

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 5, 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 Freyberg, Spears, Steiner and Norland, City Administrator Harrenstein, Finance Director Thorne, Deputy City Clerk Peterson, Attorney Kennedy and Engineer Sarff. Absent: City Planner Fischer and City Clerk Gehrke.

**Approval of Agenda**

**Council Member Freyberg moved, seconded by Council Member Norland, to approve the agenda as presented. Vote on the motion: Freyberg, Spears, Steiner, Norland 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 Council meeting of July 15, 2013. Vote on the motion: Freyberg, Spears, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

**Public Hearing, 7 p.m. – Vacation of Utility Easements – North Ridge Estates Phase XIV**

Mayor Dehen opened the public hearing to consider the vacation of utility easements in North Ridge Estates Phase XIV. Administrator Harrenstein reported as part of the platting of North Ridge Estates XVI, it is necessary to vacate certain utility easements created in North Ridge Estates XIV due to the relocation of a lot line. With no one appearing before the Council, the Mayor closed this portion of the meeting.

**Public Hearing, 7 p.m. – Consider Adoption of Amended Criteria for Awarding Business Subsidies**

Mayor Dehen opened the public hearing to consider adoption of amended criteria for awarding business subsidies. With no one appearing before the Council, the Mayor closed this portion of the meeting.

**Public Hearing, 7 p.m. – Consider Amended and Restated Property Tax Abatement for Certain Property in the City of North Mankato and Granting Certain Business Subsidies to Theuninck Rolling Green Properties, LLC**

Mayor Dehen opened the public hearing to consider amended and restated property tax abatement for certain property in the City of North Mankato and granting certain business subsidies to Theuninck Rolling Green Properties, LLC. Bernadette Wilson, 1455 Lookout Drive, former owner of Beans Plus, appeared before the Council and presented background information regarding the tax abatement request. She reported Beans Plus provided daycare services for 197 children employing 33 employees as well as providing rental space for the community and community involvement. Ms. Wilson stated the Minnesota Autism Center employs 8 full-time employees, is subsidized by Medicare/insurance and made a \$1.2 million profit last year. Ms. Wilson requested the City Council not grant the abatement and stated the abatement is not in the best interest of the City. She questioned what the Autism Center or Theuninck Rolling Green Properties provide to the City compared to other service providers in the community to qualify for the abatement. With no one else appearing before the Council, Mayor Dehen closed this portion of the meeting.

**Consent Agenda**

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

- A. Bills and Appropriations.
- B. Resolution No. 48-13 Approving Donations/Contributions.
- C. Resolution No. 49-13 Waiving Waiting Period for Exemption from Lawful Gambling License for Holy Rosary Church.
- D. Resolution No. 50-13 Awarding Bid to W.W. Blacktopping, Inc. for Project No. 13-04D, 2013 Street Improvements
- E. Consider Extension of Refuse and Recycling Contract with Hansen Sanitation, Inc.

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

**Public Comments**

**Barb Church, 102 E. Wheeler Avenue**

Barb Church, 102 E. Wheeler Avenue, appeared before the Council and thanked the City for restoring the 2011 minutes on the web site. Ms. Church gave an update of the noise level from the events held at Riverfront Park in Mankato. She reported she has been working with the City of Mankato to record decibel readings and Mayor Anderson has acknowledged the noise level issues. Ms. Church stated she is excited about the Comprehensive Plan study and to be a part of the Economic Development study initial meetings. She feels it was well worth her time, however, the meeting could have been conducted in a more transparent manner. She hopes the Comprehensive Plan study will be more in depth with the opportunity for citizens to contribute.

**Business Items**

**Resolution No. 51-13 Vacating Utility Easements in North Ridge Estates Phase XIV**

**Council Member Freyberg moved, seconded by Council Member Steiner, to adopt Resolution No. 51-13 Vacating Utility Easements in North Ridge Estates Phase XIV. Vote on the motion: Freyberg, Spears, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

**Resolution No. 52-13 Approving Amended and Restated Business Subsidy Policy**

Julie Eddington, Kennedy & Graven, appeared before the Council and reported in 1999, the Council adopted a set of criteria for awarding business subsidies pursuant to Minnesota Statutes. The Business Subsidy Act has subsequently been amended. In order to continue granting business subsidies, the City must adopt amended criteria to bring the current policy into compliance with the Business Subsidy Act. The wage and job goals have been amended in the Policy. In accordance with Minnesota Statutes, the Council conducted a public hearing earlier at this meeting and the next step is to consider adopting the resolution approving the amended and restated Business Subsidy Policy.

**Council Member Freyberg moved, seconded by Council Member Steiner, to adopt Resolution No. 52-13 Approving Amended and Restated Business Subsidy Policy. Vote on the Resolution: Freyberg, Spears, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

**Resolution No. 53-13 Amending and Restating a Property Tax Abatement Previously Granted for Certain Property in the City of North Mankato; and Approving an Abatement Contract (Including a Business Subsidy Agreement) with Theuninck Rolling Green Properties, LLC**

Julie Eddington, Kennedy and Graven, appeared before the Council and presented a draft Abatement Contract between the City of North Mankato and Theuninck Rolling Green Properties,

LLC. She presented background information stating Theuninck Rolling Green Properties, LLC (the "Developer") is the owner of Property located at 2101 Rolling Green Lane in the City as well as the building located thereon. In 2008 the Council granted a property tax abatement for a period of 15 years on the Property pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, for the purpose of developing a child care facility known as Beans Plus. The initial abatement payments were delivered to Beans Plus, but after it went out of business, the abatement payments were provided to the Developer. The building located on the Property is now leased to an autism care facility, and the City is asked to continue to provide abatement to the Developer in order to continue to provide employment opportunities in the City, increase the City's tax base, and provide access to services for residents of the City. To clarify the terms of the abatement, which qualifies as a business subsidy under Minnesota Statutes, Sections 116J.993 to 116J.995, the Council is being asked to amend the terms of the abatement. The Council conducted a public hearing on the amended abatement earlier at this meeting and the next step is to consider the resolution to amend and restate the terms of the abatement and approve a contract, which includes a business subsidy agreement. Ms. Eddington stated the amended abatement states the facility would have to be a child care facility for five years to qualify for the ten year abatement. If the criteria is not met, the abatement would be decreased on a pro-rata share. The autism center does qualify as a child care facility. The Developer has two years to meet the employee requirements.

Council Member Steiner questioned the fact Beans Plus provided care for 197 children and employed 33 people versus the Minnesota Autism Center employing 8 people.

Administrator Harrenstein reported the scenario for the original abatement has changed. The Council could vote no on the abatement or vote yes and legally authorize the abatement. This item has only been brought back to the Council to continue the abatement legally with signed documents. It is up to the Council whether they wish to continue the abatement or discontinue it.

Council Member Spears stated this is a prime example of why the City should not be involved in the private sector.

Council Member Freyberg agreed with Council Member Spears that this was the wrong choice and that a private-sector marketing arm of the City acted in a manner it should not have; however, it is in the good faith of the City to grant the abatement for future economic development.

Mayor Dehen stated this is why the City is in the process of adopting formal guidelines. This is something that took place before some of the Council Members were on the Council. We cannot undo history but need to move forward.

Council Member Norland stated there is no way to fix not having a signed agreement at the time the agreement was approved, however, the Council did vote to approve the abatement at that time.

Council Member Freyberg stated there were several parties involved in the abatement that did not sign the agreement.

Council Member Spears stated he feels the entire deal looks shaky.

**Council Member Norland moved, seconded by Council Member Freyberg, to adopt Resolution No. 53-13 Amending and Restating a Property Tax Abatement Previously Granted**

**for Certain Property in the City of North Mankato; and Approving an Abatement Contract (Including a Business Subsidy Agreement) with Theuninck Rolling Green Properties, LLC**  
**Vote on the Resolution: Freyberg, Steiner, Norland and Dehen, aye; Spears, nay. Motion carried.**

**City Administrator and Staff Comments**  
**Council Workshop**

Administrator Harrenstein stated the Council will need to hold a workshop to review the budget and set the preliminary levy prior to September 15, 2013. The Council discussed dates and set a Council Workshop for 6 p.m. on Monday, August 19, 2013.

**Report from Council Members**  
**Council Member Freyberg**

Council Member Freyberg reported he attended a teleconference at I & S Group with Dan Schumacher of the National Sports Commission presenting an inventory of Greater Mankato sports facilities. Council Member Freyberg was disappointed there was no comparative data with surrounding competitor cities. A revised edition of the study including comparative data will be available in about a month.

Council Member Freyberg asked that a short summary stating key points of the minutes be placed on the web site next to the link to the Council Minutes.

**Council Member Steiner**

Council Member Steiner stated he received a thank you note from the Jamison children for installing the playground structure in Benson Park.

**Mayor Dehen**

Mayor Dehen asked Public Works Director Swanson for an update of the installation of the playground equipment in Benson Park. Public Works Director Swanson stated the structures are in place and staff is working on edging around the outside of the playground area, grass and installing benches. Mayor Dehen thanked the City staff for installing the equipment.

Mayor Dehen thanked the City staff for helping with the setup and teardown of Blues on Belgrade. The event was very well attended and is a great family-friendly event.

The Intergovernmental Committee meeting is scheduled for Wednesday, August 7, at 7 p.m. in the North Mankato Council Chambers.

Coffee with the Council is scheduled for Saturday, August 10, from 10 a.m. to 11 a.m. at Koppen Gardens.

**Public Comments**

Bernadette Wilson, 1455 Lookout Drive, appeared before the Council to express her disappointment that the Council granted the tax abatement to Mr. Theuninck. Ms. Wilson does not understand why the Council did not ask Mr. Theuninck to explain his side of the story. Ms. Wilson was promised the tax abatement and the loan from the Port Authority and her name was removed and Mr. Theuninck's name was added.



There being no further business, on a motion by Council Member Norland, seconded by Council Member Steiner, the meeting was adjourned at 7:43 p.m.

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Mayor

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Deputy City Clerk

CLAIM REPORT  
FOR REGULAR COUNCIL MEETING OF AUGUST 19, 2013

75561	Void	Void	(\$975.23)
75588	Void	Void	(\$308.75)
75637	ICMA Retirement Trust - 457	employee payroll deductions	\$3,118.85
75638	ICMA Retirement Trust - Roth IRA	employee payroll deductions	\$660.00
75639	Casey's General Store	unleaded fuel-Police Dept.	\$180.65
75640	PowerPlan	equipment parts-Street & Sanitation	\$252.54
75641	Twin City Striping	line striping-Street Dept.	\$1,389.92
75642	Cardmember Service	charge card items-All Depts.	\$5,717.55
75643	Charter Communications	high speed data service-Pol, Fire, Contingency & P/A	\$463.96
75644	Corporate Graphics Commercial	print maps of Veteran Memorials map-Port Auth	\$487.62
75645	HickoryTech	telephone & internet bill-All Depts.	\$3,504.35
75646	Lime Valley Advertising	design service for map of Veteran Memorials-Port Auth	\$154.38
75647	Mankato Umpire Association	10% concession stand sales for tournament 8/3-8/4	\$109.45
75648	Verizon Wireless	cell phone & internet bill-All Depts.	\$250.95
75649	AT&T Mobility	cell phone bill-Library	\$24.94
75650	Mankato Umpire Association	10% concession stand sales for tournament 8/9-8/11	\$532.52
75651	Mount Olive Booster Club	reissue lost check #74930	\$77.39
75652	Green, H.R., Inc.	reissue lost check #75306	\$2,124.45
	A-1 Key City Locksmiths, Inc.	keys-Sewer Dept.	\$12.83
	Abdo, Eick & Meyers	2012 TIF report-Port Authority	\$2,450.00
	Albright, James	lawn maintenance-Public Access	\$160.31
	Ameripride Service	mats, uniform & towel service-All Depts.	\$544.38
	AmericInn of Mankato	housing for umpires-Comm Dev	\$1,456.71
	Anderson-Crane Rubber Co.	equipment parts-Water Dept.	\$69.65
	Arnold's of North Mankato	equipment parts-Park Dept.	\$48.22
	Baker & Taylor	books-Library & Bookmobile	\$119.72
	Boyer Trucks	equipment parts-Street Dept.	\$149.01
	Brandt Garment Lettering	shirts-Inspection	\$359.40
	City of Mankato	water bill-Public Access	\$24.33
	Coca-Cola Refreshments	pop-Unallocated	\$72.60
	Computer Technology Solutions	supplies & equipment parts-Adm, Fin & Police	\$837.41
	Crop Production Services, Inc.	chemicals-Park Dept.	\$2,258.03
	Crysteel Truck Equipment	equipment parts-Street & Park Depts.	\$2,476.34

# CLAIMS CONTINUED

Culver's of North Mankato	ice cream social ASA Girls National tourn-Comm Dev	\$795.65
DEMCO, Inc.	supplies-Library	\$398.79
Diamond Vogel	equipment parts & paint-Street & Water Depts.	\$217.31
Electric Pump	equipment parts-Sewer Dept.	\$573.90
Fastenal Company	equipment parts-Street Dept.	\$47.93
Ferguson Enterprises	supplies-Park & Water Depts.	\$22.86
First Line/Leewes Ventures	items for concessions-Caswell	\$580.70
Flaherty & Hood	zoning-Comm Dev	\$725.46
FleetPride	equipment parts-Street & Park Depts.	\$1,610.18
Free Press	ads-Admin, Comm Dev & 2013 Construction	\$479.68
Full Circle Organics	disposal of yard waste & brush-Sanitation	\$5,725.00
G & L Auto Supply	equipment parts & supplies-All Depts.	\$713.05
Gopher State One-Call	one-call locates-Inspection	\$246.70
Greater Mankato Diversity Council	2013-2014 contribution-Police Dept.	\$500.00
Greater Mankato Growth	Leadership Institute Class registration fee-Admin	\$1,375.00
Hansen Sanitation	refuse pickup-Shop, Park, Sanitation & Public Access	\$159.12
Hawkins, Inc.	chemicals & equipment parts-Swim Fac, Wtr & Swr	\$5,795.36
Horvick, Inc.	equipment parts-Sewer Dept.	\$86.61
Ingram Library Services	books-Library & Bookmobile	\$1,086.52
JT Services	equipment parts & supplies-Park Dept.	\$2,269.64
Keller, J.J. & Associates, Inc.	drug testing-All Depts.	\$172.80
Kennedy & Kennedy	legal services-Attorney	\$8,520.13
Kwik Trip, Inc.	unleaded & diesel fuel-All Depts.	\$28,012.20
LJP Enterprises of St. Peter	gaylords & wire baling-Sanitation	\$280.00
LJP Waste & Recycle	transportation charges-Sanitation	\$577.80
Lakes Gas Company	LP gas-Sanitation	\$172.22
L.M.C.I.T.	workers comp insurance-All Depts.	\$105,087.00
L.M.C.I.T.	amended property-casualty ins-Park & Comm Dev	\$8,286.00
Little Falls Machine, Inc.	equipment parts-Street Dept.	\$82.22
MTM Recognition	trophies for Girls & Boys National tourn-Comm Dev	\$2,850.25
Mankato Family YMCA	2013 Spring Lake Swim Fac Mgmt expenses Apr-Jun	\$6,051.67
Mankato Ford, Inc.	equipment parts & tires-Police & Street Depts.	\$361.90
Mankato Motor Company	equipment parts-Park Dept.	\$782.37
Mankato Public Schools	All Season Arena annual assessment-Park Dept.	\$8,710.00
Matheson Tri-Gas, Inc.	welding supplies-Shop	\$120.91
Meigs, Henry G.	sealcoating oil-Street Dept.	\$38,306.33
Menards-Mankato	building supplies-Street Dept.	\$10.12
Minnesota Iron & Metal	equipment parts-Street Dept.	\$389.02
Minnesota Pipe & Equipment	water meters-Water Dept.	\$455.67
Minnesota Waste Processing	processing fees & electronics recycling-Sanitation	\$24,877.65

CLAIMS CONTINUED

MN AWWA	registration fee for conference-Water Dept.	\$245.00
MTI Distributing, Inc.	equipment parts-Caswell & Park	\$3,635.13
Napa Auto Parts	equipment parts-Street & Sewer Depts.	\$47.95
New Ulm Quartzite Quarries	sealcoating rock-Street Dept.	\$1,491.67
Nicollet County Recorder/Abstracter	recording of annexation-Comm Dev	\$46.00
Nicollet Fire Dept.	annual fee for e-dispatch-Fire Dept.	\$1,048.75
North Central International	equipment parts-Street, Park & Sewer Depts.	\$1,819.31
North Mankato Civic & Commerce	supplies for umpire party-Comm Dev	\$38.43
Orthopaedic & Fracture Clinic	trainer ASA Girls National tournament-Comm Dev	\$460.00
OverDrive, Inc.	downloadable ebooks-Library	\$1,021.65
Owatonna Police Dept.	range fee for training-Police Dept.	\$50.00
Paragon Printing, Mailing & Specialties	printed material & supplies-Inspection & Comm Dev	\$586.93
Pepsi-Cola of Mankato	pop & water-Caswell & Comm Dev	\$1,488.40
Pet Expo Distributors	aquatic service-Library	\$50.00
Peterson, Lynette	supplies for Girls National tournament-Comm Dev	\$71.78
Petty Cash, Clara Thorne	petty cash items-All Depts.	\$65.77
Ramy Turf Products	erosion control-Storm Water	\$320.63
River Bend Business Products	copier maintenance-Police & Library	\$156.68
Schwicker's	boiler repairs-Police Dept.	\$150.00
Southern Minnesota Construction	rock for Benson Park-Parkland /asphalt-Street	\$1,923.71
Spring Touch	equipment part-Park Dept.	\$25.00
SPS Companies, Inc.	supplies & boiler repair-Police & Park Depts.	\$2,527.89
Staples Advantage	supplies-All Depts.	\$761.17
Suburban Tire Wholesale	tires-Police & Water Depts.	\$1,033.27
Thomas Tree & Landscaping, Inc.	mulch Benson Park playground-Parkland	\$875.92
Tire Associates	tires & tire repairs-Street & Park Depts.	\$1,384.63
Traverse des Sioux Library Cooperative	lost book-Library	\$26.95
US Foods, Inc.	items for concessions-Caswell	\$1,938.41
US Postal Service	postage-All Depts.	\$3,000.00
VanGenderen, April	summer reading prizes-Library	\$60.00
Viking Fire & Safety	service fire extinguisher-Water Dept.	\$64.64
Viking Electric Supply	equipment parts-Park Dept.	\$315.12
Wayne's Auto Body	equipment parts-Street Dept.	\$546.88
Wells Fargo Bank	administrative fee for bonds	\$800.00
Westman Freightliner	equipment parts-Street Dept.	\$212.60
Zach's, Inc.	supply-Shop	\$91.82
Total		<u>\$314,702.29</u>

## CLAIMS CONTINUED

General	\$218,931.54
Library	\$6,895.46
Bookmobile	\$1,122.08
Community Development	\$8,580.08
Parkland	\$1,913.68
Flood Control	\$2,124.45
Contingency	\$509.99
Port Authority	\$2,100.67
GO Improvement Bond of 2007	\$400.00
2013 Construction	\$296.13
Water	\$21,807.44
Sewer	\$11,648.40
Sanitary Collection	\$35,080.06
Storm Water	\$1,660.48
Public Access	<u>\$1,631.83</u>
Total	<u><u>\$314,702.29</u></u>

PORT AUTHORITY INVOICES  
FOR REGULAR COUNCIL MEETING OF AUGUST 19, 2013

Void	Void	(\$308.75)
Void	Void	(\$975.23)
Corporate Graphics Commercial	print maps of Veteran Memorials map-Port Auth	\$487.62
Lime Valley Advertising	design service map of Veteran Memorials-Port Auth	\$154.38
Verizon Wireless	cell phone bill-Port Authority	\$52.65
Abdo, Eick & Meyers	2012 TIF report-Port Authority	\$2,450.00
Kennedy & Kennedy	legal services-Port Authority	<u>\$240.00</u>
Total		<u><u>\$2,100.67</u></u>

List of Port Authority Bills in the Amount of \$2,100.67

Council Meeting of August 19, 2013

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Mayor Mark Dehen

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Council Member Kim Spears

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Council Member Diane Norland

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Council Member William Steiner

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Council Member Robert Freyberg

List of Bills in the Amount of \$314,702.29

Council Meeting of August 19, 2013

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Mayor Mark Dehen

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Council Member Kim Spears

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Council Member Diane Norland

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Council Member William Steiner

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Council Member Robert Freyberg





CITY OF NORTH MANKATO  
APPLICATION FOR PARADE PERMIT

This application, accompanied by a map of the parade route and the required application fee, shall be submitted to the Chief of Police at least fourteen (14) days in advance of the parade date.

