

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 August 19, 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 and Steiner, City Administrator Harrenstein, Finance Director Thorne, City Clerk Gehrke, Attorney Kennedy, Engineer Malm and Planner Fischer. Absent: Council Members Norland and Freyberg.

Approval of Agenda

Council Member Steiner moved, seconded by Council Member Spears, to approve the agenda as presented. Vote on the motion: Steiner, Spears and Dehen, aye; no nays. Motion carried.

Approval of Minutes

Council Member Spears moved, seconded by Council Member Steiner, to approve the minutes of the Council meeting of August 5, 2013. Vote on the motion: Steiner, Spears and Dehen, aye; no nays. Motion carried.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Application for St. Paul's Evangelical Lutheran Church Family Fun Run, Saturday, October 26, 2013 from 10 a.m. to 11 a.m.
- C. Application for Miracle League of North Mankato Gorilla Fun Run and Audio and Large Group Permit, Saturday, May 3, 2014 from 2 p.m. to 8 p.m.
- D. Audio and Large Group Permit for Styndl/Anderson Wedding, Spring Lake Park, Saturday, June 7, 2014 from 10 a.m. to 8 p.m.
- E. Renewal of Property and Casualty Insurance and Workers' Compensation Insurance.

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

Public Comments

Proclamation Recognizing Blues on Belgrade Five-Year Anniversary

Mayor Dehen read a proclamation recognizing the five-year anniversary of Blues on Belgrade. He presented the proclamation to representatives of Business on Belgrade who were in attendance and thanked them for their time, dedication and perseverance to promote Business on Belgrade.

Business Items:

Award Bid for Comprehensive Plan to WSB and Associates

Planner Fischer reported in response to a Request for Proposals (RFP) released by the City for the preparation of a new Comprehensive Plan, a total of nine (9) proposals were received from professional planning consultants. The RFP Review Committee selected four (4) consultants which were interviewed in late July. As a result, the Review Committee is recommending WSB and Associates from Minneapolis to lead the Comprehensive Plan Project. Planner Fischer presented the Professional Services Agreement which includes general contract provisions, client responsibility, scope of work and compensation exhibits. WSB and Associates will complete the project for a not to exceed amount of \$28,904. Bolton & Menk would prepare the transportation and public utility sections of the plan at an estimated cost of \$5,000. He reported the City Council previously approved

the use of \$9,169 of HUD Funds for the Comprehensive Plan effort. Administrator Harrenstein reported WSB and Associates will host and maintain a project website and Facebook page, organize and conduct two community-wide meetings, organize and conduct four focus group meetings involving relevant stakeholders and organize and participate in an activity involving elementary school children. Since Council Member Freyberg was unable to attend the Council meeting, he requested the following comments be presented regarding the award of the Comprehensive Plan to WSB and Associates: "Please express caution to WSB when reviewing the biased Downtown Planning Study by I & S as the public comment was ignored. Please advise WSB to make special note of that public comment. Thank you. Envision 2020 is now an old document. Very little input should be gleaned or used from this document. Please contact Paul Vogel and get the information from the recent MPO plan. This should be reviewed as a part of 1.z.vii. Page one of Exhibit C." Mayor Dehen requested the City Center Renaissance Plan be included as part of the background documents for review. Council Member Spears reported he was on the Review Committee and the WSB and Associates group had high energy and he strongly supports awarding the bid for the Comprehensive Plan to WSB and Associates. **Council Member Steiner moved, seconded by Council Member Spears, to award the bid for the Comprehensive Plan to WSB and Associates with the addition of MPO Plan and the Renaissance Plan as background documents. Vote on the motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Set Public Hearing for HUD Consolidated Annual Performance Evaluation Report (CAPER) for 7 p.m. on Tuesday, September 3, 2013

Planner Fischer reported that as part of our status as a HUD Entitlement Community, it is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to report the use of 2012 Community Development Block Grant (CDBG) funds which the City receives on an annual basis. As part of the reporting process, it is necessary to set and hold a public hearing to present the CAPER and allow a fifteen (15) day comment period after the public hearing. Council Member Spears reported he is unable to vote to set this public hearing since he has not seen the CAPER. **Council Member Steiner moved, seconded by Mayor Dehen, to set a public hearing for the CAPER for 7 p.m. on Tuesday, September 3, 2013. Vote on the motion: Steiner and Dehen, aye; Spears nay. Motion carried.**

Set Public Hearing for Review of Rental License at 503 Wheeler Avenue for 7 p.m. on Tuesday, September 3, 2013

Planner Fischer requested a public hearing be set to review the rental license at 503 Wheeler Avenue, which has received three (3) rental strikes within a 12-month period. He reported that according to the Rental Licensing Code, if three (3) rental strikes occur within a 12-month period, the City Council shall hold a hearing to consider suspension or revocation of the rental license or such penalty as determined by the City Council. Attorney Kennedy reported very few rental properties have received three (3) rental strikes within a 12-month period. He reported the Council will determine if the Rental Licensing Code has been breached and if so, what penalty will be imposed. Attorney Kennedy stated he will provide additional information to the Council on this matter prior to the public hearing. **Council Member Steiner moved, seconded by Council Member Spears, to set a public hearing for review of the rental license at 503 Wheeler Avenue for 7 p.m. on Tuesday, September 3, 2013. Vote on the motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Consider Approval of Grant Administration Contract between the City of North Mankato and Minnesota Valley Action Council, Inc. (MVAC)

