

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 16, 2013. 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 Spears, Steiner, Norland and Freyberg, Administrator Harrenstein, Finance Director Thorne, Attorney Kennedy, Planner Fischer, City Clerk Gehrke, Public Works Director Swanson and Engineer Sarff.

Approval of Agenda

Council Member Norland moved, seconded by Council Member Steiner, to approve the agenda with the addition of presentation of a proclamation to Jon Rippke and a Certificate of Recognition to Gregg Abbott. Vote on the motion: Spears, Steiner, Norland, 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 meeting of December 2, 2013. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Presentation of Proclamation to Former City Engineer Jon Rippke

Former City Engineer Jon Rippke was in attendance at the meeting. Since he is retiring from Bolton & Menk at the end of 2013, Mayor Dehen read the proclamation presented to Mr. Rippke at his retirement party which proclaims December 5th as Jon Rippke Day in North Mankato. Mr. Rippke spoke of the many projects that occurred during his tenure as City Engineer and the growth of the City.

Certificate of Recognition for Port Authority Commissioner Gregg Abbott

Mayor Dehen presented a Certificate of Recognition to Gregg Abbott thanking him for eight (8) years of service on the North Mankato Port Authority Commission. Mr. Abbott thanked everyone for their work and stated he believes the City of North Mankato is headed in the right direction by involving more Council Members on the Port Authority Commission.

Public Hearing, 7 p.m. – Five-Year Capital Improvement Plan

Mayor Dehen opened the public hearing to consider the Five-Year Capital Improvement Plan 2014-2018 which was proposed to the Council at the November 18, 2013 Council Workshop. Notice of the public hearing was published on the City's website. Barb Church, 102 E. Wheeler Avenue, appeared before the Council and gave her approval that many of the items in the CIP were going to be funded with cash. With no one else appearing before the Council, the Mayor closed the public hearing.

Consent Agenda

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

1. Bills and Appropriations.
2. Resolution No. 77-13 Approving Donations/Contributions/Grants.
3. Resolution No. 78-13 Setting Council Meeting Dates for Year 2014.

Vote on the motion: Spears, Steiner, Norland, Freyberg, and Dehen, aye; no nays. Motion carried. The Council thanked the generous donors for their contributions to the North Mankato Taylor Library.

Public Comments

The Mayor stated that public comments would be taken by subject. The first comments would be about the Request for Proposals (RFP) for Solid Waste and Recycling Services. The following individuals appeared to comment on this subject:

Barb Church, 102 E. Wheeler Avenue, asked the size of the Hansen Sanitation container and if the size of the container will be reflected on our bill. She also requested the subscription to yard waste containers and asked why that is not part of the RFP. Public Works Director Swanson reported with the 24 hours/7 days per week drop-off there was not an overwhelming need for this service. She stated Mankato has this included in their RFP and asked that the City of North Mankato include it in the RFP. Council Member Steiner stated the City will help anyone unable to bring their yard waste to the compost site. Ms. Church also stated she didn't realize there was a senior garbage rate. She thanked the City of Mankato for asking us to join them in the RFP process.

Denny Savik, 810 Belgrade Avenue, thanked everyone for their work on the RFP process. He questioned the every other week recycling pickup versus the weekly pickup. Dan Krevit responded the City of Mankato currently has the same system the City of North Mankato currently has in place. Denny would like to see recycling pick up every week. He also asked why the RFP specifies recyclables going to LJP Enterprises. Administrator Harrenstein reported that Mr. Krevit asked the City to designate a location where the recyclables would be hauled. The reason is that they are local and cost effective. Denny also asked what the role of Riverbend Recycling would have in the future. Mr. Harrenstein reported that the drop-off services would continue at Riverbend.

John Hurd, 732 Garfield Avenue, stated a second lane needs to be added to the Riverbend Recycling Center for drop-off because it is problematic for him to wait five minutes to drop off his items.

The second comment period was about the Economic Development Policies:

Barb Church, 102 E. Wheeler Avenue, thanked everyone who participated in the Economic Development process and stated that some of the policies are the same as in the past but the process enhances the transparencies of the policies. She requested the policies be posted on the City's website and asked the Council to revisit them every 3-5 years.