Applicant Information

Name: Greg Dressel  
Address: 116 Peggy Lane  
City: Eagle Lake State: MN Zip: 56024  
Telephone: 1-507-217-9301  
Sponsoring Organization: St. Pauls E.V. Lutheran Church  
Address: 304 Monroe Avenue  
City: North Mankato State: MN Zip: 56003  
Telephone: 507-345-7049  
Occasion for Parade: "Family Fun Run"  
Date of Parade: Oct. 26-2013 Estimated Length of Parade: 1 hr  
Estimated Starting Time: 10:00 AM Estimated Finish Time: 11:00 AM  
General Composition of Parade: walkers/Runners on Sidewalks

As a duly authorized representative or agent of the parade sponsoring organization, I hereby make application for a permit to parade in the City of North Mankato, Minnesota. I hereby certify that, to the best of my knowledge, the above is an accurate and true description of the parade. I agree to execute the parade according to this permit and subject to the provisions and conditions which may be necessary to provide for the safety of parade participants and the orderly and safe movement of public traffic.

Applicant

Date

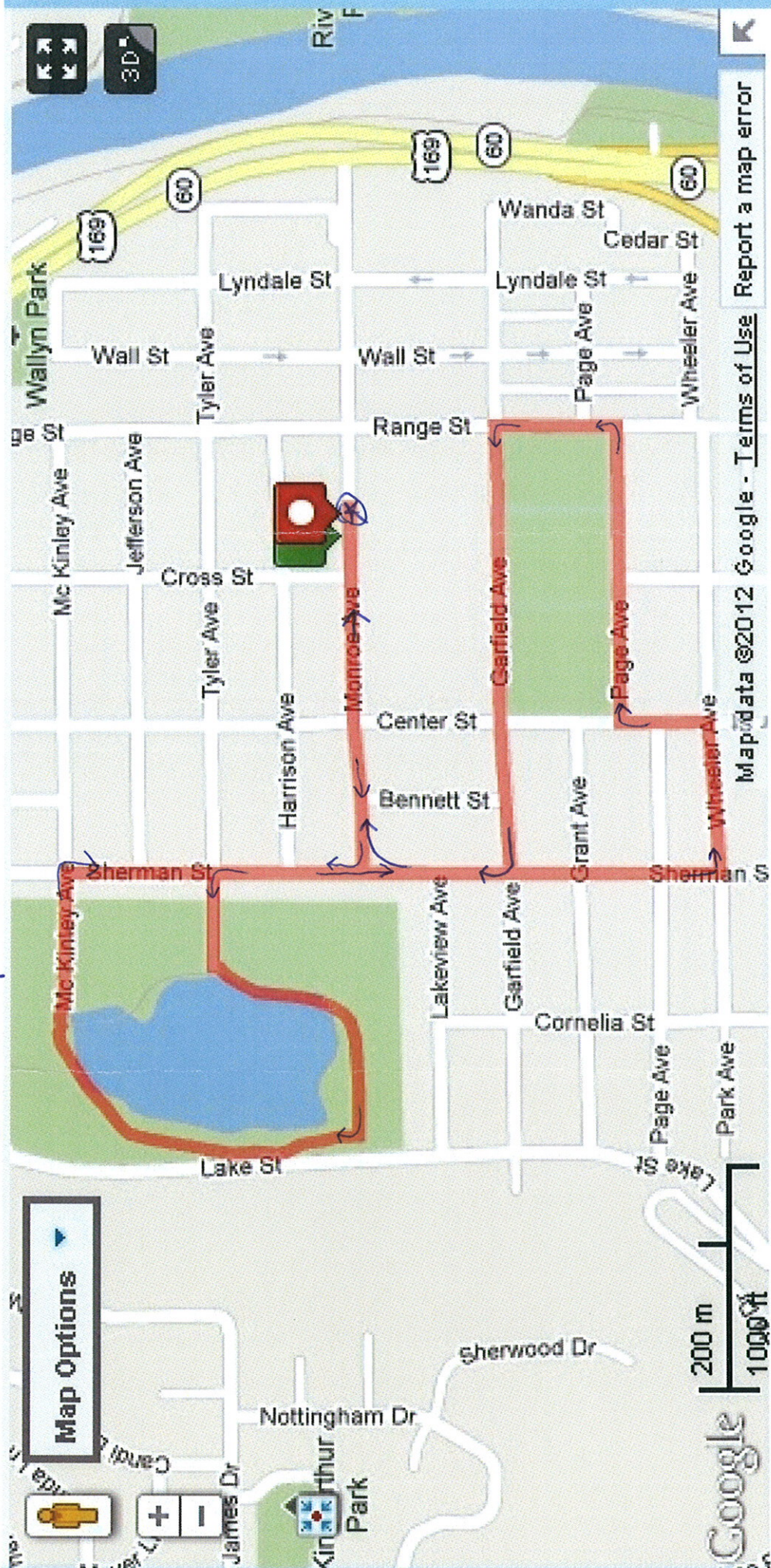
Pursuant to Section 70.21 of the North Mankato City Code, I hereby authorize a parade permit for the applicant organization. This permit shall be valid only under the conditions recommended by the City of North Mankato and only for the date and time indicated.

Chief of Police

Date

COMMENTS/ADDITIONAL STIPULATIONS:

November 17, 2012  
\*Daryl Timmerman - 507-720-2679







CITY OF NORTH MANKATO  
APPLICATION FOR PARADE PERMIT

This application, accompanied by a map of the parade route and the required application fee, shall be submitted to the Chief of Police at least fourteen (14) days in advance of the parade date.

Applicant Information

Name: Tom Fallenstein

Address: 114 Crestwood Dr

City: North Mankato State: MN Zip: 56003

Telephone: 507 380 8976

Sponsoring Organization: Minuteman Lodge of North Mankato

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

Occasion for Parade: Gonilla Fun Run

Date of Parade: 5/3/14 Estimated Length of Parade: 3 m.k.

Estimated Starting Time: 2:00 or 4:00pm Estimated Finish Time: 5:30pm

General Composition of Parade: \_\_\_\_\_

As a duly authorized representative or agent of the parade sponsoring organization, I hereby make application for a permit to parade in the City of North Mankato, Minnesota. I hereby certify that, to the best of my knowledge, the above is an accurate and true description of the parade. I agree to execute the parade according to this permit and subject to the provisions and conditions which may be necessary to provide for the safety of parade participants and the orderly and safe movement of public traffic.

[Signature]  
Applicant

7/3/13  
Date

Pursuant to Section 70.21 of the North Mankato City Code, I hereby authorize a parade permit for the applicant organization. This permit shall be valid only under the conditions recommended by the City of North Mankato and only for the date and time indicated.

[Signature]  
Chief of Police

07-29-13  
Date

COMMENTS/ADDITIONAL STIPULATIONS:



# CITY OF NORTH MANKATO PARK PERMIT

This permit does reserve space in a City Park.

PERMIT #: 62-2013 SHELTER: Caswell FEE: \_\_\_\_\_

TYPE OF EVENT: \_\_\_\_\_ DATE VALID: 5/3/14 HOURS: 2-8pm

ORGANIZATION: Miracle League of North Mankato SIZE: 1500 people

APPLICANT NAME: Tom Fallenstein

ADDRESS: 2080 Lookout Dr CITY: North Mankato

ZIP: 56003 DAYTIME PHONE #: 507 380 8426

TENTS: Yes ELECTRICITY: Yes ALCOHOL: Yes

If keg beer, a \$250 deposit and \$25 fee are required.

AUDIO DEVICES: Band & DS

Amplified music or band requires Council approval

OTHER: \_\_\_\_\_

PERMIT APPROVED: \_\_\_\_\_ DATE: 7-29-13

PERMIT DENIED: \_\_\_\_\_

REFER TO COUNCIL: ✓

Nancy Dufek  
City Clerk

The following rules and regulations have been set by the City Code which apply to all parks and are enforced:

## PROHIBITED

- \* Vehicles are not allowed to be parked or driven on the grass for any reason unless permission is given from the Park Department.
- \* Pets (Allowed in Benson Park and Bluff Park only. Must be on a 6' leash).
- \* Glass containers.
- \* Bonfires.
- \* Snowmobiles, ATVs, golfing, swimming, boating and motorized flotation devices.
- \* Audio equipment may not be played so loud as to interfere with the reasonable use of the park by others. All audio devices shall end at 8 p.m.

## ALLOWED

- \* Personal grills may be brought in.
- \* Keg beer is allowed only with a permit.
- \* Fishing/Ice fishing on Ladybug Lake and Spring Lake only.
- \* Non-motorized canoes and kayaks on Ladybug Lake and Spring Lake. Children under 12 must be accompanied by an adult. Flotation device required.
- \* Hog roasts are allowed in the parks on hard-surfaced lots only.

I, the undersigned, understand that the park shelter reservation fee is NOT a deposit and is NOT refundable for any reason other than inclement weather making it impossible to hold a picnic. Cancellation of this park shelter reservation will NOT result in a refund of the fee. **If prior approval is not obtained for the installation of additional tents or stakes and causes disruption of utility services, I agree to be held liable for any repairs to service lines.**

SIGNED: [Signature] 7/3/13  
Applicant Date

For Office Use Only

Receipt # \_\_\_\_\_ Book \_\_\_\_\_ Park \_\_\_\_\_ Police \_\_\_\_\_



Get directions My places



**A** Howard Dr  
**B** Howard Dr  
 Add Destination - Show options

GET DIRECTIONS

Walking directions are in beta.

Use caution - This route may be missing sidewalks or pedestrian paths.

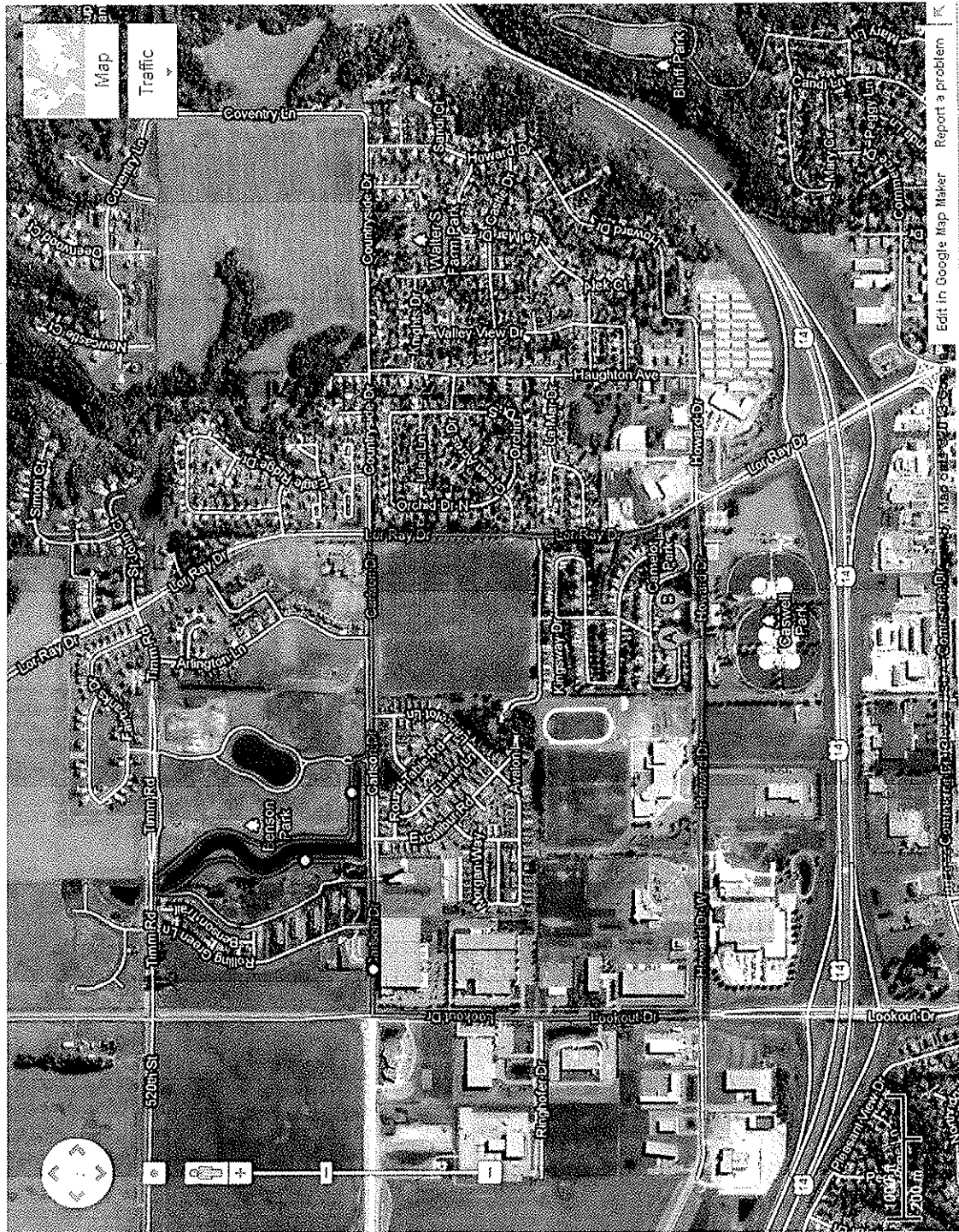
Suggested routes

**Howard Dr** 3.2 mi, 1 hour 2 mins

**Walking directions to Howard Dr** 3D  
 Via Carlson Dr Unknown road, Unknown road, remove all

**Howard Dr**

1. Head west on Howard Dr toward Lookout Dr
2. Turn right onto Lookout Dr
3. Turn right onto Carlson Dr
4. Turn left



# CITY OF NORTH MANKATO PARK PERMIT

This permit does reserve space in a City Park.

PERMIT #: 1 -2014 SHELTER: SLP # 2 + Bazebo FEE: 80.00

TYPE OF EVENT: wedding DATE VALID: 6-7-14 HOURS: 10:00a-8:00 pm

ORGANIZATION: Styndl / Anderson Wedding SIZE: 200-250

APPLICANT NAME: Tami Syndl

ADDRESS: 836 South Ave. CITY: NO MKTO

ZIP: 56003 DAYTIME PHONE #: 507-514-0746

TENTS: NO ELECTRICITY: yes ALCOHOL: NO

If keg beer, a \$250 deposit and \$25 fee are required.

AUDIO DEVICES: Minister + Bride / Groom mics

Amplified music or band requires Council approval possibly music w/player

OTHER: \_\_\_\_\_

PERMIT APPROVED: \_\_\_\_\_ DATE: 3-6-13

PERMIT DENIED: \_\_\_\_\_

REFER TO COUNCIL: ✓ Nancy Gehrke  
City Clerk

The following rules and regulations have been set by the City Code which apply to all parks and are enforced:

## PROHIBITED

- \* Vehicles are not allowed to be parked or driven on the grass for any reason unless permission is given from the Park Department.
- \* Pets (Allowed in Benson Park and Bluff Park only. Must be on a 6' leash).
- \* Glass containers.
- \* Bonfires.
- \* Snowmobiles, ATVs, golfing, swimming, boating and motorized flotation devices.
- \* Audio equipment may not be played so loud as to interfere with the reasonable use of the park by others. All audio devices shall end at 8 p.m.

## ALLOWED

- \* Personal grills may be brought in.
- \* Keg beer is allowed only with a permit.
- \* Fishing/Ice fishing on Ladybug Lake and Spring Lake only.
- \* Non-motorized canoes and kayaks on Ladybug Lake and Spring Lake. Children under 12 must be accompanied by an adult. Flotation device required.
- \* Hog roasts are allowed in the parks on hard-surfaced lots only.

