counsel or a party). Anyone wishing to appear at the hearing must give written notice to the City Clerk of North Mankato no later than 4:30 p.m. on September 19, 2012. Anyone wishing to address the City Council at the hearing who has not given written notice in advance will be permitted to testify, submit evidence or argue the matter to the City Council at the discretion of the Mayor. Any such documents shall be submitted with seven (7) copies and shall be submitted no later than 4:30 p.m. on September 19, 2012. The hearing shall be videotaped by the City of North Mankato. Should any party wish to have an electronic reporter or court reporter present they shall be responsible to make such arrangements and pay the costs. At the conclusion of the hearing, the City Council will discuss the matter and take it under consideration. A written decision, along with written findings, will be issued by the City Council no later than September 28, 2012. Any ruling will be signed by a majority of the City Council in attendance at the meeting of September 24, 2012. Attorney Kennedy reported the standard to be applied to this application is as follows: The City must provide for the accommodation if the request is 1) reasonable, 2) necessary, and 3) affords handicapped persons equal opportunity to use and enjoy. The burden is upon the applicant by a preponderance of evidence to prove their request for the accommodation meets the three-part test. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 57-12 Setting Hearing for Belle House, LLC Request for Reasonable Accommodation. Vote on the Resolution: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

Renewal of MRCI WorkSource Agreement for September 1, 2012 through August 31, 2013

Interim Administrator Fischer presented the MRCI WorkSource Agreement for the period September 1, 2012 through August 31, 2013 which calls for a rate increase from \$8.67 to \$8.80 which equates to 1.5 percent. **Council Member Steiner moved, seconded by Council Member Norland, to approve the renewal of the MRCI WorkSource Agreement for September 1, 2012 through August 31, 2013. Vote on the motion: Steiner, Norland, Schindle, Freyberg 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. 2012 IBC Transition from the 2006 IBC, Redwood Falls, September 19, for Building Inspectors.
2. 2012 Toward Zero Death Conference, Bloomington, October 22-23, for one Patrol Officer.
3. Missing & Unidentified Persons Conference, Brainerd, October 10-11, Police Lieutenant Detective.
4. Waterworks Seminar, Mankato, October 11, for one Water Serviceman.
5. MRWA Wastewater Training Session, Sleepy Eye, September 6, for Water Superintendent and one Water Serviceman.
6. MRWA Wastewater Exam Refresher Training, St. Cloud, October 9-11, for one Water Serviceman.

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

City Clerk**Application and Permit for Temporary On-Sale Liquor License for Business on Belgrade's Celebration "Bier on Belgrade" on October 6, 2012**

Clerk Gehrke presented an application and permit request for a temporary on-sale liquor license for the Business on Belgrade's celebration "Bier on Belgrade" to be held on October 6, 2012. She reported the necessary insurance is in place. **Council Member Steiner moved, seconded by Council Member Norland to approve the application and permit for temporary on-sale liquor license for Business on Belgrade's celebration "Bier on Belgrade" to be held on October 6, 2012. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

Finance Director**Agreement Between the Minnesota Department of Revenue and City of North Mankato for Collection of Local Sales and Use Tax**

Finance Director Thorne presented an Agreement Between the Minnesota Department of Revenue and the City of North Mankato for Collection of a Local Sales and Use Tax. She reported one of the requirements of the Agreement is for the City of North Mankato to display on its main website home page a link to a notice that residents and businesses in the City of North Mankato may owe a local use tax on purchases of goods and services made outside of the political subdivision limits. **Council Member Norland moved, seconded by Council Member Steiner, to approve the Agreement Between the Minnesota Department of Revenue and City of North Mankato for Collection of Local Sales and Use Tax. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

City Engineer

Engineer Malm reported the Highway 14 Project is on schedule with painting of the south lanes taking place.

Report from Council Members

Council Member Norland

Council Member Norland referenced the motion made at the Council meeting of August 20, 2012 to set a Special Intergovernmental meeting to discuss a regional Economic Development Authority. She read the following in response:

“I strenuously object to moving forward with developing a new EDA for North Mankato.