Denny Savik, 810 Belgrade Avenue, stated he believes one building on Belgrade has received 4-5 subsidies; that the Port Authority operated in a cloak of secrecy but is now headed in the right direction.

The third comment period was about the proposed zoning changes:

Phil Henry, 1300 Noretta Drive, stated he believes a public hearing should not be held until the Comprehensive Plan is completed. He believes high-end rental property is destined to fail in North Mankato.

Denny Savik, 810 Belgrade Avenue, asked why rezoning is being considered prior to the completion of the Comprehensive Plan. He stated the Zoning Commission is broken and that items are brought to the Council too fast after a Planning Commission meeting.

Barb Church, 102 E. Wheeler, stated changes to uses in the Central Business District should fall under the umbrella of the Comprehensive Plan.

Tom Hagen, 927 Lake Street, reported he attended the Planning Commission meeting and felt the same frustration as when on the Park & Greens Spaces Committee when trees were being planted prior to the Benson Park Plan being completed and during the previous Marigold debates. He spoke of trust of government and believes talking of the zoning prior to completion of the Comprehensive Plan diminishes that trust and urged the Council to table the zoning changes until the Comprehensive Plan is completed.

Approval of Proposed 2014 Budget and Capital Improvement Plan 2014-2018

The following four resolutions were presented for adoption:

Res. No. 79-13 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2014

Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 79-13 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2014. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Res. No. 80-13 Approving 2013 Tax Levy, Collectible in 2014

Mayor Dehen reported the 2013 Tax Levy, Collectible in 2014 is a zero percent increase in the tax levy. **Council Member Steiner moved, seconded by Council Member Freyberg, to adopt Resolution No. 80-13 Approving 2013 Tax Levy, Collectible in 2014. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.**

Res. No. 81-13 Setting Rates and Charges for Municipal Utilities

Council Member Spears asked the City Administrator to review the need for the rate increases. Administrator Harrenstein reported the rate increases in both the water and sewer funds are necessary to stabilize the funds and finance capital outlay for the recoating of the water tower and the new well. He also reported this is the first rate increase since 2008. The Administrator reported the new rates comply with all mandates relating to water conservation. **Council Member Steiner moved, seconded by Council Member Freyberg, to adopt Resolution No. 81-13 Setting Rates and Charges for Municipal Utilities. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.**

Res. No. 82-13 Approving the Capital Improvement Plan, 2014-2018

Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 82-13 Approving the Capital Improvement Plan, 2014-2018. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Consider Adopting Economic Development Policies

Tony Schertler of Springsted, Inc. appeared before the Council and stated he has been working with staff to compile the Economic Development Policies with what they heard in the Economic Development meetings. He reviewed the memo on this subject which the City Administrator brought before the Council Workshop earlier tonight. He also noted that Attorney Julie Eddington reviewed the document prior to final completion and she reported the document is compliant. One of the issues was regarding CBDG Funds which have special criteria and are harder to spend down so may require a lower threshold, tax increments and tax abatements. He reported the Economic Development Policies give more transparency, more due diligence and outlines the objectives. Council Member Spears stated the idea that we should spend state and federal money or we will need to return it offends him. Tony stated certain dollars are targeted for certain types of uses and if you don't have a need for these dollars they may be returned.

Council Member Norland moved, seconded by Council Member Steiner, to adopt the Economic Development Policies. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Consider Approving Request for Proposals (RFP) for Solid Waste and Recycling Services

Dan Krevit, Foth Infrastructure and Environment, earlier appeared at the Council Workshop and presented the joint Request for Proposal (RFP) for Refuse and Recycling Services. He also appeared at the Council meeting to answer any questions regarding the RFP. In response to a question regarding a subscription yard waste program, he reported that it could be added to the RFP. This would be a direct payment to the hauler and not appear on the utility bill. In response to the question regarding weekly versus every other week recycling pickup, he reported this was done as a rate reduction strategy and stated it could be changed at a later date. Mr. Krevit also reported that residents will receive a choice of a 65-gallon or a 90-gallon recycling container. He also responded that state statute requires two different rates but beyond that it is a policy decision. Discussion was held regarding the subscription yard waste service provided by the City of Mankato. **Council Member Spears moved, seconded by Council Member Freyberg, directing staff to include the subscription yard waste service in the Request for Proposals (RFP) for Solid Waste and Recycling Services. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.**