I, the undersigned, understand that the park shelter reservation fee is NOT a deposit and is NOT refundable for any reason other than inclement weather making it impossible to hold a picnic. Cancellation of this park shelter reservation will NOT result in a refund of the fee. **If prior approval is not obtained for the installation of additional tents or stakes and causes disruption of utility services, I agree to be held liable for any repairs to service lines.**

SIGNED: Tami Syndl 3-6-13  
Applicant Date

For Office Use Only

Receipt # \_\_\_\_\_ Book \_\_\_\_\_ Park \_\_\_\_\_ Police \_\_\_\_\_

# CITY OF NORTH MANKATO

## REQUEST FOR COUNCIL ACTION



Agenda Item #7E	Department: Finance Director	Council Meeting Date: 08/19/13																																		
<b>TITLE OF ISSUE: Property and Casualty Insurance Renewal and Workers' Compensation Renewal</b>																																				
<b>BACKGROUND AND SUPPLEMENTAL INFORMATION:</b> Attached is property/casualty and workers' compensation insurance premium historical and current data.																																				
<i>If additional space is required, attach a separate sheet</i>																																				
<b>REQUESTED COUNCIL ACTION: Approve renewal of policies.</b>																																				
<b>For Clerk's Use:</b>  Motion By: _____ Second By: _____  <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">Vote Record:</td> <td style="width: 10%; text-align: center;">Aye</td> <td style="width: 10%; text-align: center;">Nay</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Norland</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Spears</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Freyberg</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Steiner</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Dehen</td> </tr> </table>	Vote Record:	Aye	Nay			_____	_____	Norland		_____	_____	Spears		_____	_____	Freyberg		_____	_____	Steiner		_____	_____	Dehen	<b>SUPPORTING DOCUMENTS ATTACHED</b>  <table style="width: 100%; border: none;"> <tr> <td style="width: 20%;">Resolution</td> <td style="width: 20%;">Ordinance</td> <td style="width: 20%;">Contract</td> <td style="width: 20%;">Minutes</td> <td style="width: 20%;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> Other (specify) <u>Historical and current renewal of insurance premium data</u> _____ _____ _____		Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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CITY OF NORTH MANKATO  
PROPERTY/CASUALTY INSURANCE COMPARISONS  
2008 - 2013

	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
Premium	\$135,209	\$141,175	\$143,611	\$139,939	\$157,234
Dividend	<u>\$31,380</u>	<u>\$33,937</u>	<u>\$40,053</u>	<u>\$56,762</u>	
Net Premium	<u>\$103,829</u>	<u>\$107,238</u>	<u>\$103,558</u>	<u>\$83,177</u>	<u>\$157,234</u>



CITY OF NORTH MANKATO  
WORKERS' COMPENSATION INSURANCE COMPARISONS

	2007-2008 7-1-07 to 7-1-2008	2008-2009 7-1-08 to 7-1-2009	2009-2010 7-1-09 to 7-1-2010	2010-2011 7-1-10 to 7-1-2011	2011-2012 7-1-11 to 7-1-2012	2012-2013 7-1-12 to 7-1-2013	2013-2014 7-1-13 to 7-1-2014
<b>Workers' Comp Premium Range</b>							
Minimum							
Maximum							
Deposit Premium (Net)	\$81,577	\$98,071	\$109,964	\$112,601	\$99,691	\$110,720	\$105,087
Retro Adjustments							
Dividend						(\$17,826)	(\$15,009)
Final Adjusted Premium	\$81,577	\$98,071	\$109,964	\$112,601	\$99,691	\$92,894	\$90,078
Experience Modification	0.77	0.82	0.87	0.94	0.86	0.91	0.87

# CITY OF NORTH MANKATO

## REQUEST FOR COUNCIL ACTION



Agenda Item #9A	Department: City Planner	Council Meeting Date: 08/19/13																																	
<b>TITLE OF ISSUE:</b> Consider Awarding Bid for Comprehensive Plan to WSB and Associates																																			
<b>BACKGROUND AND SUPPLEMENTAL INFORMATION:</b> 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. Attached is a Professional Services Agreement including General Contract Provisions, Client Responsibility, Scope of Work and Compensation exhibits. WSB 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. The City Council has previously approved the use of \$9,169 of HUD Funds for the Comprehensive Plan effort.																																			
<i>If additional space is required, attach a separate sheet</i>																																			
<b>REQUESTED COUNCIL ACTION:</b> Consider Awarding Bid																																			
<b>For Clerk's Use:</b>  Motion By: _____ Second By: _____  <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">Vote Record:</td> <td style="width: 10%;">Aye</td> <td style="width: 10%;">Nay</td> <td></td> </tr> <tr> <td></td> <td>_____</td> <td>_____</td> <td>Norland</td> </tr> <tr> <td></td> <td>_____</td> <td>_____</td> <td>Spears</td> </tr> <tr> <td></td> <td>_____</td> <td>_____</td> <td>Freyberg</td> </tr> <tr> <td></td> <td>_____</td> <td>_____</td> <td>Steiner</td> </tr> <tr> <td></td> <td>_____</td> <td>_____</td> <td>Dehen</td> </tr> </table>	Vote Record:	Aye	Nay			_____	_____	Norland		_____	_____	Spears		_____	_____	Freyberg		_____	_____	Steiner		_____	_____	Dehen	<b>SUPPORTING DOCUMENTS ATTACHED</b>  <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Resolution</td> <td style="text-align: center;">Ordinance</td> <td style="text-align: center;">Contract</td> <td style="text-align: center;">Minutes</td> <td style="text-align: center;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> Other (specify) <u>Professional Services Agreement</u> _____ _____ _____ _____	Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vote Record:	Aye	Nay																																	
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**WSB & ASSOCIATES, INC.  
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made as of the \_\_\_\_ day of August, 2013, by and between the City of North Mankato, Minnesota, hereinafter referred to as Client, and WSB & Associates, Inc., hereinafter referred to as Consultant, with offices located at 701 Xenia Avenue South, Suite 300, Minneapolis, Minnesota 55416.

Witnesseth, that the Client and Consultant, for the consideration herein named, agree as follows:

**SECTION 1 / GENERAL CONTRACT PROVISIONS**

These provisions shall be as set forth in Exhibit A.

**SECTION 2 / SCOPE OF WORK**

The scope of work to be performed by Consultant is set forth in Exhibit C. The work and services to be performed hereunder and described in Exhibit C shall be referred to herein and in the General Contract Provisions as the Project.

**SECTION 3 / COMPENSATION**

Compensation to Consultant for services described in this agreement shall be as designated in the attached Exhibit D and as hereinafter described.

**SECTION 4 / WORK SCHEDULE**

The anticipated schedule is set forth in Exhibit C.

**SECTION 5 / SPECIAL CONDITIONS**

Special conditions, if any, are as set forth in Exhibit G.

**SECTION 6 / EXHIBITS**

The following initialed Exhibits are attached to and made a part of this Agreement (check all that apply):

- ☒ Exhibit A General Contract Provisions
- ☒ Exhibit B Client Responsibilities
- ☒ Exhibit C Scope of Work
- ☒ Exhibit D Compensation
- ☒ Exhibit E Insurance Schedule
- ☒ Exhibit F Fee Schedule
- ☐ Exhibit G Special Conditions

**SECTION 7 / ACCEPTANCE OF AGREEMENT**

All work and services described in this agreement shall be performed by Consultant only after written acceptance of the Client. The undersigned hereby accept the terms and conditions of this agreement and Consultant is hereby authorized to perform the services described herein.

CLIENT: CITY OF NORTH MANKATO

ADDRESS: 1001 BELGRADE AVENUE  
NORTH MANKATO, MN 56002

BY: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

BY: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

CONSULTANT: WSB & ASSOCIATES, INC.

ADDRESS: 701 XENIA AVENUE SOUTH  
SUITE 300  
MINNEAPOLIS, MN 5 5416

BY: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

BY: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

**WSB & ASSOCIATES, INC.**  
**EXHIBIT A**  
**GENERAL CONTRACT PROVISIONS**

**ARTICLE 1 – GENERAL**

These general contract provisions are incorporated in and become a part of the Agreement between WSB & Associates, Inc. (hereinafter referred to as Consultant) and the other party to the Agreement (Client) for the provision of Planning and Related services, as set out in the Agreement to which this letter is attached. Either party may be hereinafter referred to as party or, collectively, parties. The starting date will commence when authorized by the Client.

As used herein the term “Agreement” means:

- (1) The agreement for Planning and Related services;
- (2) These general contract provisions;
- (3) The attached exhibits; and
- (4) The supplemental agreement(s), where applicable.

The attached exhibits shall govern over these General Contract Provisions and the Supplemental Agreement(s), where applicable, shall govern over attached exhibits and these general provisions. The Agreement constitutes the entire understanding between the Consultant and Client. The Agreement supersedes all prior written or oral understanding and may only be amended, supplemented, modified or cancelled by a duly executed written instrument.

**ARTICLE 2 – STANDARD OF CARE**

The standard of care for all professional consulting and related services performed or furnished by Consultant under this Agreement will be the care and skill ordinarily used by members of Consultant’s profession practicing under similar circumstances at the same time and in the same locality. Consultant shall adhere to the standard of care in rendering the services hereunder. Except as otherwise provided herein, Consultant makes no warranties, express or implied, under this Agreement or otherwise, in connection with its services.

**ARTICLE 3 – ADDITIONAL SERVICES**

If Client requests any services that are beyond the scope as set forth in the Agreement or that, due to changed conditions or changes in the method or manner of administration of the Project, the Consultant’s effort required to perform its services under this Agreement exceeds the estimate which formed the basis for the Consultant’s compensation, Consultant shall promptly notify the Client of that fact. Upon notification, Consultant shall be entitled to additional compensation for same, and an extension of time for completion of work absent written objection by Client.

**ARTICLE 4 – REPRESENTATIONS AND WARRANTIES OF CONSULTANT**

Consultant represents and warrants to Client that:

- (1) The timeline set forth in the scope of work is, assuming timely cooperation by Client, reasonable and sufficient to complete the scope of work as set forth in such timeline. Consultant will use its best efforts to perform consistent with the timeline.
- (2) Consultant will provide professional personnel with the credentials, background and experience to complete the scope of work consistent with the standard of care. The project manager will be Kelsey Johnson, or such other employee of Consultant as is reasonably acceptable to Client.
- (3) Consultant will comply with all applicable laws and regulations in performing the services hereunder and will complete the draft small area plan included in the scope of work consistent with any requirements of the City of Minneapolis.

**ARTICLE 5 – Intentionally Deleted**

**ARTICLE 6 – OPINIONS OF PROBABLE COST**

Opinions, if any, of probable cost, construction cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs provided for are made or to be made on the basis of the Consultant’s experience and qualifications and represent the Consultant’s best judgment as an experienced and qualified professional design firm. The parties acknowledge, however, that the Consultant does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractor’s methods of determining their prices, and any evaluation of any facility to be constructed or acquired, or work of necessity must be speculative until completion of construction or acquisition. Accordingly, the Consultant does not guarantee that proposals, bids or actual costs will not vary from opinions, evaluations or studies submitted by the Consultant and assumes no responsibility for the accuracy of opinions of Probable Construction Costs. If Client wishes greater assurance as to probable Construction Cost, Client shall employ an independent cost estimator as part of its Project responsibilities.

#### **ARTICLE 7 – REUSE AND DISPOSITION OF INSTRUMENTS OF SERVICE**

All documents, including reports, drawings, calculations, specifications, CADD materials, computers software or hardware or other work product prepared by Consultant pursuant to this Agreement are Consultant's Instruments of Service and Consultant retains all ownership interests in Instruments of Service, including copyrights. The Instruments of Service are not intended or represented to be suitable for reuse by the Client or others on extensions of the Project or on any other project. Copies of documents that may be relied upon by Client are limited to the printed copies (also known as hard copies) that are signed or sealed by Consultant. Files in electronic format furnished to Client are only for convenience of Client. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern. Consultant makes no representations as to long term compatibility, usability or readability of electronic files.

At the time of completion or termination of the work, the Consultant shall make available to the Client the Instruments of Service upon (i) payment of amounts due and owing for work performed and expenses incurred to the date and time of termination, and (ii) fulfillment of the Client's obligations under this Agreement. Client shall have a perpetual non-exclusive license to the Instruments of Service. Any use or re-use of such Instruments of Service by the Client or others without written consent, verification or adaptation by the Consultant except for the specific purpose intended will be at the Client's risk and full legal responsibility.

The Client will, to the fullest extent permitted by law, indemnify and hold the Consultant harmless from any claim, liability or cost (including reasonable attorneys' fees, and defense costs) arising or allegedly arising out of any unauthorized reuse or modification of these Instruments of Service by the Client or any person or entity that acquires or obtains the reports, plans and specifications from or through the Client without the written authorization of the Consultant. Under no circumstances shall transfer of Instruments of Service be deemed a sale by Consultant and, except as otherwise provided herein, Consultant makes no warranties, either expressed or implied, of merchantability and fitness for any particular purpose. Consultant shall be entitled to compensation for any consent, verification or adaptation of the Instruments of Service for extensions of the Project or any other project.

#### **ARTICLE 8 – PAYMENTS**

Payment to Consultant shall be on a lump sum or hourly basis as set out in the Agreement. Consultant is entitled to payment of amounts due plus reimbursable

expenses. Client will pay the balance stated on the invoice unless Client notifies Consultant in writing of any disputed items within 15 days from the date of invoice. In the event of any dispute, Client will pay all undisputed amounts in the ordinary course, and the Parties will endeavor to resolve all disputed items. All accounts unpaid after 30 days from the date of original invoice shall be subject to a service charge of 1-1/2% per month, or the maximum amount authorized by law, whichever is less. The prevailing party shall be entitled to recover all reasonable costs and disbursements, including reasonable attorneys' fees, incurred in connection with a dispute concerning the amounts owed by Client. In addition, Consultant may, after giving seven days' written notice to Client, suspend services under this Agreement until it receives full payment for all amounts then due for services, expenses and charges.

#### **ARTICLE 9 – HAZARDOUS MATERIALS**

Notwithstanding the Scope of Services to be provided pursuant to this Agreement, it is understood and agreed that Consultant is not a user, handler, generator, operator, treater, storer, transporter or disposer of hazardous or toxic substances, pollutants or contaminants as any of the foregoing items are defined by Federal, State and/or local law, rules or regulations, now existing or hereafter amended, and which may be found or identified on any Project which is undertaken by Consultant.

The Client agrees to hold harmless, indemnify and defend Consultant and its officers, subconsultant(s), employees and agents from and against any and all claims, losses, damages, liability and costs, including but not limited to costs of defense, arising out of or in any way connected with, the presence, discharge, release, or escape of hazardous or toxic substances, pollutants or contaminants of any kind, except that this clause shall not apply to such liability as may arise out of Consultant's sole negligence in the performance of services under this Agreement arising from or relating to hazardous or toxic substances, pollutants, or contaminants specifically identified by the Client and included within Consultant's services to be provided under this Agreement.

#### **ARTICLE 10 – INSURANCE**

Consultant has procured general and professional liability insurance. On request, Consultant will furnish client with a certificate of insurance detailing the precise nature and type of insurance, along with applicable policy limits.

#### **ARTICLE 11 – TERMINATION**

This Agreement may be terminated by either party upon thirty days' written notice without cause. In the event of termination, copies of plans, reports, specifications, electronic drawing/data files (CADD), field data, notes, and other documents whether

written, printed or recorded on any medium whatsoever, finished or unfinished, prepared by the Consultant pursuant to this Agreement and pertaining to the work or to the Project, (hereinafter "Instruments of Service"), shall be made available to the Client pursuant to Article 7. All provisions of this Agreement allocating responsibility or liability between the Client and Consultant shall survive the completion of the services hereunder and/or the termination of this Agreement.

#### **ARTICLE 12 – INDEMNIFICATION**

The Consultant agrees, to the fullest extent permitted by law, to indemnify and hold the Client harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by the Consultant's negligent acts, errors or omissions in the performance of professional services under this Agreement and those of his or her subconsultants or anyone for whom the Consultant is legally liable.

The Client agrees to the fullest extent permitted by law, to indemnify and hold the Consultant harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by the Client's negligent acts, errors or omissions and those of his or her contractors, subcontractors or consultants or anyone for whom the Client is legally liable, and arising from the project that is the subject of this Agreement.

#### **ARTICLE 13 – ASSIGNMENT**

Neither Party to this Agreement shall assign its interest in this agreement, any proceeds due under the Agreement nor any claims that may arise from services or payments due under the Agreement without the written consent of the other Party. Any assignment in violation of this provision shall be null and void.

#### **ARTICLE 14 – CONTROLLING LAW**

This Agreement is to be governed by the laws of the State of Minnesota.

#### **ARTICLE 15 – CONFLICT RESOLUTION**

In an effort to resolve any conflicts that arise during the design or construction of the project or following the completion of the project, the Client and Consultant agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation as a precondition to any formal legal proceedings.

#### **ARTICLE 16 – CONFIDENTIALITY**

The Consultant agrees to keep confidential and not to disclose to any person or entity, other than the Consultant's employees, subconsultants and the general contractor and subcontractors, if appropriate, any data and information furnished to the Consultant and marked CONFIDENTIAL by the Client. These

provisions shall not apply to information in whatever form that comes into the public domain, nor shall it restrict the Consultant from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other authority with proper jurisdiction, or if it is reasonably necessary for the Consultant to complete services under the Agreement or defend itself from any suit or claim.

#### **ARTICLE 17 – DATA PRACTICES COMPLIANCE**

Consultant will have access to data collected or maintained by the Client to the extent necessary to perform Consultant's obligation under this contract. Consultant acknowledges that, pursuant to Minn. Stat. § 13.05, subdivision 11, all of the data created, collected, received, stored, used, maintained or disseminated by Contract in performing the contract are subject to the requirements of the Minnesota Government Data Practices Act (the Act), Minnesota Statutes chapter 13. Consultant is required to comply with the requirements of the Act as if it were a government entity. Consultant acknowledges that the remedies provided in Minn. Stat. § 13.08 apply to Consultant with respect to such data. Consultant will notify the Client of all requests for data that Consultant receives. Consultant agrees to defend and indemnify the Client from any claim, liability, or damage that result from Consultant's violation of the Act or this section of the contract. Upon termination of this contract, Consultant agrees to return data to the Client as requested by the Client. The obligations of this section of the contract, including the obligation to defend and indemnify the Client, shall survive the termination of this Contract and shall continue so long as the data exists.

**WSB & ASSOCIATES, INC.**  
**EXHIBIT B**  
**CLIENT RESPONSIBILITIES**

The Client's responsibilities related to the services to be provided by Consultant are generally as set out below. These responsibilities can be modified through Supplemental Agreements.

In order to permit the Consultant to perform the services required under this Agreement, the Client shall, in proper time and sequence and where appropriate to the Project, at no expense to the Consultant:

1. Provide available information as to its requirements for the Project, including copies of any plans which the Client desires Consultant to follow or incorporate into its work.
2. Guarantee access to and make all provisions for the Consultant to enter upon public and private lands to enable the Consultant to perform its work under this Agreement.
3. Provide such legal, accounting and insurance counseling services as may be required for this Project.
4. Act promptly to approve all pay requests, Supplemental Agreements, or request for information by Consultant as set out below.
5. Furnish data (and professional interpretations thereof) prepared by or services performed by others.
6. Review all reports, sketches, drawings, specifications and other documents prepared and presented by the Consultant, obtain advice of legal, accounting and insurance counselors or others as Client deems necessary for such examinations and render in writing decisions pertaining thereto.
7. Provide the foregoing in a manner sufficiently timely so as not to delay the performance by the Consultant of the services in accordance with the Contract Documents.
8. Consultant shall be entitled to rely on the accuracy and completeness of information or services furnished by the Client or others employed by the Client. Consultant shall endeavor to verify the information provided and shall promptly notify the Client if the Consultant discovers that any information or services furnished by the Client is in error or is inadequate for its purpose.
9. Client shall bear all costs incidental to compliance with the requirements of this article.
10. Client shall provide support in coordinating with the City's engineering consultant Bolton & Menk in distribution of data and preparation of required chapters of the Plan.