1. Dumping the Port Authority requires a vote of the Council. Apparently, you already have the City Attorney working on how to take it apart.
2. We should wait to make moves until we get our new Administrator hired. Our past City Administrator led our economic development efforts very successfully using this current system. I hope that the new one brings background that will aid him/her in our economic development work.
3. Why should we throw out a system that has brought 250 new jobs to North Mankato over the last 2-3 years? And saved the jobs that were at Thin Film. (Listed companies and number of employees.)
4. Last, sorry that this will be politically embarrassing for GMG and for its supporters, but I see that GMG would be represented at the meeting. Are you planning on using GMG’s services again? May I remind you that for all the \$\$ we sent to GMG for several years of service, we got no development deals at all because of them. Secondly, if you go forward with the meeting at some later date, ask Pat Hentges, flat out, if the City of Mankato has gotten any development deals due to the work of GMG.

I say again, now is not the time to dump the Port Authority.”

Attorney Kennedy reported he has been in contact with Kennedy & Graven and they were going to provide the Port Authority bond pros and cons. He has not received this information to date.

Report from Mayor

City Administrator Consideration

Mayor Dehen reported three finalists have been selected for consideration to fill the City Administrator position. He reported 24 applications were received with 16 from Minnesota, 3 from Wisconsin, 2 from Iowa, 1 from Florida, 1 from Michigan and 1 from Washington. Council Member Freyberg suggested the City get signed releases from the top two candidates for background investigations and add those candidates into an expanded search. Mayor Dehen reported background investigations are done only after offering the position contingent upon passing the background check. Discussion was held about the makeup of the Expanded Personnel Committee and it was suggested that an Auditor be added. The Mayor recommended keeping the current finalists for consideration and reopening the search allowing 30 days for advertising of the position and 30 days for interviewing and selection. **Council Member Freyberg moved, seconded by Council Member Steiner, to 1) return the three finalists for consideration, 2) re-open the search for a City Administrator, 3) add an Auditor to the Expanded Personnel Committee and 4) set a timeline to select three finalists within 60 days. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen; aye; no nays.** The Mayor requested the three finalists be notified the search is being re-opened and their applications will

be returned for consideration.

Intergovernmental Committee Minutes of August 9, 2012

Mayor Dehen reviewed the minutes of the Intergovernmental Committee meeting of August 9, 2012. The noise from Riverfront Park was discussed, Mayor Dehen requested the use of ID scanners for the Bier on Belgrade event, and discussion was held about the Region 9 EDA. Council Member Norland stated that Region 9 has a revolving loan fund available for small businesses.

“Mud Run” Water Truck Request

Mayor Dehen reported the “Mud Run” will be held on Saturday, September 22, 2012 with an expected participation of 855 versus 400 participants last year. He requested Council approval for the use of the City water truck at the “Mud Run.” **Council Member Schindle moved, seconded by Council Member Norland, to authorize use of the City’s water truck for the “Mud Run.” Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.**

Coffee with the Council

The Mayor reported “Coffee with the Council” will be held from 10 a.m. to 11 a.m. on Saturday, September 8, 2012 at the new Art Park located at 406 Cross Street.

Open the Meeting to the Public for the Second Time

Barbara Church, 102 E. Wheeler Avenue

Barbara Church, 102 E. Wheeler Avenue, appeared before the Council and asked to be notified if the Marigold 2.5 Project is an agenda item for the September 11, 2012 Port Authority meeting.

Kim Spears, 916 South Avenue

Kim Spears, 916 South Avenue, appeared before the Council and asked how much the City receives annually in transportation funds. Engineer Malm reported the amount of transportation funds received annually depends on the projects. He reported all cities eligible for MSA funds may apply for the funds. Mr. Spears also asked about the MPO and who will be doing the work. Interim Administrator Fischer reported the MPO will create the work plan and funds may only be used for planning and the study would require Council approval.

Bills and Appropriations

Council Member Steiner moved, seconded by Council Member Norland, to approve all bills and appropriations in the amounts of \$22,634.70 and \$467,799.61. 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 8:37 p.m. on a motion by Council Member Steiner, seconded by Council Member Norland. Vote on the motion: Steiner, Norland, Schindle, Freyberg and Dehen, aye; no nays. Motion carried.

Mayor

City Clerk