Council Member Norland moved, seconded by Council Member Steiner, to approve the Joint Request for Proposal (RFP) for Refuse and Recycling Services with the addition of the subscription yard waste services added. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Consider Amendments to the R-3, R-4 and CBD Section of the Zoning Code and Set Public Hearing

Mayor Dehen reported the next item of business is to consider setting a public hearing to consider amendments to the R-3, R-4, and CBD Sections of the Zoning Code. **Council Member Spears moved, seconded by Council Member Freyberg, to table setting the public hearing to consider amendments to the R-3, R-4 and CBD Sections of the Zoning Code until the Comprehensive Plan is completed.** Council Member Spears asked to speak on this matter and read the following:

“It is improper to consider zoning and land use ordinance changes at this time. There are three reasons for **not** doing this. First, any changes now do not honor the Comprehensive Planning process. Second, there are going to be

statutory implications in implementing a Comprehensive Plan that will mandate changes to our zoning and land use codes. And lastly, these changes serve two projects specifically, in an effort to circumvent public concern about the propriety of the projects

In regards to the Comprehensive Plan, it is anticipated that it will be complete in May. At this point, there are no documents available to indicate the final results of the process. It seems insulting to the participants in the process that the City claims to know enough at this point to make significant changes to our zoning. Proceeding at this point is an act of extreme hubris. It seems that, either someone here at City Hall has a crystal ball, or that the public input process for the Comprehensive plan is merely a sop to the citizens and the city already knows what they are going to put in the plan.

About statutory concerns: Minnesota statute 473.858 states, "The comprehensive plan shall provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment consistent with the comprehensive plan." This means that we will have to bring our ordinances into alignment with the plan. Making changes at this time, knowing there is a chance we may have to redo the changes after ratification of the Comprehensive plan is likely a waste of time and money. Again, unless the City already knows what is going to be in the plan.

The controversy around Marigold is the primary case that the need for the Comprehensive Plan. Though the City approved the necessary variances there is a civil lawsuit regarding the propriety of those variances. The jury is still out both on the comprehensive plan and the litigation against the city. These changes are a clear attempt to pave the way for these projects so that they are no longer subject to review by the council or the public.

It will be a mistake to proceed with these or any changes until the Comprehensive Plan is complete and approved. To proceed dishonors the people and process involved in creating the Comprehensive Plan. To proceed will waste time and money if the changes do not comport with the Comprehensive Plan. To proceed says that the City will go to any length to circumvent due process."

Council Member Norland stated that she disagreed on every point that Council Member Spears made stating that economic development has moved forward at a very good rate for many years and one of the reasons it has is that we follow economic development policy and we need to keep going simultaneously with the Comprehensive Plan or we will lose our momentum. She stated that she is annoyed at being told that we are playing games and not transparent and the zoning changes give the City the flexibility to move ahead on pending projects. She stated it is no secret that Mick Montag wants to build an apartment house on the MICO property and no secret that Van Moody wants to build on the Marigold property. She stated that we need to move forward and take the necessary steps to encourage businesses and housing in the City of North Mankato.

Council Member Steiner stated that in the last couple of years people think the City has not been transparent; however, all meetings are open to the public and filmed. The City has not completed all the projects in recent years by not having plans. He stated the City is being held hostage by people who have not thought this through and have come around trying to impose restrictions on us moving forward.

The Mayor stated the City has done due diligence by going out and reviewing policies for similar areas and by continuing our existing policy it leaves us at a competitive disadvantage with our peer cities. The public hearing gives the citizens another opportunity to make comment, the public commentary will be recorded and provided to those writing the Comprehensive Plan and added to the information already provided in private and public sessions. At this point we have motion to table the public hearing.