**WSB & ASSOCIATES, INC.**  
**EXHIBIT C**  
**SCOPE OF WORK**

**SCOPE OF SERVICES FOR THE  
DEVELOPMENT OF A COMPREHENSIVE PLAN FOR THE CITY OF NORTH  
MANKATO, MINNESOTA**

WSB & Associates, Inc. (WSB) will complete the following scope of services commencing upon the date of contract approval:

1. Conduct background research relevant to the development of the Comprehensive Plan including:
  - a. Review of previously completed planning efforts
    - i. The Downtown Planning Study
    - ii. Envision 2020
    - iii. Mankato Area Transportation and Planning Study
    - iv. Nicollet County Comprehensive Plan
    - v. Greater Mankato Transit Redesign Study
    - vi. Benson Park Master Plan
  - b. Inventory of existing land uses
  - c. Review of Zoning Map, Zoning Ordinance and Subdivision Regulations
  - d. Examine demographic information on:
    - i. Historic and projected population and household growth
    - ii. Population age distribution
    - iii. Household incomes by age of householder
    - iv. Household tenure by age of householder
    - v. Household type
    - vi. Race and ethnicity
    - vii. School enrollment data
  - e. Historic housing/building permit and valuation data
  - f. Examine daytime population and commuting patterns of North Mankato residents' place of employment and where people who work in North Mankato reside
2. Host and regularly maintain a project website and Facebook page until City Council adoption of the Comprehensive Plan.
3. Organize and conduct two community wide meetings in the form of one visioning session and one draft plan open house.
4. Organize and conduct four focus group meetings involving relevant stakeholders.



5. Develop all publication materials for advertising public meetings and focus group meetings.
6. Conduct one-on-one interviews with relevant stakeholders as deemed necessary by City Staff.
7. Attend/host a booth at one community event.
8. Provide one community chalkboard to be placed at various locations throughout the community to be documented and re-located and documented by City Staff as necessary.
9. Organize and participate in one activity involving elementary school children.
10. Develop technical memos throughout the planning process on the following topics:
  - a. Land Use and Growth Management
  - b. Housing
  - c. Economic Development
  - d. Parks and Recreation
  - e. Regional Coordination
  - f. Downtown Redevelopment
  - g. Community Design
  - h. Environmental Resources and Sustainability
11. Coordinate with the City's engineering consultant Bolton & Menk to incorporate the following chapters as prepared by Bolton & Menk into the Plan:
  - a. Transportation
  - b. Public Utilities
12. Develop a complete draft available for review by the date of the draft plan open house.
13. Revise draft plan based on feedback received from stakeholders.
14. Attend one Planning Commission meeting for public hearing on the plan.
15. Attend one City Council meeting for final adoption.
16. Provide fifteen (15) hard copies and an electronic copy of the final plan including all graphs, charts, tables, figures, and images.
17. The schedule for the project shall begin in September 2013 and be completed by the end of May 2014.

**WSB & ASSOCIATES, INC.  
EXHIBIT D  
COMPENSATION**

**COMPENSATION FOR THE  
DEVELOPMENT OF A COMPREHENSIVE PLAN FOR THE CITY OF NORTH  
MANKATO, MINNESOTA**

WSB & Associates, Inc. (WSB) will complete the project scope of work as outlined in Exhibit C for a not to exceed amount of \$28,904.

**WSB & ASSOCIATES, INC.**  
**EXHIBIT E**  
**INSURANCE SCHEDULE**

GENERAL LIABILITY

Carrier:	The Travelers Indemnity Company	
Type of Insurance:	Commercial General Liability	
Coverage:	General Aggregate	\$2,000,000
	Products-Comp/Ops Aggregate	\$2,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000

AUTOMOBILE LIABILITY

Carrier:	The Travelers Indemnity Company	
Type of Insurance:	Hired Autos Non-Owned Autos	
Coverage:	Combined Single Limit	\$1,000,000

WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY

Carrier:	Travelers	
Coverage	<u>Statutory</u> Each Accident Disease-Policy Limit Disease-Each Employee	 \$ 1,000,000 \$ 1,000,000 \$ 1,000,000

PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS)

Carrier:	XL Specialty Insurance Company
Coverage:	\$5,000,000 each claim/\$10,000,000 annual aggregate

Certificates of Insurance will be provided upon request.

**WSB & ASSOCIATES, INC.**  
**EXHIBIT F**  
**FEE SCHEDULE**

	<i><b>Billing Rate/Hour</b></i>
Principal	\$142
Associate	\$133
Senior Project Manager	\$124   \$133   \$142
Project Manager	\$109   \$116   \$124
Project Engineer	\$94   \$101   \$109   \$116   \$124
Graduate Engineer	\$75   \$80   \$85   \$90
Sr Landscape Architect / Sr Planner / Sr GIS Specialist	\$101   \$109   \$116   \$124   \$133
Landscape Architect / Planner / GIS Specialist	\$62   \$69   \$76   \$83   \$90   \$96
Engineering Specialist / Senior Environmental Scientist	\$85   \$90   \$96   \$102   \$110   \$118
Engineering Technician / Environmental Scientist	\$49   \$56   \$63   \$69   \$75   \$80
Construction Observer	\$82   \$87   \$92   \$97   \$102
Coring Crew	
One-Person Crew	\$155
Two-Person Crew	\$230
Survey Crew	
One-Person Crew	\$114
Two-Person Crew	\$149
Three-Person Crew	\$174
Underwater Inspection Dive Team	\$400
Office Technician	\$40   \$62   \$72   \$79

Costs associated with word processing, cell phones, reproduction of common correspondence and mailing are included in the above hourly rates. Vehicle mileage is normally included in our billing rates, but can be charged separately if specifically outlined by contract.

Reimbursable expenses include costs associated with plan, specification and report reproduction, permit fee, delivery cost, etc.

Rate Schedule is adjusted annually.

Each staff person is assigned one billing rate that is commensurate with their experience and expertise. Multiple rates illustrate the varying levels of experience within each category.

# CITY OF NORTH MANKATO

## REQUEST FOR COUNCIL ACTION



Agenda Item #9B	Department: City Planner	Council Meeting Date: 08/19/13																																	
<b>TITLE OF ISSUE:</b> Set Public Hearing for HUD Consolidated Annual Performance Evaluation Report (CAPER) for 7 p.m. on Tuesday, September 3, 2013																																			
<b>BACKGROUND AND SUPPLEMENTAL INFORMATION:</b> As part of our status as a HUD Entitlement Community, we are required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) on the use of 2012 Community Development Block Grant (CDBG) funds which we receive 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.																																			
<i>If additional space is required, attach a separate sheet</i>																																			
<b>REQUESTED COUNCIL ACTION:</b> Set public hearing																																			
<b>For Clerk's Use:</b>  Motion By: _____ Second By: _____  <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">Vote Record:</td> <td style="width: 10%; text-align: center;">Aye</td> <td style="width: 10%; text-align: center;">Nay</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Norland</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Spears</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Freyberg</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Steiner</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Dehen</td> </tr> </table>	Vote Record:	Aye	Nay			_____	_____	Norland		_____	_____	Spears		_____	_____	Freyberg		_____	_____	Steiner		_____	_____	Dehen	<b>SUPPORTING DOCUMENTS ATTACHED</b>  <table style="width: 100%; border: none;"> <tr> <td style="width: 20%;">Resolution</td> <td style="width: 20%;">Ordinance</td> <td style="width: 20%;">Contract</td> <td style="width: 20%;">Minutes</td> <td style="width: 20%;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> Other (specify) <u>Notice of Hearing</u> _____ _____ _____ _____	Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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NOTICE OF PUBLIC HEARING FOR  
CONSOLIDATED ANNUAL PERFORMANCE  
AND EVALUATION REPORT (CAPER)  
CITY OF NORTH MANKATO

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will meet in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota, at 7 p.m. on the 3<sup>rd</sup> day of September, 2013, to hold a public hearing to present the Consolidated Annual Performance and Evaluation Report (CAPER) to report on the use of the 2012 Community Development Block Grant (CDBG) funds. A copy of the CAPER is available for review at the North Mankato Municipal Building, 1001 Belgrade Avenue.

Such persons as desire to be heard with reference to this issue should appear at this meeting. Public comments may be sent to the North Mankato Municipal Building, 1001 Belgrade Avenue, North Mankato, MN 56003. All comments must be received by September 18, 2013.

Dated this 19<sup>th</sup> day of August 2013.

Nancy Gehrke, CMC  
City Clerk  
City of North Mankato, Minnesota



# CITY OF NORTH MANKATO

## REQUEST FOR COUNCIL ACTION



Agenda Item #9C	Department: City Planner	Council Meeting Date: 08/19/13																																	
<b>TITLE OF ISSUE: Set Public Hearing for Review of Rental License at 503 Wheeler Avenue for 7 p.m. on Tuesday, September 3, 2013</b>																																			
<b>BACKGROUND AND SUPPLEMENTAL INFORMATION:</b>  <p>The home at 503 Wheeler Avenue is a rental property which has received three (3) rental strikes within a 12-month period. 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. The following is a summary of the incidents that occurred at 503 Wheeler Avenue that resulted in rental strikes:</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <tr> <td style="text-align: center; width: 40%;"><u>Date</u></td> <td style="text-align: center; width: 60%;"><u>Offense</u></td> </tr> <tr> <td style="text-align: center;">November 28, 2012</td> <td style="text-align: center;">Disorderly Conduct</td> </tr> <tr> <td style="text-align: center;">June 1, 2013</td> <td style="text-align: center;">Public Nuisance/Disturbance</td> </tr> <tr> <td style="text-align: center;">July 4, 2013</td> <td style="text-align: center;">Domestic</td> </tr> </table> <p>As part of the review process, it is necessary to set and hold a public hearing.</p> <p style="text-align: right; font-style: italic; font-size: small;">If additional space is required, attach a separate sheet</p>			<u>Date</u>	<u>Offense</u>	November 28, 2012	Disorderly Conduct	June 1, 2013	Public Nuisance/Disturbance	July 4, 2013	Domestic																									
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NOTICE OF PUBLIC HEARING ON REVIEW OF RENTAL LICENSE  
CITY OF NORTH MANKATO

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will meet in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota, at 7 p.m. on the 3<sup>rd</sup> day of September, 2013, to hold a public hearing to review the rental license at 503 Wheeler Avenue.

Such persons as desire to be heard with reference to this rental license should appear at this meeting.

Dated this 19<sup>th</sup> day of August 2013.

Nancy Gehrke, CMC  
City Clerk  
City of North Mankato, Minnesota

# CITY OF NORTH MANKATO

## REQUEST FOR COUNCIL ACTION



Agenda Item #9D	Department: City Planner	Council Meeting Date: 08/19/13																																	
<b>TITLE OF ISSUE:</b> Consider Approval of Grant Administration Contract between the City of North Mankato and Minnesota Valley Action Council, Inc.																																			
<b>BACKGROUND AND SUPPLEMENTAL INFORMATION:</b> In 2013 and 2014, the City will allocate \$43,903 of Community Development Block Grant Funds (CDBG) to income-qualified persons for housing rehabilitation purposes. To administer the housing rehabilitation program, the City proposes to contract with Minnesota Valley Action Council (MVAC). MVAC has extensive work experience administering state and federal funded housing rehabilitation programs. As stated in the proposed Grant Administration Contract, the City agrees the fee to administer the housing rehabilitation program shall not exceed \$4,390. This cost would be funded from our CDBG allocation.																																			
<i>If additional space is required, attach a separate sheet</i>																																			
<b>REQUESTED COUNCIL ACTION:</b> Consider approval of Grant Administration Contract																																			
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## ***Grant Administration Contract***

This Agreement is made as of the 19th day of August, 2013, by and between the City of North Mankato, a city under the laws of the State of Minnesota (hereinafter referred to as "the City") and Minnesota Valley Action Council, Inc. a Minnesota corporation (hereinafter referred to as "the Consultant").

In consideration of the mutual covenants and promises hereinafter set forth, it is understood and agreed as follows:

### ***1. Employment***

City hereby retains and employs Consultant to perform certain necessary services to carry out grant administration and program implementation activities in connection with the Community Development Block Grant program award to the City (the "Grant").

### ***2. Project***

The scope of this project is to include the following activities in connection with the administration of the Grant: (a) Deliver grant funds to eligible households for home improvement purposes; and b) general project administration.

### ***3. Basic Services of the Consultant***

The Consultant will provide the following specific services to the City:

#### **(a) Rehabilitation Programs**

- (1) Consultant will develop rehabilitation program guidelines for single family activities and implement them in accordance with federal standards. Consultant will also provide as needed: program marketing; determination of eligibility; dwelling unit inspections; SHPO clearance; rehabilitation work write-ups; assistance to property owners in obtaining bids; coordinate, and where possible, secure other leverage funds; lead paint assessments and certifications; and inspections prior to and during construction.
- (2) The City and the Consultant mutually agree that repayment agreements shall be obtained from each qualified individual property owner prior to disbursement of Grant funds. Each repayment agreement shall be in the form of a mortgage securing each loan of Grant funds provided under the Grant to each qualifying individual property owner. Consultant agrees to complete all required mortgage documents and cause each such document to be properly executed and record the same at the applicable County Recorder's office.
- (3) The Consultant will provide periodic reports to the City disclosing the progress of the rehabilitation programs as well as a fiscal report identifying total contracts, other funds,

amounts paid, contractor data and any pertinent information for the required reporting to the federal government.

(b) General Administration. Consultant will:

- (1) Prepare all paperwork required for the release of grant and loan funds.
- (2) Assist in preparing all annual reports, the final grant report, and other submissions that are required throughout the life of the grant award.
- (3) Process all requests for payment from contractors.
- (4) Work with the City staff to establish the program's accounting system.
- (5) Administer regulations relating to civil rights, equal opportunity, fair housing, residential anti-displacement and other Special Conditions as may be set forth in the grant agreement.
- (6) Complete all closeout documents and citizen participation activities that are required to take place upon completion of the project.
- (7) Provide regular reports to the City Council, attend City Council meetings as needed, and perform other necessary activities as may be required for the efficient implementation of the project.
- (8) Prepare the Rehabilitation Policy Manuals and Rehabilitation Standards.
- (9) Provide monitoring of rehabilitation activities to ensure timely completion and compliance with grant guidelines.
- (10) Upon grant closeout, all program files developed during the project will be delivered to the City for long-term maintenance.

#### ***4. Project Implementation Services***

Consultant and City intend to establish a close cooperative working relationship. Consultant and City agree that City is responsible for the performance of certain acts and functions that will enable Consultant to fulfill its duties under this Agreement. The City agrees that Consultant will, in the course of administration of the Grant, may require the cooperation and services of the City's Attorney and City Administrator. In performing the Basic Services, the Consultant does not intend to eliminate or reduce the services that will be required of the City Attorney or City Administrator in the course of the project. The Consultant intends to provide administrative services that shall be undertaken only at the request of and under the direction of the City Council. Associated with performing these activities, the Consultant shall be responsible for developing the necessary subcontracts for rehabilitation inspections and lead risk assessments and insuring that the tasks assigned to the Consultant and the inspection subcontractors are completed. In addition, the Consultant shall provide the following:

- (a) The Consultant shall work with the City staff to coordinate planning and implementation of the City's project.
- (b) The Consultant shall, at such time and in such forms as the City requests, furnish to the City Council such periodic reports as it may request pertaining to the project.
- (c) The Consultant shall, at the City's request, provide a copy of any and all reports or documents created, generated or obtained by the Consultant in the course of providing the services, which documents may be retained by the City as a part of its permanent records.
- (d) The Consultant will utilize subcontractors for lead risk assessment services. The Consultant will have a separate agreement with other subcontractors for these services.

### ***5. Limitation of Consultant Services***

City and Consultant agree that Consultant will not provide and is not obligated to provide the following services under this Agreement:

- (a) The Consultant will not provide or be obligated to obtain legal advice or architectural/engineering services to or on behalf of the City.
- (b) The Consultant shall not undertake any activity or action unless the City Council has provided appropriate policy direction or specific authorization to do so.
- (c) The Consultant will not be responsible for the disbursement of moneys from the applicable federal agency. The City shall be responsible for maintaining the program's accounting system.
- (d) The Consultant will not undertake those administrative tasks that are otherwise assigned to be delegated to City staff.
- (e) Consultant will not employ subcontractors whose services shall be directly billable to the City without the express written authorization and approval of the City. Notwithstanding the foregoing, Consultant reserves the right to subcontract any and all services in consideration of the Compensation and Payment set forth in Section 6 below.

### ***6. Compensation and Payment***

The Consultant agrees:

- (a) To provide professional services as necessary to complete the administration, management, and implementation of the project. The Consultant will provide services on an hourly reimbursement basis that includes both direct and indirect allocable costs incurred for the performance of the grant. These costs will be invoiced at the current hourly rate, and an itemization of hours by project will be provided with the draw down request. Any subcontractor services shall be invoiced through the Consultant at the subcontractor's invoice rate.
- (b) The Consultant and the City agree that the maximum grant administration fees for services shall not exceed \$4,390 for the duration of the project.



- (c) Said maximum fees shall apply through and including July 31, 2014.
- (d) In the event that the services of the Consultant are required by the City after the date that said grant close-out is to occur, said services shall be billed to the City in accordance with the standard billing rates of the Consultant in effect at the time with said additional services being in addition to the aforesaid maximum fee.
- (e) In the event the City requests Consultant to perform services not included in this Agreement, or in the event there is a substantial change in the nature of the work or the issues involved, City and Consultant shall create a written addendum to this Agreement the terms hereof.

### ***7. Schedule and Method of Payment***

All charges for grant administration services and reimbursable expenses shall be billed to the City monthly. All bills are due upon receipt and shall be paid by the City no later than the date of the next regular City Council meeting or as soon thereafter as funds become available in the Small Cities Development grant fund. All billings from the Consultant for this project shall be itemized in a manner acceptable to the City. City agrees to pay interest computed at 8 percent per annum on any portion of its account that remains unpaid for more than 30 days. In the event City fails to pay all fees and expenses when billed, City also agrees to pay costs and expenses of collection, including attorney's fees incurred in collecting the unpaid account. City understands that Consultant need not proceed with or perform the services hereunder as long as any fees or expenses are unpaid.

### ***8. Cooperation between the City and the Consultant***

It is the intent of this Agreement that a close cooperative working relationship be established between the City and the Consultant. Among the City's specific responsibilities under this Agreement are:

- (a) To make available to the Consultant, at no cost and in a timely manner, any available data, studies, reports, maps and other documents in its possession or available to it pertinent to the services to be performed.
- (b) To assist the Consultant in arranging and scheduling meeting and contacts with local public officials, private agencies and individuals, and providing limited space for application intake as may be necessary.
- (c) To provide any legal information, guidance, advice and opinion necessary hereunder.
- (d) To cooperate and assist in assembling information, data and other aid needed to facilitate the Consultant's activities hereunder, including review by City officials and other governmental agencies.
- (e) To act as the Fiscal Agent for the grant, including the receipt and disbursement of all grant funds.