Planner Fischer reported in 2013 and 2014 the City will allocate \$43,903 of Community Development Block Grant (CDBG) funds to income-qualified homeowners for housing rehabilitation purposes. To administer the housing rehabilitation program, the City is proposing to contract with Minnesota Valley Action Council, Inc. (MVAC). MVAC has extensive work experience administering state and federal funded housing rehabilitation programs. The fee to administer the housing rehabilitation program shall not exceed \$4,390 and would be funded from the City's CDBG allocation. Judd Schultz, MVAC, appeared before the Council and reported MVAC has previously worked with the City of North Mankato on the homebuyer training program. He reported the Grant Administration Contract is the same as used for other cities that contract with MVAC. Mr. Schultz reported MVAC will market the program and has a matching loan fund program to assist homeowners with their share of the 50 percent match required to receive grant funds. Some discussion was held regarding the loan forgiveness of the matching loan. If a homeowner lives in their home for a period of five years, the loan is forgiven at the rate of 20% each year. Council Member Spears expressed his concern regarding the vicious cycle of using taxpayer dollars to fund programs such as this. Mr. Schultz reported these funds are made available for low- and moderate-income persons to rehabilitate homes in the community. Mayor Dehen stated that \$45,000 in grant funds will realize \$90,000 in increased value to homes. **Council Member Steiner moved, seconded by Mayor Dehen, to approve the Grant Administration Contract between the City of North Mankato and Minnesota Valley Action Council, Inc. (MVAC). Vote on motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Consider Approval of North Mankato Housing Rehabilitation Program Policies and Procedures

Planner Fischer reported that since the City has never initiated a housing rehabilitation program utilizing state and/or federal funding, specific housing rehabilitation policies and procedures have not been created. In order to utilize CDBG funds to housing rehabilitation, it is necessary to adopt policies and procedures for rehabilitation. The CDBG funds would be allocated as deferred loans over a five-year term to income eligible persons or families. The Housing Rehabilitation Program Policies and Procedures developed for administration of the CDBG funds outlines eligible properties, eligible rehabilitation projects, HUD income limits and other program procedures. Judd Schultz, MVAC, reported the Housing Rehabilitation Program Policies and Procedures may be amended at any time as needed. **Council Member Steiner moved, seconded by Mayor Dehen, to approve the North Mankato Housing Rehabilitation Program Policies and Procedures. Vote on the motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Approval of CDBG Rehabilitation Standards

Planner Fischer presented the CDBG Rehabilitation Standards and reported that since CDBG funds will be used to rehabilitate single-family homes, according to federal regulations it is necessary to adopt CDBG Rehabilitation Standards. These standards are provided to outline the anticipated condition of each dwelling upon completion of rehabilitation in light of the benefits received. The CDBG Rehabilitation Standards were drafted by the Minnesota Valley Action Council, Inc. (MVAC) according to Section 8 Housing Standards. In response to a question from Council Member Spears, Planner Fischer reported that expenditure of the funds for housing rehabilitation was approved as part of the 2013 HUD Action Plan. **Council Member Steiner moved, seconded by Mayor Dehen, to approve the CDBG Rehabilitation Standards. Vote on the motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Ord. No. 51, Fourth Series, Establishing Interim Ordinance Under Minnesota Statute 462.355

Attorney Kennedy reported the City of North Mankato is currently studying the issue of licensing retail establishments that operate as hookah bars or sampling bars or a similar operation. Although no such operations currently exist within the City, the study is necessary to determine where would be proper zoning for such use if application is made to the City. He presented Ord. No. 51, Fourth Series, which establishes a one-year moratorium to protect the planning process while formal studies are conducted regarding such land use issues. Attorney Kennedy reported that recently the City of Mankato revised their tobacco ordinance which excludes licensing of retail establishments that operate as hookah bars, sampling bars and similar operations. Council Member Spears stated he believes this is a study in futility since he believes it has been pre-determined to ban the licensing of these establishments in North Mankato. He also stated there is too much government regulation and if consenting adults want to smoke e-cigarettes and they do no harm to others, they should be allowed to do so. **Council Member Steiner moved, seconded by Mayor Dehen, to adopt Ord. No. 51, Fourth Series, Establishing Interim Ordinance Under Minnesota Statute 462.355. Vote on the Ordinance: Steiner and Dehen, aye; Spears, nay. Motion carried.**

City Administrator and Staff Comments

Administrator Harrenstein reported he and his wife are the proud parents of a baby boy born Saturday, August 17, 2013. He also stated that it is a pleasure to work for the City of North Mankato.

Mayor and Council Comments

Mayor

Mayor Dehen thanked Business on Belgrade for the work they do and reported the Bier on Belgrade event will be held on October 5, 2013 and the River Ramble will be held on October 6, 2013.

Public Comments

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council stating his support for the use of the HUD funds for rehabilitation of properties. He also reported he enjoys the more interesting Council meetings.

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Spears, the meeting was adjourned at 7:50 p.m.

Mayor

City Clerk