Council Member Freyberg reported he attended the Planning Commission meeting as the Council Liaison. He reported an important part of the packet was the second half that did not get discussed at the Planning Commission meeting, which included maximum ground coverage. He reported Mankato is at 35 percent and we are at 50 percent and 60 percent. The part of the conversation that addresses the other cities compared to North Mankato, not all the information was there. The Planning Commission was only discussing the setback requirements but did not discuss maximum ground coverage. It makes North Mankato a lot more competitive because we still allow 50 and 60 percent ground coverage. We need to address the code changes that accurately address all the issues because we gave ourselves a huge advantage on ground coverage. He stated that earlier this evening we passed a no-compete clause in our Economic Development Policies between Nicollet and Blue Earth County, therefore, our zoning requirement changes should be complementary to this in that our maximum ground coverage regulations in both cities should be equal. Administrator Harrenstein asked if other zoning regulations for ground coverage is more restrictive in other cities. Planner Fischer stated that all of this has an effect including lot size requirements, lot width and lot depth.

Vote on the motion: Spears and Freyberg, aye; Steiner, Norland and Dehen, nay. Motion failed.

The Mayor moved, seconded by Council Member Freyberg, to direct the Planning Commission to consider ground coverage and Planned Unit Development (PUD) issues as compared to the City of Mankato with regard to R-3, R-4 and CBD zoning districts.

The City Attorney stated the Planning Commission would want some clear direction on what they are to review. Some discussion was held regarding the height limits in Mankato. If what the Council wants is a level playing field in both cities, direction should be given to the Planning Commission. Administrator Harrenstein stated that ground coverage was the major issue. He also stated that Mankato uses the Planned Unit Development (PUD) which is not deployed by the City of North Mankato. Council Member Spears stated this is another reason to wait until the Comprehensive Plan is completed. The Administrator asked if the Council could set a public hearing for the second January meeting. The Attorney stated that by doing so, the public would know that these issues would be dealt with at a public hearing.

Vote on the motion: Spears abstained; Steiner, Norland, Freyberg and Dehen, aye. Motion carried.

Set a Public Hearing for 7 p.m. on Tuesday, January 21, 2014 to Consider Amendments to the R-3, R-4 and CBD Zoning Districts

Council Member Norland moved, seconded by Council Member Steiner, to set a public hearing for 7 p.m. on Tuesday, January 21, 2014 to consider amendments to the R-3, R-4 and CBD zoning districts. Vote on the motion: Spears, nay; Steiner, Norland, Freyberg and Dehen, aye. Motion carried.

Mayor and Council Comments

Council Member Norland

Council Member Norland gave a report of the Community Education and Recreation (CER). She reported that while most people know about the many youth and adult recreation opportunities through CER, and the Adult Basic Education Program, many may not be aware of

the volunteer opportunities. CER manages the district's volunteer program recruiting, screening, placing and supporting volunteers in the school district. Teach requests for classroom volunteers are growing each year. If you are interested in being a volunteer, contact the Community Education and Recreation Office at 507-387-5501.

Council Member Norland reported Region 9 Development Commission held a Grant Opportunity Forum on November 21, 2013. They presented a new resource called the Southern Minnesota Source Link, or SoMN Source Link, which is a website and portal which will link entrepreneurs and small businesses with resources to help start and grow their businesses. Contact information is: info@somnsourcelink.com.

Council Member Steiner

Council Member Steiner wished everyone a Merry Christmas and Happy New Year.

Mayor

The Mayor reported he attended the Highway 14 presentation on options available for the new intersection between U.S. Highway 4 and Minnesota Highway 111.

The Mayor presented holiday greetings from MAFTTI and the Union Pacific Railroad. He also wished everyone Happy Holidays.

Public Comments

Barb Church, 102 E. Wheeler Avenue

Barb Church, 102 E. Wheeler Avenue, reported she was researching comparisons of zoning codes for different cities and asked if the Council wanted her to send them a copy. The Mayor asked that she send the information to the City Clerk who would forward it to the Council. After additional discussion, it was determined the focus of comparison would be the City of Mankato in order to have a level playing field.

Council Member Norland moved, seconded by Council Member Steiner to adjourn the meeting. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. The meeting was adjourned at 8:40 p.m.

Mayor

City Clerk