## ***9. Termination of Contract***

- (a) *Termination for Cause:* If, for any reason not beyond its control, Consultant shall fail to fulfill in a timely and proper manner the obligations under this Agreement, or if the Consultant shall violate any of the covenants, agreements, or stipulations of the Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof, at least ten (10) days before the effective date of such termination. In such event:
1. All finished or unfinished documents, data, studies and reports prepared by the Consultant under this Agreement shall, at the option of the City, become the property of the City.
  2. The Consultant shall be entitled to receive just and equitable compensation for any work completed.
  3. The Consultant shall have no obligation to finish work in progress.
- (b) *Termination for Convenience of the City:* The City may terminate this Agreement at any time by giving at least ten (10) days notice in writing to the Consultant. If the City as provided herein terminates the Agreement, the Consultant will be paid for the time provided and expenses incurred up to the termination date. If this Agreement is terminated due to fault of the Consultant paragraph (a) shall apply above.

## ***10. "Section 3" Compliance***

If required by federal law, in connection with the execution of this Agreement, all parties shall comply with Section 3 of the Housing and Urban Development Act of 1968. Section 3 requires, to the greatest extent feasible, opportunities for training and employment to be given to lower income persons residing in the area of the project and to utilize business concerns that are located in or owned in substantial part by persons residing within the project area.

## ***11. Equal Opportunity in Employment***

In connection with the execution of this Agreement, all parties shall comply with Section VI of the Civil Rights Act of 1964 (78 Statute 2124), Section 109 of the Housing and Community Development Act of 1974 and Amendments and Regulations issued thereto. During the performance of this Agreement, the Consultant specifically agrees as follows:

- (a) The Consultant will not discriminate against any employee or applicant for employment because of race, creed, sex, color or national origin. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, sex, color or national origin. Such action shall include, but not be limited to demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant shall post, in conspicuous places

available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

- (b) The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex or national origin.

## ***12. Indemnity***

City shall indemnify and save Consultant harmless from and against any and all costs, liability, or expense, including reasonable attorneys' fees, arising out of (a) any breach of warranty, covenant, agreement, or representation made by City in this Agreement; (b) any non-fulfillment of any agreement of City under this Agreement or any misrepresentation in or omission from this Agreement or from any document or other instrument furnished or to be furnished to Consultant; and (c) all actions, suits, proceedings, demands, assessments, judgments, costs, and expenses incident to any of the foregoing. Consultant will give written notice as soon as practicable to City of the occurrence or nonoccurrence of any event or the discovery by Consultant of any circumstance against which City may be called upon to indemnify Consultant under this Agreement.

## ***13. Other Compliance Provisions***

- (a) The Consultant will comply with all other relevant assurances and requirements relating to the Community Development Block Grant program, now in effect or to be established at a later date by the federal government, with which the City is also required to comply.
- (b) The Consultant will comply with provisions of the Copeland Anti-Kickback Act (18 USC 874), as supplemented in the Department of Labor regulations (29 CFR, Part 3).
- (c) The Consultant shall comply with grantor agency requirements and regulations pertaining to reporting and patent rights with respect to any discovery or invention that arises or is developed in the course of or under this Agreement and/or grantor agency requirements and regulations pertaining to copyrights and rights in data.
- (d) The Consultant shall provide to the City, the grantor agency, the Comptroller General of the United States or any of their duly authorized representatives, access to any books, documents, paper and records of the Consultant that are directly pertinent to this Agreement, for the purpose of making audit, examination, excerpts and transcripts. The Consultant shall maintain all required records for three (3) years after the close of this project.
- (e) Notice to Contractor: "You are required by Minnesota Statutes, 1982, Section 270.66, to provide your Social Security Number or Minnesota Tax Identification Number if you do business with the State of Minnesota. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require you to file state tax returns and pay delinquent state tax liabilities. This contract will not be approved unless these numbers are provided. These numbers will be available to federal and

state tax authorities and state personnel involved in the payment of state obligations. The following numbers apply to the Consultant:

Social Security Number	Does Not Apply
Minnesota Tax ID Number	9465358
Federal Employer ID Number	41-6050353

- (g) The Consultant certifies, to the best of his/her knowledge and belief, that no Federally appropriated funds have been paid, by on or behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement. If any funds other than Federally appropriated funds have been paid or will be paid to any person for any of the above purposes, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (h) The Consultant is an independent contractor in the relationship hereunder with the City and the City shall not have any duty with respect to FICA or any other withholding taxes or payroll requirements for these consulting services. The independent contractor relationship created by this contract is for the unlimited and specific purposes set forth in this contract, including exhibits attached.
- (i) All claims by Consultant or City by one against the other arising out of or related in any manner to this Agreement shall be resolved by arbitration, as set forth herein.

A single arbitrator engaged in the practice of law and who has at least eight (8) years of litigation experience shall conduct the arbitration under the then current commercial arbitration rules of the American Arbitration Association ("AAA"), unless otherwise provided herein. The arbitrator shall be selected in accordance with AAA procedures. The arbitration shall be conducted in Mankato, Minnesota.

Consultant and City shall allow and participate in discovery in accordance with the Federal Rules of Civil Procedure. The arbitrator shall rule on unresolved discovery disputes. The arbitrator shall only have authority to award contractual damages and shall not have the authority to award punitive or exemplary damages, other non-compensatory damages or any other form of relief. Each party shall bear its own costs and attorneys' fees. The arbitrator's decision and award shall be final and binding, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

If either party files a judicial or administrative action asserting claims subject to arbitration, as prescribed herein, and the other party successfully stays such action and/or compels arbitration of said claims, the party filing said action shall pay the other party's costs and expenses incurred in seeking such stay and/or compelling arbitration, including reasonable attorneys' fees.

- (j) The provisions hereof represent the entire contract between parties. This contract and any special provisions to which this contract is subject may only be altered, amended or rescinded by a duly executed written agreement.

*In Witness Whereof*, the parties have executed this agreement at North Mankato, Minnesota, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

***Minnesota Valley Action Council, Inc.***

***City of North Mankato***

By \_\_\_\_\_  
John T. Woodwick, Executive Director

By \_\_\_\_\_  
Mark D. Dehen, Mayor

ATTEST

\_\_\_\_\_  
John Harrenstein, City Administrator

# CITY OF NORTH MANKATO

## REQUEST FOR COUNCIL ACTION



Agenda Item #9E	Department: City Planner	Council Meeting Date: 08/19/13																																	
<b>TITLE OF ISSUE:</b> Consider Approval of City of North Mankato Housing Rehabilitation Program Policies and Procedures																																			
<b>BACKGROUND AND SUPPLEMENTAL INFORMATION:</b> As 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. To utilize CDBG funds for housing rehabilitation, it is necessary to adopt policies and procedures for rehabilitation. As proposed, the CDBG funds would be allocated as deferred loans over a five-year term to income eligible persons or families. The maximum amount of CDBG funds invested in any home would be \$7,500 with a minimum of \$1,500. Staff from MVAC will be present to explain the need to adopt policies and procedures.																																			
<i>If additional space is required, attach a separate sheet</i>																																			
<b>REQUESTED COUNCIL ACTION:</b> Consider approval of City of North Mankato Housing Rehabilitation Program Policies and Procedures																																			
<b>For Clerk's Use:</b>  Motion By: _____ Second By: _____  <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">Vote Record:</td> <td style="width: 10%; text-align: center;">Aye</td> <td style="width: 10%; text-align: center;">Nay</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Norland</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Spears</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Freyberg</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Steiner</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Dehen</td> </tr> </table>	Vote Record:	Aye	Nay			_____	_____	Norland		_____	_____	Spears		_____	_____	Freyberg		_____	_____	Steiner		_____	_____	Dehen	<b>SUPPORTING DOCUMENTS ATTACHED</b>  <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Resolution</td> <td style="text-align: center;">Ordinance</td> <td style="text-align: center;">Contract</td> <td style="text-align: center;">Minutes</td> <td style="text-align: center;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> Other (specify) <u>Housing Rehabilitation Program Policies &amp; Procedures</u> _____ _____ _____	Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**City of North Mankato**

***HOUSING REHABILITATION PROGRAM***

**POLICIES AND  
PROCEDURES**

**Developed for the  
City of North Mankato's**

**Community Development Block Grant  
Program**

**July 29, 2013**

**City of North Mankato**  
**HOUSING REHABILITATION PROGRAM**  
**POLICIES AND PROCEDURES**

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# City of North Mankato Housing Rehabilitation Program

## Policies and Procedures

### SECTION A - PROGRAM OBJECTIVES

*The City of North Mankato Housing Rehabilitation Program is undertaken for the purposes of:*

1. Providing financial assistance for homeowners to rehabilitate their dwellings, their neighborhoods, and the area as a whole.
2. Increasing the financial involvement of public agencies and private lending institutions in the improvement of the housing stock in the City.
3. Making a visible and substantial impact upon housing conditions, community appearance, and overall quality of life in the area.

### SECTION B - PROGRAM DEFINITIONS

#### **B.1 - Administrator.**

"Administrator" of the Program shall be the Minnesota Valley Action Council. It shall be the responsibility of the Administrator to coordinate all aspects of the Program.

#### **B.2 - Annual Income.**

"Annual Income" means the applicant's anticipated total income, from all sources, received by all members of the household (even if temporarily absent), including all income derived from assets (excluding income that is temporary, nonrecurring or sporadic) for the twelve (12) month period following the application for housing repair assistance. Annual Income is further defined in Section I.

#### **B.3 - Applicant.**

"Applicant" means any household seeking to obtain assistance under the terms of this Program. Married couples shall be considered an applicant in the singular. In the absence of a written rental agreement dated three (3) months prior to the filing of an application, unrelated persons sharing the dwelling as their principal place of residence shall be considered an applicant in the singular.

#### **B.4 - Financing: Deferred Loans.**

A "Deferred Loan" is financing which carries no interest and no periodic payments, but which is secured by a Repayment Agreement and lien against the property. A CDBG Deferred Loan must be repaid in the event the property that is rehabilitated is sold, transferred, conveyed, or ceases to be the applicant's principal place of residence within five (5) years from the date of

the Repayment Agreement. Repayment will be pro-rated over the five year term, with 20% of the loan being forgiven for each year completed in the repayment term. Each household will be eligible for up to \$7,500 in CDBG Deferred Loan.

#### **B.5 - Financing: Security Position.**

The City of North Mankato Housing Rehabilitation Program will not require a first-position security interest for the Deferred Loan financing. The City will consider subordination or restructuring of the loans with the following provisions:

1. Upon request from a bank or other lender, the Program may subordinate its security interest to another party, at the discretion of the City. In considering a request for subordination, the City will consider: a) is the subordination in support of other housing improvements b) will sufficient equity remain to cover the balance of the loan to the City c) has the applicant been timely with all loan payments and d) will the subordination be for non-housing debt, i.e. credit card refinancing.
2. Under extraordinary circumstances, the terms and conditions of repayment of a Deferred Loan may be modified or restructured. The City will consider the following options upon request of the homeowner: a) a transfer of the balance of the Deferred Loan to the new purchaser provided the new homebuyer passes the income eligibility test and is willing to enter into the repayment continuance with the City, b) the homeowner no longer can maintain their primary residence in the rehabilitated home due to medical conditions, failing health or death, in which case the City may consider a reduction in the full repayment provisions.

#### **B.6 - Dependent.**

"Dependent" means a member of the household (excluding foster children) other than the household head or spouse, who is less than 18 years of age or is a disabled person or is a full-time student.

#### **B.7 - Rehabilitation Advisor.**

The "Rehabilitation Advisor" for the Program shall be a designated employee of the Administrator, or the administrator's designee. It shall be the responsibility of the Rehabilitation Advisor to provide technical expertise relating to all housing inspections, construction quality, code compliance, and work write-ups.

#### **B.8 - Net Household Assets.**

"Net Household Assets" means the value of assets that are defined in Section F.

#### **B.9 - Principal Place of Residence.**

"Principal Place of Residence" means the house that the applicant occupies as their home for at least nine (9) months of the calendar year and in which the applicant resides at the time of application for assistance.



### **B.10 - Section 8 Guidelines.**

"Section 8 Guidelines" means the set of income guidelines calculated by household size, as determined by the United States Department of Housing & Urban Development and in effect for the City of North Mankato, Minnesota. The following income limits have been established by HUD, and are effective as of July 29, 2013:

<u>Number of Persons in HH.</u>	<u>Income Limit</u>
1	\$39,000
2	44,600
3	50,150
4	55,700
5	60,200
6	64,650
7	69,100
8	73,550

These income limits are subject to change, and the most current figures will be applied to all housing rehabilitation clients.

### **B.11 - Rehabilitation.**

Rehabilitation is not remodeling. Remodeling is for convenience or cosmetic purposes. Rehabilitation deals with, in order of priority:

- Lead Based Paint Interim Control
- Health issues and safety issues.
- Energy conservation.
- Long-term preservation of structures, through the repair of such basic elements as siding, roofs, and foundations.

Certain types of rehabilitation can be viewed as lack-of-maintenance or deferred-maintenance. Other types of rehabilitation can be viewed as items that wear out or need replacement due to obsolescence.

### **B.12 - Rehabilitation Standards.**

The Program Administrator and subcontractors will follow the "CDBG Rehabilitation Standards" in conducting inspections, determining deficiencies, and evaluating the quality of workmanship on a rehabilitation project. These Standards incorporate Section 8 Housing Quality Standards, the BOCA Property Maintenance Code as outlined in the Department of Employment & Economic Development's "Step-by-Step Guide to Rehabilitation Inspection", and the Minnesota Energy Efficiency Standards. The Uniform Federal Accessibility Standards and the ADA Accessibility Guidelines shall also be used as appropriate to a rehabilitation project.

### **B.13 – Risk Assessment, Lead Based Paint.**

All rehabilitation projects built prior to 1978 will be assessed for lead based paint by a certified lead based paint Risk Assessor. Structures found to contain lead based paint will be rehabilitated according to federal regulation of Each Subpart of the Rule within 24 CFR Part 35.

### **B.14 – Interim Controls, Lead Based Paint.**

Interim control measures include paint stabilization of deteriorated paint, treatments for friction and impact surfaces where levels of lead dust are above the levels specified in CFR Part 35.1320 dust control and lead contaminated soil control. As provided by CFR Part 35.155, interim controls may be performed in combination with, or be replaced by abatement methods.

Clearance examinations shall be performed in accordance with CFR 24 Part 35.1340 by qualified personnel i.e. a certified risk assessor, a certified lead based paint inspector, a person who has successfully completed a training course for clearance technicians before a structure can be reoccupied.

## **SECTION C – PROGRAM DESIGN & ELIGIBILITY FOR ASSISTANCE**

### **C.1 Maximum Financing.**

The maximum amount of Community Development Block Grant funds that shall be invested in any house is \$7,500, with a minimum of \$1,500. The household is required to match the CDBG funds in the project with their own funds. Lead hazard reduction costs shall be included in the owner's repayment agreement and are to be included in the above funding maximums.

### **C.2 – Levels of Mix – CDBG Financing**

1. Leverage Requirement: Households are required to match the CDBG funds one to one in order to be eligible for financing. Households may exceed the one to one match if desired. The source of matched funds may be cash, bank financing, or other rehabilitation loan programs the household may qualify for.
2. Affordability: Households may utilize funding from the program administrator to provide the required one to one match. The program administrator has established underwriting guidelines and policies, which will be supplemented with additional qualifying factors identified by Minnesota Housing for their Community Fix-up loan (CFUF). To be eligible for a CFUF loan, all applicants need to have a minimum credit score of 620, household debt-to-income ratio may not exceed 48% and the loan-to-value ratio may not exceed 110%.

### **C.3 – Leverage Sources and Types**

In addition to the CDBG loans and the possibility of Community Fix-up loans, other sources of financing can be utilized by homeowners to complete their projects.

1. Other Deferred Loans and Grants provided by the following programs and sources: 1) Minnesota Housing's Rehabilitation Loan Program (RLP), 2) the D.O.E. Weatherization grant and Energy Assistance Repair Program Grant/Loans, and 3) where applicable, client contributions.
2. Subsidized and Unsubsidized Loans. These loans will be provided by the following programs and sources: Rural Development and Local Bank Loans.
3. In cases where the applicant can go to another source for rehab loan or grant funds, the Program Administrator will supply specifications, bidding documents warranties or any other documentation required by the funding source. The Program Administrator will also coordinate contractor activities and payments.
4. Before any proceed to work is sent to a contractor, the loan proceeds must be placed in an escrow account established by the Program Administrator. The homeowner must provide a certified check made out to a specific contractor for this purpose. When the work has been completed and approved for payment by the homeowner and the Program Administrator's representative, this check will be mailed to the contractor.
5. In some cases, homeowners may wish to use liquid assets for leverage funds. When this occurs, homeowners will be required to place the funds with the program administrator before a "proceed to work" order is sent to a contractor. These funds deposited can be released only by the project administrator and the homeowner only after the homeowner has signed a completion certificate.

#### **C.4 - Eligibility Qualifications.**

To be eligible for housing rehabilitation assistance provided by any of the participating Financing Sources, the applicant must meet the eligibility qualifications set forth by the particular Financing Source for their specific program. Participation in the CDBG program is limited to those Applicants who are determined to qualify as "low and moderate income" under definitions established by the U.S. Department of Housing & Urban Development. (Also see Section E.3.) All persons assisted by housing rehabilitation must meet the CDBG program's federal objective of "benefit to low and moderate income persons."

#### **C.5 Status and Location of Applicant.**

To be eligible for housing rehabilitation:

1. The applicant must be owner/occupant of a single-family house used for residential purposes.
2. The house must be the applicant's principal place of residence, as defined in Section B.9.
3. The house must be located within the City of North Mankato.
4. Use of the funds must result in a completed project.

## **C.6 - Floodplain.**

Rehabilitation work conducted in floodplain areas in City of North Mankato will proceed only after review/approval of the Floodplain Environmental Review process.

## **C.7 - Historical Society Review**

1. Properties that are deemed historically significant can be rehabbed with CDBG funds. Properties that are currently on the National Historic list, or properties deemed historically significant by the state are eligible. Historic properties rehabbed by the individual owner are not required to partake in any type of review.
2. If a historical reviewed is desired, after the initial property inspection has been completed by the Housing Rehabilitation Advisor, the following will be submitted to the Minnesota Historical Society Officer (SHPO).
  - a. The year the structure was built
  - b. Address or location of the property
  - c. Summary of the work to be done at the property;
  - d. Photographs of the structure;
  - e. Any known historical information about the property (original owner, architect or builder, associated events or persons, historic photos).
3. Any changes in the scope of the project requested by the SHPO will be initiated as part of the project.

## **SECTION D - PARTICIPATING FINANCING SOURCES**

Each Financing Source (CDBG, Rural Development loan and grant programs, local lenders, Minnesota Housing loan programs, etc.) shall provide its rehabilitation financing according to its own rules, regulations, requirements, and procedures. This shall apply to applicant eligibility, the type of repairs which can be made, and loan repayment requirements. Each Financing Source shall maintain its own fiscal systems. No funds from one Financing Source shall be commingled with funds from any other Financing Source. Where needed or desired, the services of the Rehabilitation Advisor shall be made available to the other Financing Sources.

## **SECTION E - INCOME OF APPLICANTS**

In addition to the definitions contained in federal regulations, and for the purpose of establishing eligibility for housing rehab assistance under the CDBG Program,

### **E.1 Annual Income shall include but not be limited to:**

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.

- The annual income from operation of a business or profession. (Annual income from self-employment shall be determined as the average net profit from the previous two years of self-employment as declared by the Applicant in Schedule C, F, E, or other forms, of the U.S. Internal Revenue Service Form 1040.)
- Interest, dividends, and other income of any kind from real or personal property.
- Where the household has assets in excess of \$5,000, Annual Income shall include the greater of:
  - The actual income derived from all assets, or,
  - A percentage of the value of such assets based on the current passbook savings rate.
- The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment.
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay.
- Welfare assistance.
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
- Pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the household, spouse, or other person whose dependents are residing in the unit.
- Any earned income tax credit to the extent it exceeds income tax liability.

## **E.2 Annual Income does not include the following:**

- Temporary, non-recurring or sporadic income such as the following:
  - Casual, sporadic, or irregular gifts.
  - Amounts that are specifically for or is reimbursement of the cost of medical expenses.
  - Lump-sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), and settlement for personal or property losses.
  - Educational scholarships paid directly to the student or to the educational institution, and amounts paid by the Government to a veteran, for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships, or payments to veterans, not used for the above purposes that are available for subsistence are to be included in income.

- The hazardous duty pay to a household member in the Armed Forces away from home and exposed to hostile fire.
- Income from employment of children (including foster children) under the age of 18 years.
- Payments received for the care of foster children.
- In addition to the above criteria, the income inclusions and exclusions identified in 24 CFR part 5.609 included in the 2001 Step By Step Guide to Rehabilitating Owner Occupied Homes may also be used.

### **E.3 HUD Income Limits.**

The income limits shall be adjusted periodically upon HUD notification and are shown as adjusted for family size : (2013 City of North Mankato – HUD Section 8 Income Limits – current as of 7/22/2013).

Household Size	Household Income *
1	\$39,000
2	\$44,600
3	\$50,150
4	\$55,700
5	\$60,200
6	\$64,650
7	\$69,100
8	\$73,550

## **SECTION F - ASSETS OF APPLICANTS**

There is no asset ceiling for participation in the CDBG housing rehabilitation program. However, under the provisions of Section I.4 a portion of Household Assets in excess of \$5,000 shall be counted as Annual Income. For the purposes of housing rehabilitation assistance under the CDBG Program, assets may include but not be limited to the value of equity in real property, stocks, bonds, Interest (only) on CD's or savings accounts, and other forms of capital investment. More specifically:

### **F.1 Assets Include:**

- Cash on hand, in checking accounts, savings accounts, or money market accounts (including accounts held in trust).



- The cash value of securities, stocks, shares in investment funds, U.S. Savings Bonds, or other investment instruments.
- The current market value of all interests in real estate, EXCLUDING the structure which is to be rehabilitated and a parcel of land of not more than five acres upon which the structure is located. (Included as an asset is land in which any Resident of the household holds title and is selling on a Contract for Deed. The value of Contract for Deed property shall be defined as 100% of the outstanding principal balance on the contract.) Principal and interest payments received on a Contract for Deed shall be counted as Annual Income.
- All other miscellaneous property assets, but EXCLUDING household furnishings, clothing, and one automobile. (Included as miscellaneous property assets are such items as, but not limited to: golf carts, boats, snowmobiles, motorcycles, business machinery, business inventory, farm stock, and additional vehicles. Such miscellaneous assets shall not be counted to the extent that they are an expense of doing business [see Section E.2, above].)

## **SECTION G - ELIGIBLE PROPERTIES TO BE REHABILITATED**

### **G.1 - Type of Ownership.**

An owner/occupant applicant for housing rehabilitation must possess at least a one-third interest in one of the following types of ownership in the property to be rehabilitated:

- A fee title, or
- A life estate, or
- A fee title or life estate subject to a mortgage or other lien securing a debt, or,
- A mutually binding, recorded contract for deed, where the borrower is rightfully in possession and the purchase price is payable in installments. In the event that a contract for deed arrangement is present, permission from the contract vendor is needed before undertaking rehab, and the contract vendor needs to be a party to the rehab mortgage/repayment agreement.

### **G.2 - Suitable for Rehabilitation.**

1. A determination of the structural suitability of a house for rehabilitation shall be made by the Rehabilitation Advisor, based on the "CDBG Rehabilitation Standards." Poor- and Very Poor-condition structures (described below) shall be considered to be substandard, based upon the following criteria and individual inspections by the Building Inspector:
  - Poor Condition: No major structural defects. However, the structure has more than one sign of major exterior deterioration.
  - Very Poor Condition: Structure has either: (A) No more than one structural defect and more than one sign of major exterior deterioration; or, (B) More than one structural defect.

2. Poor- and Very Poor-condition buildings shall be suitable for rehabilitation when:

- The building is still structurally sound on an overall basis. The building should be vertically plumb within three degrees and shall have no significant rot on the majority of the floor joists, studs, or rafters that are weight bearing. Foundations and basement walls shall not be deteriorated to the extent, or so far out of alignment, that they do not adequately support the building and cannot be corrected without complete replacement.
- For any one project, the use of CDBG funds shall not exceed \$7,500. If the total cost of a project exceeds that amount, the additional funds must come from other sources, including from the property owner.

### **G.3 - Not Suitable for Rehabilitation.**

1. Some houses may be in good condition and will not need rehabilitation assistance. Although an Applicant may be otherwise eligible for assistance, the Program will not assist any houses that are not in need of significant repairs. Following a detailed inspection of the house, the Rehabilitation Advisor shall make a determination of the structural suitability of a house for rehabilitation. The Rehabilitation Advisor shall have authority to determine whether a house is not in need of repair. If a house is determined to be in structurally good condition, it shall be excluded from participation in the Program, based upon the following criteria:

- Good Condition: Structure is less than 10 years old, or there are no indications of exterior deterioration, or energy efficiency measures were incorporated in the original construction.
- Fair Condition: Structure displays some exterior deterioration, but of minimal severity. Energy efficiency improvements may be required to comply with standards. Shall only be considered as budgets may allow and only after substantial progress has been made toward meeting higher-priority improvements for "poor" quality buildings.

2. Some houses may have deteriorated to a point where rehabilitation is structurally not feasible. Following a detailed inspection of the structure by the Rehabilitation Advisor as described above, the Advisor shall have authority to determine whether a house is not feasible for repair. If a house is determined to be structurally "beyond hope" of repair, it shall be excluded from participation in the Program, based upon the following criteria:

- Beyond Repair Condition: Structure has more than one structural defect and indications of extensive major exterior deterioration.

### **G.4 - Mobile Homes.**

Mobile homes shall not be eligible for rehabilitation with CDBG funds. Exceptions to this rule may be granted by the City only under extraordinary or emergency circumstances. In the event of such an exception, the mobile home must be permanently affixed to real property by means of a foundation or pier footings, and the real property must meet the ownership requirements specified in Section G.1.

For purpose of these policies and guidelines, the definition of a mobile/manufactured home shall be as follows:

*"Mobile/Manufactured Home. A structure, transportable in one section, which in the traveling mode, is eight (8) body feet or more in width or 40 body feet or more in length and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities and includes the plumbing, heating, air conditioning and electrical systems contained therein."*

Key elements in determining the suitability of a mobile home for rehabilitation are:

- the useful life expectancy of the improvements must not be less than ten (10) years; and
- if the rehabilitation of a mobile home is less than seventy-five percent (75%) of the cost of new construction of a home of similar size, style and amenities, then it may make economic sense to allow rehabilitation.

#### **G.5 - Property Tax Delinquency/Debt Owed to the City**

No house shall receive rehab assistance if property taxes are delinquent and unpaid. Applicants may apply for the program and have their eligibility determined, but no rehabilitation work shall be placed under contract unless property taxes as of the most recent tax period, and other City obligations are paid in full.

#### **G.6 - Default, Bankruptcy, Judgments.**

No house shall receive assistance if: (1) the owner is in default of a mortgage, contract for deed, or comparable obligation; (2) the owner is currently engaged in bankruptcy proceedings; or (3) there are unpaid court judgments filed against the property or the owner.

#### **G.7 - Mixed-Use Buildings.**

A mixed-use building which is partially utilized for commercial purposes and partially utilized for residential purposes may be assisted by the Housing Rehabilitation Program. However, only those improvements that benefit the residential portion of the building can be paid for with housing rehabilitation Program funds. Improvements that benefit the commercial portion of a mixed-use building must be paid for with other funds.

#### **G.8 - Vacant Buildings.**

Vacant dwelling units shall not be eligible for rehabilitation with CDBG funds under any circumstance. Exceptions may be made to this policy if an applicant shows that he/she/they will be considered "homeless" unless the vacant house is rehabilitated and it will be the principle place of residence for the applicant(s). The applicant(s) must also apply for homestead status of the property with the county upon completion of the rehabilitation.

### **G.9 - Other Ineligible Buildings.**

Only permanent structures shall be assisted. The following are not eligible for assistance:

- Temporary or movable structures.
- Satellite buildings used primarily for storage.
- Detached garages (unless lead-based paint or asbestos is present).
- Other structures which do not meet the test of a principal place of residence.

### **G.10 - Priority of Applicants Receiving Rehabilitation Assistance.**

Applicants who qualify for housing rehabilitation assistance shall be processed and inspected on a "first-come, first-served" basis. An applicant's "place in line" will be counted as the day the program administrator has a complete application, including all income, employment and property title information. All applications will be allocated on a first-come, first-served chronological basis.

The availability of rehabilitation assistance depends upon:

- A detailed inspection of the structure.
- The type of repairs that are needed and allowable under the program's guidelines.
- The cost of the repairs, based on bids.
- The financial and structural feasibility of undertaking a repair job for the house.
- The Applicant's own initiative and diligence. In this regard, the document by which the Applicant shall be given the opportunity to accept or reject their offer for rehabilitation assistance shall contain the following acknowledgment:

"I understand that: (a) the grant program serves applicants on a first-come first-served basis, (b) once the bid documents for my building are prepared and turned over to me, it becomes my responsibility to contact contractors and obtain the necessary bids, (c) projects which have all the necessary bids turned in ahead of other projects are placed under contract sooner and move forward on that basis, and (d) because the program operates on a first-come first served basis, it is possible that the grant money may run out before all my bids are received and before I make a decision to move forward and that, in that case, I will not receive any rehabilitation assistance."

## **SECTION H - SCOPE AND NATURE OF REHABILITATION REPAIRS**

### **H.1 - Final Condition.**

Upon completion of work and final inspection, all houses assisted under the Program shall meet or exceed the adopted Housing Rehabilitation Standards. Those repairs that are financed under the Program shall meet State of Minnesota plumbing, electrical and energy conservation codes.

## **H.2 — Eligible Housing Rehabilitation Improvements.**

1. Each housing rehabilitation improvement must be a permanent general improvement. Such improvements shall include alteration, renovation, or repairs that correct defects and deficiencies that directly affect the safety, habitability, energy consumption, or esthetics of the property.
2. Any housing rehabilitation improvements that are made must be physically attached to the structure and must be permanent in nature. For the purposes of housing rehab assistance under the CDBG Program, the following types of improvements are considered eligible:
  - Lead based paint interim controls.
  - Any improvement required to bring the dwelling up to the standards noted in Section B.12, especially improvements that relate to health and safety concerns.
  - Any improvement resulting in a substantial weatherization and increased energy-efficiency of the house.
  - Exterior painting and/or residing, as needed.
  - Improvements that are essential in making the house more accessible and habitable for handicapped members of the household. Handicaps must be documented as permanent and affecting major life functions as defined by government regulations.
  - Structural improvements to and the necessary replacement of roofs, floors, exterior walls, interior walls, stairs, sidewalks, foundations, and other basic housing features.
  - Functional improvements to and the necessary replacement of electrical systems,

## **H.3 - Priority of Eligible Housing Rehabilitation Improvements.**

Health and safety deficiencies plus repairs necessary for improved energy-efficiency have priority and must be corrected before any other improvements are made. If the scope of the project must be reduced to comply with cost limits specified in Section C.1, these priority repairs shall not be omitted; in such cases, the Rehabilitation Advisor shall work with the homeowner to reduce the project by omitting repairs which are of lesser importance to the long-term needs of the structure.

## **H.4 - Ineligible Housing Rehabilitation Improvements.**

The following improvements are not eligible for financing with CDBG funds:

- Detached garages or any outbuildings (unless there is evidence of the danger of lead-based paint as described in Section B.12).
- New Fireplaces, water softeners, or wood stoves.
- Garage door openers, central air conditioning units. Exceptions to this are: elderly or physically challenged who cannot open a garage door manually; presentation of a medical need for central air conditioning signed by a medical doctor.
- Decks, patios, fencing, or landscaping beyond that which is necessary in connection with foundation and basement work.
- Driveways and sidewalks, unless health and safety dangers are present.

- Kitchen appliances, plush carpeting, decorative work, or other improvements determined by the Rehabilitation Advisor to be “luxuries” or “frills” in nature.
- 200 amp services, unless needed and justifiable.
- Room additions. Exceptions to this rule may be granted by the Administrator only under extraordinary circumstances. Where such an exemption is granted, room additions shall only be allowed: (1) to accommodate the installation of a bathroom, or (2) where severe overcrowding is present.
- CDBG funds shall not be used for the payment, in whole or in part, of assessments for public improvements; EXCEPTING, however that such funds may be used for that portion of improvements located on the property which will bring an individual water supply system or sewage disposal system into compliance with local, state, or federal sanitary standards.

#### **H.5 - Lead-Base Paint.**

1. All applicants for the City of North Mankato Housing Rehabilitation Program shall receive a notification of the hazards of lead-based paint.
2. The use of lead-based paint in any aspect or portion of the construction process covered by this program, or by any separate contracts or agreements entered into by the Owner and the Contractor, is expressly prohibited. All contracts for rehabilitation work shall contain language incorporating this prohibition.
3. Every inspection of a house shall include an inspection for defective paint surfaces. All defective paint conditions shall be identified on the inspection report form and corrected in accordance with methods that ensure the safety of the residents and the contractor.
4. Lead-based paint interim control shall, where necessary, be in accordance with Minnesota Statutes 4761.0300. Additional guidance in lead-based paint interim control shall be found in the Department of Employment & Economic Development's "Step-by-Step Guide to Rehabilitation Inspection," and the "Procedures relating to the Elimination of Leads Based Paint Hazards."
5. City of North Mankato deems that participation in the owner occupied housing rehabilitation is voluntary and no temporary relocation benefits will be paid to occupants of a structure that needs to be vacated due to lead based paint interim control or other rehabilitation activities.

#### **H.6 - Ineligible Improvements Allowable with Other Funds.**

The Applicant may use bank loans, his/her own funds on hand, and other funds in order to finance those improvements that are not eligible for financing with CDBG funds. Such improvements shall be allowable as part of the “other source” participation outlined in Section C.3 and shall be separately identified on work write-ups and bid forms.

## **SECTION I - PROGRAM ADMINISTRATION**

The following administrative procedures shall govern operation of the Housing Rehabilitation Program, unless otherwise provided for by the procedures of another participating Financing Source.

### **I.1 - Implementation Responsibilities.**

1. The Program Administrator shall:

- Coordinate all rehabilitation work delivered through the various Financing Sources.
- Collect and process applications and approve applicants as being eligible for rehabilitation assistance.
- If needed, obtain clearance from the Minnesota Historical Society regarding historic preservation requirements before rehabilitation work begins.
- Review all applications for consistency with these policies and approve or deny individual projects. An applicant may appeal any decision as provided for in Section P. The Administrator will use the following guide to assess the preliminary eligibility of the applicant:
  - a) Whether or not the applicant is income eligible for a CDBG loan and what leverage package the applicants are eligible for.
  - b) Property ownership.

2. The Project Review Committee shall consist of the City of North Mankato City Administrator, and the Housing Director of the Program Administrator. The Program Administrator shall provide reports to the City Council on the program status, but City Council approval of individual projects is not required. The project approval function shall rest with the project approval committee.

3. The Program Administrator shall conduct outreach and will solicit applications for the program in the following ways:

- a. Issue press releases advertising community meetings on CDBG grant application both to local newspapers and to the local radio station.
- b. Make direct mailing of program information to the homeowners in the target areas if necessary to generate additional applicants.
- c. Develop brochures and send them out in the billing statements of our local utility vendors.

3. **City Council of North Mankato:**

- The City Council shall be responsible for setting overall program policy, including approval, amendment, and adoption of these Guidelines.
- The City shall act as Finance Director and shall be responsible for finance tracking and project disbursement requests.



## **I.2 - Applications.**

Applicants shall complete the "Application for Rehabilitation Assistance." This form shall (where applicable) request information concerning income, assets, and property. Forms shall provide information to the applicant of data privacy, misrepresentation, lead-based paint warnings, and inspection considerations.

Where applicable, Applicants shall sign an "Authorization for Release of Information" form, allowing the proper verification of household information.

The Administrator shall collect such supporting documentation as may be deemed necessary, including but not limited to income tax returns, paycheck stubs, bank deposit slips, property tax statements, and other materials relating to the financial status of the Applicant.

## **I.3 – Relocation, Temporary.**

All Applicants will be informed that temporary relocation costs due to lead based paint interim control shall be at their own expense and the program will not, under any circumstances, pay for temporary relocation costs during rehabilitation activities. A signed acknowledgment by the applicant stating this fact shall be kept in the applicant's file.

## **I.4 - Displacement.**

The Administrator shall work with the Applicant to determine if the possibility exists of displacement from the dwelling. If the potential for displacement appears likely, the Administrator shall provide to the Applicant such written notices as are required. If displacement shall occur, the Administrator shall work with the Applicant to assure that the Applicant's displacement and relocation rights are protected.

## **I.5 - Verifications.**

All information concerning income, assets, property, and other facts reported by the Applicant, or brought to the attention of the Administrator, which are relevant to their eligibility shall be independently verified. The Administrator shall, with written permission of the Applicant, obtain verifications from the appropriate sources and shall use the verified information to determine an applicant's eligibility for rehabilitation assistance.

Applications will be received on a first come, first served basis, starting from the waiting list. Project approval for funding will be based upon first come, first serve which will require the homeowner to provide all necessary documentation to proceed with loan closing. Applicants will be selected for participation in the CDBG Program based upon applicability to the program guidelines

## **I.6 - Notification of Status & Right-of-Rescission Compliance.**

1. The Administrator shall notify the Applicant in writing as to the approval or rejection of their application and, if approved, the maximum amount of assistance for which they qualify and the mix of assistance as outlined in Section C.1.

2. The "Notice of Right of Rescission" shall include a explanation of the Applicant's right to cancel the transaction and information as to how the transaction may be canceled. This notice shall be given to the applicant at the time the Repayment Agreement is signed and before Notices to Proceed are sent out.

#### **I.7 - Authorization for Initial Inspection.**

Following the Applicant's written acceptance into the program, the Rehabilitation Advisor shall conduct an initial inspection. This inspection shall be thorough, complete, and shall identify all rehabilitation needs of the house.

#### **I.8 - Work Write-Up and Bid Specifications.**

Following initial inspection, the Rehabilitation Advisor shall prepare a Scope of Work for the house. This work write-up shall specify reasonable, workmanlike means by which rehabilitation needs are to be corrected and the structure brought up current construction standards, shall suggest materials and methods for making necessary repairs and improvements; and shall be prepared in sufficient detail so as to allow contractors to base their bids upon. Drawings and sketches shall be provided where they will be necessary or helpful.

#### **I.9 - Bidding and Contracting Procedures.**

1. After receiving the Rehabilitation Advisor's work write-up, the Applicant shall solicit sealed bids from contractors. A minimum of two bids per Employment shall be required; three bids shall be encouraged. All bids will be reviewed by the Rehabilitation Advisor to determine that the bids are comparable. In seeking the minimum of two bids, one general contract bid can be compared against the sum of individual bids by Employment.
2. Bids will be awarded to the lowest qualified bidder unless one of the following occurs:
  - The bid is found to be unrealistically low and the contractor agrees to withdraw the bid.
  - The contractor has failed to follow the procedures outlined in instructions to the bidders.
  - The Applicant does not want the lowest bidder to do the work. In that case the Applicant must pay the difference between the lowest bid and the preferred contractor's bid.
  - There appears to have been collusion between two or more contractors and/or the Applicant. Collusion among contractors will result in their being barred from further participation in the Program. Collusion involving the Applicant will result in the rehab project being canceled and the Applicant being barred from the Program.
  - The contractor fails to bid according to specifications and, following efforts by the Rehabilitation Advisor, it is impossible to compare that contractor's bid with those of the other bidders.
3. Contracts may be made with general contractors or individually by Employment. Contracts will be let by the Applicant and shall be a contract between the Applicant and the contractor.

4. Any repair work that begins before a written Proceed to Work Order is issued will not be paid for by funds from any Financing Source.
5. Projects not under contract within eight months after the date when bids are delivered to the Applicant shall be dropped from the program. An offer of financing made to the Applicant shall be null and void after the expiration of this eight-month period.

#### **I.10 - Qualification for Bidders List.**

1. Contractors must be bona fide tradesmen. Contractors must meet State licensing requirements where such requirements apply, including residential building contractor and residential remodeler license requirements.
2. Contractors must possess insurance coverage that meets or exceeds these requirements:
  - Manufacturers and Contractor/Independent Contractors. Bodily Injury: \$100,000 (each occurrence) and \$300,000 aggregate. Property Damage: \$50,000 (each occurrence).
  - Auto (Owned, Hired, or Leased). Bodily Injury: \$100,000 (each occurrence) and \$300,000 aggregate. Property Damage: \$50,000 (each occurrence).
  - Worker's Compensation. The contractor shall obtain and maintain Worker's Compensation Insurance for all of his/her employees, according to State law and regulation.
3. In cases where any work is sublet, the Contractor shall also require the subcontractor's to comply with the insurance requirements set forth above.
4. Contractors may be removed from the Bidders List and disqualified from contracting under the following circumstances: Failure to keep the required insurance in force; Failure to complete work in a timely manner; Performance of substandard work; Failure to correct deficiencies in substandard work; or Collusion between two or more contractors and/or the Applicant.

#### **I.11 - Change Orders.**

The CDBG program will not pay for work that is not specified in the Work Write-Up without a change order approved by the Administrator, the Rehabilitation Advisor, the contractor, and the Applicant. The CDBG program will not pay for the cost of Change Orders that increase the cost of a project beyond the maximum amount specified in Section C.1.

#### **I.12 - Interim Inspections.**

The Rehabilitation Advisor may conduct interim or progress inspections for each house assisted by the Program. The interim inspections shall be used: To monitor the work in progress and the quality of work being performed, and to determine the completeness and quality of repairs prior to any payments to contractors or subcontractors.

#### **I.13 - Partial Payments to Contractors.**

No interim or partial payments will be made without prior inspection by the Rehabilitation Advisor and approval by the Administrator. No partial payment or sum total of partial payments

shall exceed 80% of the total contract amount. No pre-payment or advance of Program funds is allowed.

#### **I.14 - Final Inspection and Acceptance of Work.**

The Rehabilitation Advisor shall conduct a comprehensive and thorough final inspection of all repairs upon completion of all work. This final inspection shall be used to determine the completeness and quality of repairs prior to the final payment to contractors or subcontractors. Substandard or incomplete work identified by the Rehabilitation Advisor will not be paid for. Prior to payment, a "Completion Certificate and Acceptance of Work" form shall evidence satisfaction with the work and shall be signed by the Applicant, the contractor and/or subcontractor, the Rehabilitation Advisor and the Administrator.

#### **I.15 - Payment and Lien Waivers.**

CDBG funds shall be disbursed to the contractor upon approval and acceptance of the work. Appropriate lien waivers must be provided by the contractor prior to the release of checks.

#### **I.16 – Timeline for Completion.**

A maximum of 120 calendar days will be allowed for completion of contracted work on a house, beginning as of the date of the contract for the repairs, or as of the date proposed by the contractor (when provided). Failure to begin work by the completion date shall be grounds for termination of the contract.

This time period shall not be exceeded except by a written Change Order, which shall outline the circumstances that require an extension of time and shall specify a revised completion date. In the absence of such a Change Order, failure to complete work on time shall be grounds for termination of the contract.

#### **I.17 - Termination of Contract.**

Rehabilitation contracts may be terminated for convenience or for cause. Reasons for termination may include, but are not limited to unacceptable contractor work habits or performance; or an inability to resolve disputes associated with the project.

#### **I.18 - Permits and Fees.**

Payment of local building permit fees will be the responsibility of the homeowner. State inspection fees should be included in the contractor's bid. Recording fees will be the responsibility of the homeowner.

#### **I.19 - Appeals Procedure and Resolution of Disputes.**

All Applicants and contractors shall have full right to appeal any decision or action relating to the administration of the Program. Such appeals shall be made in accordance with Section P.

In the event of a dispute between the Applicant and the contractor, the Rehabilitation Advisor shall work with both parties to negotiate a satisfactory solution. In the event that this procedure fails to produce a satisfactory solution, the Rehabilitation Advisor shall present the dispute to the

Housing Director of the Program Administrator. If this step fails to resolve the dispute, judicial arbitration procedures shall be followed.

#### **I.20 - Close-Out.**

Upon completion of all rehab activities and acceptance of the work by all parties, the Administrator shall process such close-out documents as are required for the CDBG financing, including mortgage documents and/or repayment agreements.

## **SECTION J - OTHER PROGRAM PROVISIONS**

#### **J.1 - Refinancing and Work In Progress.**

No funds from this Program shall be used to refinance existing indebtedness. No funds shall be used to pay for any repairs or improvements which may be in progress or may have begun prior to the Administrator issuing a written Proceed to Work Order.

#### **J.2 - Applicant Labor.**

No applicant labor will be allowed.

#### **J.3 - Fees to the Applicant.**

Neither the Administrator nor City of North Mankato shall charge to the Applicant an origination fee, inspection fee, nor fee of any kind, other than the Repayment Agreement Recording fee and the building permit fee noted in Section I.18. Fees required by other financing sources are eligible to be charged to the applicant.

#### **J.4 - Contractor's Warranty.**

1. The Contractor shall defend, indemnify, and hold harmless the Applicant, Administrator, Rehabilitation Advisor, City of North Mankato and its officers, and the officers of any other Financing Source from all liability and claims for damages arising from bodily injury, death, property damage, sickness, disease, or loss and expense resulting from or alleged to result from a Contractor's operations under this Program.
2. The Contractor shall warrant to the Applicant and subsequent owners of the property that:
  - All materials, hardware, fixtures, and utilities of whatever kind used in making repairs are of good quality and free from defects in workmanship or material.
  - The Contractor shall repair, correct, or replace at no cost to the Applicant or subsequent owners any defective workmanship or materials or deficiencies subject to warranty, upon written notice within two years from the date of completion and acceptance of work.

## **SECTION K - FAIR HOUSING & EQUAL OPPORTUNITY**

1. It is the policy of this Housing Rehabilitation Program to work affirmatively to ensure that all persons, regardless of race, color, creed, national origin, sex, religion, marital status, age, handicap, or reliance on public assistance, will be treated fairly and equally in their participation in the Program.
2. The City will be responsible for the promotion of the Program at the local level and shall exercise care in avoiding promotion methods that may exclude potentially eligible applicants. Access to program information and materials will not be denied to any person for any reason including race, color, creed, national origin, sex, religion, marital status, age, handicap, or reliance on public assistance. Affirmative promotion shall include efforts to reach those persons who traditionally may not have participated in similar programs.
3. In order to develop or maintain an effective affirmative promotion effort, the City shall review its promotion methods from time to time during the course of the Program to determine how the methods used can be improved to increase the participation of persons who otherwise might not apply for assistance under the Program, such as single female heads of house-holds, racial minorities, or persons with handicaps or disabilities.
4. The City shall encourage participation by women-and minority-business enterprise (WBE/MBE) parties in the Housing Rehabilitation Program. WBE/MBE contractors, materials suppliers, vendors, and others engaged in rehabilitated enterprises shall be encouraged to seek inclusion on the Bidders' List of the rehab program. (See Section I.10)

## **SECTION L - DATA PRIVACY**

Information on program applicants (including, but not limited to, names, credit reports, financial statements, income calculations and asset information) is private data on individuals which must be administered in accordance with the Minnesota Government Data Practices Act. Applicants shall be provided with proper written notice as specified under the Act. Solely for the purpose of administering the Program, information may be made available to the staffs of the following agencies or organizations: Pettipiece and Associates, Minnesota Valley Action Council, City of North Mankato, banks and lending institutions participating as Financing Sources, the Minnesota Department of Employment & Economic Development, and the United States Department of Housing & Urban Development.

## **SECTION M - CONFLICT OF INTEREST**

Federal regulations (24 CFR 570.611) and Minnesota Statutes 471.87-471.88 specify that elected officials, employees of CDBG Program grant recipients, and others who are in a position to participate in the decision-making process of the Program may not:

1. Obtain personal or financial interest or benefits, including money, favors, gratuities, entertainment or anything of value that might be interpreted as conflict of interest.
2. Obtain a direct or indirect interest in any contract, subcontract, or agreement for any activity. This prohibition extends to contracts in which a spouse, minor child, or business associate may have personal or financial interest.

Questions concerning conflict of interest shall be resolved by a written legal opinion from the City Attorney who shall, if necessary, seek further assistance from the Minnesota Attorney General's Office.

## **SECTION N - EVIDENCE OF MISCONDUCT**

Any party participating in the Program shall refer any evidence of fraud, misrepresentation, or other misconduct in connection with the operation of the Program to the Minnesota Attorney General's Office for appropriate investigation and legal action.

## **SECTION O - COMPLAINTS AND APPEALS**

### **O.1 - Client Complaint Process**

1. Client complaints about any aspect of service delivery, the administrator or assignee's staff, program restrictions; or contractor relations/workmanship may be pursued in writing. Complaints should be addressed directly to the Program Administrator. The Program Administrator will respond to each complaint and shall work with the staff, the contractor, and the client to resolve the problem within two weeks. If the applicant is still dissatisfied, the client may further pursue the complaint as follows:
  - a. A complaint may be filed which will be taken to the City Council for action at its next regularly scheduled meeting.
  - b. If the client is still unsatisfied, the complaint will be forwarded to the Minneapolis Office of Housing and Urban Development, along with the following information:
    1. A copy of the written complaint and request for satisfaction under the appeals process.
    2. A copy of all correspondence between the Program Administrator and the appealing client concerning the appeal disposition.
    3. The final appeal disposition.

### **O.2 - Project Appeal Process**

1. If an applicant's application for any reason is denied or a household is dissatisfied with the level of assistance they have received, the following procedure is to allow for a standardized appeal/complaint process to all applicants of the City of North Mankato CDBG Program. Upon complaint, an applicant will be informed of the following procedure:



- a. That a written procedure for appeal is available.
- b. In the case of denial of assistance or service, a written notice shall be sent to the applicant clearly stating under what condition that application was denied and also a copy of this appeal process.
- c. Initial client appeals about any aspect of service delivery expressed verbally or in writing shall be responded to within two (2) weeks. If the applicant is dissatisfied with the response then the client shall be informed of the following procedure.
- d. The applicant, who wishes to appeal the initial response, must submit a request for appeal in writing within thirty (30) days of the initial response. This request must state the reason(s) for the appeal and should include any information that the applicant feels is pertinent to the appeal. The response to this appeal will be final.
- e. All appeals should be addressed to:

Minnesota Valley Action Council  
Attention: City of North Mankato CDBG Appeal  
706 North Victory Drive  
Mankato, Minnesota 56001

## **SECTION P - AMENDMENTS/APPROVAL**

### **P.1 - Amendments**

These procedural guidelines may be amended or supplemented from time to time by City of North Mankato / Program Administrator by issuance of revised pages to be effective on the date of issue.

### **P.2 - City Approval**

Upon action by the North Mankato City Council, these policies and procedures should be considered approved and in force as of such date..

# CITY OF NORTH MANKATO

## REQUEST FOR COUNCIL ACTION



Agenda Item #9F	Department: City Planner	Council Meeting Date: 08/19/13																											
<b>TITLE OF ISSUE: Consider Approval of CDBG Rehabilitation Standards</b>																													
<b>BACKGROUND AND SUPPLEMENTAL INFORMATION:</b> As 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. Attached are CDBG Rehabilitation Standards as drafted by the Minnesota Valley Action Council (MVAC). Staff from MVAC will be present to explain the need to adopt rehabilitation standards.																													
<i>If additional space is required, attach a separate sheet</i>																													
<b>REQUESTED COUNCIL ACTION: Consider adoption of CDBG Rehabilitation Standards</b>																													
<b>For Clerk's Use:</b>  Motion By: _____ Second By: _____  Vote Record: <table style="margin-left: 40px; border: none;"> <tr> <td style="text-align: center;">Aye</td> <td style="text-align: center;">Nay</td> <td></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Norland</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Spears</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Freyberg</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Steiner</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Dehen</td> </tr> </table>	Aye	Nay		_____	_____	Norland	_____	_____	Spears	_____	_____	Freyberg	_____	_____	Steiner	_____	_____	Dehen	<b>SUPPORTING DOCUMENTS ATTACHED</b>  <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Resolution</td> <td style="text-align: center;">Ordinance</td> <td style="text-align: center;">Contract</td> <td style="text-align: center;">Minutes</td> <td style="text-align: center;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> Other (specify) <u>CDBG Rehabilitation Standards</u> <u>Procedures</u> _____ _____ _____	Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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## ***CDBG Rehabilitation Standards***

The City of North Mankato CDBG Rehabilitation Program has been designed to provide rehabilitation assistance for homeowners in the City of North Mankato by combining funding resources that will provide the maximum benefit to the participating homeowners. These standards are provided to outline the anticipated condition of each dwelling upon completion of rehabilitation in light of the benefits received.

It is the goal of this rehabilitation project to rehabilitate units to a point where they meet or surpass these standards. The following standards incorporate standards from the Section 8 Housing Quality Standards (HQS) and select items from the 1993 Building Officials & Code Administrators (BOCA) National Property Maintenance Code (PM). Furthermore, units will be upgraded to meet or exceed the Minnesota Energy Efficiency Standards for owner occupied properties. All septic systems will be inspected and must meet the Minnesota Pollution Control Agency's (MPCA) standards.

The primary focus of rehabilitation efforts will be to eliminate health, safety and structural violation or deficiencies in substandard dwellings. In all cases, any rehabilitation work done in dwellings will be done for functional, not cosmetic purposes.

### **1. Sanitary Facilities**

#### **a. Summary of Standards**

- HQS1-1 The bathroom must be located in a separate room and have a flush toilet in proper operating condition.
- HQS1-2 The unit must have a fixed basin with a sink trap and hot and cold running water in proper operating condition.
- HQS1-3 The unit must have a shower or a tub with hot and cold running water in a proper operating condition.
- HQS1-4 The facilities must utilize an approvable public or private disposal system, including a locally approvable septic system.

PM-503.1 Dwelling Units – Every dwelling unit shall contain its own bathtub or shower, lavatory, water closet and kitchen sink which shall be maintained in a sanitary, safe working condition. The lavatory shall be placed in the same room as the water closet or located in close proximity to the door leading directly into the room in which such water closet is located.

PM-505.1 General – All plumbing fixtures shall be properly installed and maintained in working order and shall be kept free from obstructions, leaks and defects and be capable of performing the function for which such plumbing fixtures are designed. All plumbing fixtures shall be maintained in a safe, sanitary and functional condition.

PM-505.2 Fixture Clearances – Plumbing fixtures shall have adequate clearances for usage and cleaning.

PM-507.2 Maintenance – Every plumbing stack, vent, waste and sewer line shall function properly and be kept free from obstructions, leaks and defects.

## 2. **Food Preparation and Refuse Disposal**

### a. Summary of Standards

- HQS2-1 The unit must have a cooking stove or range and refrigerator of appropriate size for the unit (i.e. family), all in proper operating condition. This equipment may be supplied by either the owner or tenant.
- HQS2-2 The unit must have a kitchen sink in proper operating condition with a sink trap and hot and cold running water that drains into an approvable public or private system.
- HQS2-3 The unit must provide space for the storage, preparation and serving of food.
- HQS2-4 There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g. trash containers).

## 3. **Space and Security**

### a. Summary of Standards

- HQS3-1 The unit must have a minimum of a living room, kitchen area and bathroom.
- HQS3-2 The unit must contain at least one (1) sleeping or living/sleeping room for each two (2) persons.
- HQS2-3 The unit's windows that are accessible from the outside such as basement, first floor and fire escape windows, must be lockable (e.g. window units with sash pins or sash locks and combination windows with latches). Windows that are nailed shut are acceptable provided that they are not needed as an alternate means of exit in case of fire.
- HQS3-4 The unit's exterior doors (i.e. those that provide access to or egress from the unit) must be lockable.

PM-703.3 Number of Exits – In non-residential buildings, every occupied story more than six (6) stories above grade shall be provided with not less than two (2) independent exits. In residential buildings, every story exceeding two stories above grade shall be provided with not less than two (2) independent exits. In stories where more than one (1) exit is required, all occupants shall have access to at least two (2) exits. Every occupied story that is both totally below grade and greater than 2,000 square feet shall be provided with not less than two (2) independent exits.

**Exception** – A single exit is acceptable under any one of the following conditions:

- a. Where the building is equipped throughout with an automatic sprinkler system and an automatic fire detection system with working smoke detectors located in all corridors, lobbies and common areas.
- b. Where the building is equipped throughout with an automatic fire detection system and the exit is an approved smoke proof enclosure or pressurized stairway.
- c. Where an existing fire escape conforming to the building code listed is provided in addition to the single exit.
- d. Where permitted by the building code.

PM-702.4 Arrangement – Exits from dwelling units, rooming units, guest rooms and dormitory units shall not lead through other such units or through toilet rooms or bathrooms.

PM-705.5 Smoke Detectors – In all residential occupancies, smoke detectors shall be required on every story of the dwelling unit, including basements. In dwelling units with split levels and without an intervening door between the adjacent levels, a smoke detector installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one (1) full story below the upper level.

PM-705.5.1 Installation – When actuated, the smoke detectors shall provide an alarm suitable to warn the occupants within the individual room or dwelling unit.

PM-705.5.2 Power Source – The power source for smoke detectors shall be either an AC primary power source or a monitored battery primary power source.

#### 4. **Thermal Environment** (Heating and Cooling Systems)

- a. Summary of Standards

HQS4-1 The unit must contain a safe heating system (and safe cooling system, where present) that is in proper operating condition and can provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room in order to assure a healthy living environment appropriate to the climate.

HQS4-2 The unit must not contain unvented room heaters that burn gas, oil or kerosene. (Electric heaters are acceptable.)

PM-603.1 Mechanical Equipment – All mechanical equipment fireplaces and solid fuel burning appliances shall be properly installed and maintained in a safe working condition and shall be capable of performing the intended function.

PM-603.2 Cooking and Heating Equipment – All cooking and heating equipment, components and accessories in every heating, cooking and water heating device shall be maintained free from leaks and obstructions.

PM-603.3 Flue – All fuel burning equipment and appliances shall be connected to an approved chimney or vent.

**Exception** – Fuel burning equipment and appliances that are labeled for unvented operation.

PM-603.4 Clearances – All required clearances to combustible materials shall be maintained.

PM-603.5 Safety Controls – All safety controls for fuel burning equipment shall be maintained in effective operation.

PM-603.6 Combustion Air – A supply of air for complete combustion of the fuel and for ventilation of the space shall be provided for the fuel burning equipment.

## 5. **Illumination and Electricity**

### a. Summary of Standards

HQS5-1 There must be at least one (1) window in the living room and in each sleeping Room.

HQS5-2 The kitchen area and the bathroom must have a permanent ceiling or wall type light fixture in working condition. The kitchen area must also have at least one (1) electrical outlet in operating condition.

HQS5-3 The living room and each sleeping room must have at least two (2) electrical outlets in operating condition. Permanent overhead or wall mounted light fixtures may count as one of the required electrical outlets.

PM-604.2 Service – Every dwelling shall be served by a main service that is not less than sixty (60) amperes, three (3) wires.

PM-604.3 Electrical System Hazards – Where it is found that the electrical system in a structure constitutes a hazard to the occupants or the structure by reason of inadequate service, improper fusing, insufficient outlets, improper wiring or installation, deterioration or damage, or for similar reason, the code official shall require the defects to be corrected to eliminate the hazard.

PM-605.1 Installation – All electrical equipment, wiring and appliances shall be properly installed and maintained in a safe and approved manner.

PM-605.2 Receptacles – Every habitable space in a dwelling shall contain at least two (2) separate and remote receptacle outlets. Every laundry area shall contain at least one (1) grounded type receptacle. Every bathroom shall contain at least one (1) grounded receptacle.

PM-605.3 Lighting Fixtures – Every public hall, interior stairway, water closet compartment, bathroom, laundry room and furnace room shall contain at least one (1) electric lighting fixture.

PM-403.1 Habitable Spaces – Every habitable space shall have at least one (1) window of approved size facing directly to the outdoors or to a court. The minimum total window area, measured between stops, for every habitable space shall be eight percent (8%) of the floor area of such room, except in kitchens where artificial light is provided in accordance with the provisions of the building code. Wherever walls or other portions of a structure face a window of any room and such obstructions are located less than three (3) feet (914 mm) from the window and extend to a level above that of the ceiling of the room, such window shall not be deemed to face directly to the outdoors nor to a court and shall not be included as contributing to the required minimum total window area for the room.

## 6. **Structure and Materials**

### a. Summary of Standards

HQS6-1 Ceilings, walls and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts or other serious damage.

HQS6-2 The roof must be structurally sound and weather tight.

HQS6-3 The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes or effects that would result in air infiltration or vermin infestation.



HQS6-4 The condition and equipment of interior and exterior stairways, halls, porches, walkways, etc. must not present a danger of tripping and falling. Broken or missing steps and loose boards are examples of potential hazards.

HQS6-5 Elevators must be working and safe.

HQS6-6 Manufactured homes shall be equipped with at least one (1) smoke detector in working condition. Manufactured homes must be securely anchored by a tiedown device that distributes and transfers the loads imposed by the unit to appropriate ground anchors so as to resist wind overturning and sliding (unless the Field Office has approved a variation to the Acceptability Criteria because the units are in a low wind zone area).

PM-304.3 Structural Members – All structural members shall be maintained free from deterioration and shall be capable of safely supporting the imposed dead and live loads.

PM-304.4 Foundation Walls – All foundation walls shall be maintained plumb and free from open cracks and breaks and shall be kept in such condition so as to prevent the entry of rats.

PM-304.5 Exterior Walls – All exterior walls shall be free from holes, breaks, loose or rotting materials and maintained weatherproof and properly surface coated where required to prevent deterioration.

PM-304.6 Roofs and Drainage – The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent dampness or deterioration in the walls or interior portion of the structure. Roof water shall not be discharged in a manner that creates a public nuisance.

PM-304.7 Decorative Features – All cornices, belt courses, corbels, terra cotta trim, wall facings and similar decorative features shall be maintained in good repair with proper anchorage and in a safe condition.

PM-304.8 Overhang Extensions – All canopies, marquees, signs, metal awnings, stairways, fire escapes, standpipes, exhaust ducts and similar overhang extensions shall be maintained in good repair and be properly anchored so as to be kept in a safe and sound condition. When required, all exposed surfaces of metal or wood shall be protected from the elements and against decay or rust by periodic application of weather coating materials such as paint or similar surface treatment.

PM-304.9 Chimneys and Towers – All chimneys, cooling towers, smoke stacks and similar appurtenances shall be maintained structurally safe and sound and in good repair. all exposed surfaces of metal or wood shall be protected from the elements and against decay or rust by periodic application of weather coating materials such as paint or similar surface treatment.

PM-304.10 Handrails and Guards – Every handrail and guard shall be firmly fastened and capable of supporting normally imposed loads and shall be maintained in good condition.

PM-304.11 Window and Door Frames – Every window, door and frame shall be kept in sound condition, good repair and weather tight.

PM-304.11.1 Glazing – All glazing materials shall be maintained free from cracks and holes.

PM-304.11.2 Openable Windows – Every window, other than a fixed window, shall be easily openable and capable of being held in position by window hardware.

## 7. **Interior Air Quality**

### a. Summary of Standards

HQS7-1 The unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust and other harmful pollutants.

HQS7-2 The unit must have adequate air circulation.

HQS7-3 Bathroom areas must have one (1) openable window or other adequate exhaust ventilation.

HQS7-4 Any room used for sleeping must have at least one (1) openable window, if the window was so designed.

PM-404.2 Bathrooms and Toilet Rooms – Every bathroom and toilet room shall have at least one (1) openable window, except that a window shall not be required in spaces equipped with a mechanical ventilation system that complies with the following:

- 1) Air exhausted by a mechanical ventilation system from a bathroom within a dwelling unit shall be exhausted to the exterior and shall not be recirculated to any space, including the space from which such air is withdrawn.

## 8. **Water Supply**

### a. Summary of Standards

HQS8-1 The unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

PM-506.1 General – Every sink, lavatory, bathtub or shower, drinking fountain, water closet or other plumbing fixtures shall be properly connected to either a public water

system or to an approved private water system. All kitchen sinks, lavatories, laundry facilities, bathtubs and showers shall be supplied with hot or tempered and old running water.

PM-506.2 Contamination – The water supply shall be maintained free from contamination and all water inlets for plumbing fixtures shall be located above the flood level rim of the fixture. Shampoo basin faucets, janitor sink faucets and other hose bibs or faucets to which hoses are attached and left in place shall be protected by an approved atmospheric type vacuum breaker or an approved permanently attached hose connection vacuum breaker.

PM-506.3 Supply – The water supply system shall be installed and maintained to provide a supply of water to plumbing fixtures, devices and appurtenances in sufficient volume and at pressures adequate to enable the fixtures to function properly, safely and free from defects and leaks.

PM-506.4 Water Heating Facilities – Water heating facilities shall be properly installed, maintained and capable of providing an adequate amount of water to be drawn at every required sink, lavatory, bathtub, shower and laundry facility at a temperature of not less than 110 degrees F. (43 degrees C.). A gas burning water heater shall not be located in any bathroom, toilet room, bedroom or other occupied room normally kept closed, unless adequate combustion air is provided. An approved combination temperature and pressure relief valve and relief valve discharge pipe shall be properly installed and maintained on water heaters.

## 9. Lead Based Paint

### a. Summary of Standards

The regulation at 24 CFR Part 35, which implements the Lead Based Paint Poisoning Prevention Act, requires the following:

- HQS9-1 All interior surfaces must be either free of cracking, scaling, peeling, chipping, and loose paint or be adequately treated (as discussed in 3 below) to prevent the exposure of the occupants to such immediate hazards.
- HQS9-2 All exterior surfaces such as stairs, decks, porches, railings, windows and doors that are accessible to children under seven years of age must be free of cracking, scaling, peeling, chipping and loose paint or be adequately treated (as discussed in 3 below) to prevent the exposure of such children to immediate hazards.
- HQS9-3 All surfaces to be treated must be thoroughly washed, sanded, scraped, wire brushed or otherwise properly cleaned to remove all immediate hazards on applicable surfaces before repainting with at least two (2) coats of suitable non-lead paint or be covered with a suitable material such as gypsum

wallboard, plywood, drywall, plaster, wallpaper or other suitable material. If the paint film integrity of the applicable surface cannot be maintained so that new paint or materials such as wallpaper will adhere, the old paint must be completely removed before any repainting or covering is undertaken. Simply painting over affected surfaces is not an acceptable means of compliance.

#### 10. Access

##### a. Summary of Standards

HQS10-1 The unit must be used and maintained without unauthorized use of other private properties.

HQS10-2 The building must provide an alternate means of exit in case of fire (such as fire stairs or exit through windows, with the use of a ladder if windows are above the second floor).

#### 11. Site and Neighborhood

##### a. Summary of Standards

HQS11-1 The site and neighborhood must be reasonably free of serious conditions that would endanger the health and safety of residents.

#### 12. Sanitary Condition

##### a. Summary of Standards

HQS12-1 The unit and its equipment must be free of serious vermin and rodent infestation.

### ***Minnesota Energy Efficiency Standards – Owner Occupied Dwellings***

- A. The Minnesota Energy Efficiency Standards establish priority areas for improvement in owner-occupied single family dwellings. The priority areas for energy consideration are set forth in the following considerations.
- B. All fuel oil furnaces below 75% steady state efficiency shall be improved to meet or exceed 80% steady state efficiency.
- C. General Heat Waste
  - 1. Caulk all dwellings envelope infiltration points, with emphasis on application: window and door frames, sill plates, foundation cracks, corners of buildings, under door sills
  - 2. Caulk or otherwise seal all exfiltration points in the attic, commonly known as attic bypasses, particularly where pipes, wires, fixtures or exhaust vents penetrate the ceiling or top of a wall. Also seal above dropped ceilings, laundry chutes, built-in buffet or other areas that do not have a plastered ceiling.
  - 3. Install hot water heater jackets with caution not to cover pilot light access door or draft hood on gas water heaters.
  - 4. Insulate hot water pipes to at least three (3) feet from water heater.
  - 5. Install gaskets on electrical boxes located on the interior side of exterior walls.
  - 6. Replace or reset broken or loose glass in primary windows. Replace missing glass in storm windows. Install new storm window on single glazed windows where storm window is missing or existing storm window is deteriorated beyond repair.
- D. Insulate attic area
  - 1. Add insulation sufficient to reach R-38 in all areas where space allows.
  - 2. Vent in accordance with FHA/HUD Minimum Property Standards. (No vapor barrier 1 to 300 ratio.)
  - 3. Insulate attic scuttle doors to R-30; dam access area, allowing entry to attic.
- E. Insulate exterior walls to a minimum of R-11 when possible.
- F. Insulate foundation walls on the exterior wherever possible with R-11 coverage over the rim joist and above-ground masonry and at least one foot of below ground masonry. If exterior application is not possible, insulate interior of foundation with R-11 coverage of rim joist and

complete wall area down to basement floor. For interior insulation, a vapor barrier must be installed on the warm side of the insulation.

- G. On crawl space, insulate perimeter foundation wall to R-11 or floor to minimum of R-19 where freezing of pipes is not a factor.

### Minnesota Energy Efficiency Standards – Rental Units

<u>Type of Rental Unit</u>	<u>Standards Which Apply</u>
Single Family	1, 2, or 13, 3, 4, 5, 0, 10, 11, 12
Manufactured Home	1, 2, or 13, 2, 3, 5, 9, or 10, 11, 12
2 – 4 Unit Building	1, 2, or 13, 3, 4, 5, 9, 10, 11, 12
5 – 11 Unit Building	1, 3, 5, 10, 11, 12, and 2 or 13; OR 1, 3, 15, and 2 or 13
12+ Unit Building	1, 3, 5, 10, 11, 12, and 2 or 13; OR 1, 3, 15, and 2 or 13

1. Install weatherstripping between exterior operable window sash and frames and between exterior doors and frames. Weatherstripping is not required on storm doors or storm windows.
2. Caulk, gasket, or otherwise seal accessible exterior joints between foundation and rim joist; around window and door frames; between wall and roof; between wall panels; at penetrations for utility services through walls, floors, and roofs; and at all other openings in the exterior envelope.
3. Install storm windows on all single glazed exterior window units enclosing conditioned space.
4. Install storm doors on all exterior door openings into conditioned spaces unless a single door, enclosed porch, vestibule, or other appurtenance provides a double door effect or provides an “R” value of two or more.
5. Install positive shut-offs for all fireplaces or fireplace stoves, unless an existing damper provides a positive shut-off.
6. Install insulation in accessible attics or ceilings to achieve a minimum total “R” value of the insulation of R-19. If there is sufficient space for the installation of the recommended “R” value, then the standard must be based on installing insulation to fill the available space, while providing for appropriate ventilation.
7. Install insulation in all accessible rim joist areas to achieve a minimum total “R” value of the insulation of R-11. If there is insufficient space for the installation of the recommended “R” value, then the standard must be based on installing insulation to fill the available space.

8. Install insulation in or on accessible walls and floors enclosing conditioned spaces to achieve a minimum total “R” value of the insulation of R-11. If there is insufficient space for the installation of the recommended “R” value, then the standard must be based on installing insulation to fill the available space.
9. Modify the existing heating system so that it operates at a minimum steady-state efficiency of seventy-five percent (75%), as demonstrated through a flue gas analysis.
10. Install insulation in all ceilings or attics between conditioned and unconditioned spaces to achieve a minimum total “R” value of the insulation of R-38. If there is insufficient space for the installation of the recommended “R” value, then the standard must be based on installing insulation to fill the available space.
11. Install insulation in all rim joist areas to achieve minimum total “R” value of the insulation of 19, unless the “R” value of the existing insulation of R-11 or more. If there is insufficient space for the installation of the recommended “R” value, the standard must be based on installing insulation to fill the available space.
12. Install insulation in or on all walls and floors that enclose conditioned spaces to achieve a minimum “R” value of the insulation of R-11. Walls must include foundation walls of basements, cellars, or crawl spaces. Insulation installed on the exterior of the foundation wall must extend down to two feet below grade level. Insulation installed on the interior or in the foundation wall must be installed from the bottom of the rim joist to the foundation slab or floor. If there is insufficient space for the installation of the recommended “R” value, the standard must be based on installing insulation to fill the available space.
13. Caulk, gasket or otherwise seal interior joints between foundation and rim joist, around window and door frames, between wall and ceiling, at joints between wall and trim boards, at cracks on interior surfaces of walls, and at utility penetrations.
14. Install energy conservation measures that have had or are predicted to have a cumulative energy consumption savings of twenty-five percent (25%). These energy conservation measures must be designated in an energy audit conducted by a registered professional engineer or architect or other person determined qualified by the department. The annual energy consumption savings of 25% must be based on verified energy consumption, normalized to the average number of heating degree days reported by the nearest National Oceanographic and Atmospheric Administration recording station, for any heating season from 1973-1974 to the present.



# CITY OF NORTH MANKATO

## REQUEST FOR COUNCIL ACTION



Agenda Item #9G	Department: City Attorney	Council Meeting Date: 08/19/13																																	
<b>TITLE OF ISSUE:</b> Consider Adopting Ord. No. 51, Fourth Series, Establishing Interim Ordinance Under Minnesota Statute 462.355																																			
<b>BACKGROUND AND SUPPLEMENTAL INFORMATION:</b> 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. The attached ordinance is for a one-year moratorium to protect the planning process while formal studies are conducted regarding such land use issues. Effective upon adoption of the ordinance, the City would suspend acceptance of any application for a tobacco license under North Mankato City Code Section 110.22 for any use referenced above.																																			
<i>If additional space is required, attach a separate sheet</i>																																			
<b>REQUESTED COUNCIL ACTION:</b> Consider adopting ordinance																																			
<b>For Clerk's Use:</b>  Motion By: _____ Second By: _____  <table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">Vote Record:</td> <td style="width: 10%; text-align: center;">Aye</td> <td style="width: 10%; text-align: center;">Nay</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Norland</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Spears</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Freyberg</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Steiner</td> </tr> <tr> <td></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Dehen</td> </tr> </table>	Vote Record:	Aye	Nay			_____	_____	Norland		_____	_____	Spears		_____	_____	Freyberg		_____	_____	Steiner		_____	_____	Dehen	<b>SUPPORTING DOCUMENTS ATTACHED</b>  <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Resolution</td> <td style="text-align: center;">Ordinance</td> <td style="text-align: center;">Contract</td> <td style="text-align: center;">Minutes</td> <td style="text-align: center;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> Other (specify) _____ _____ _____ _____ _____	Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**ORDINANCE NO. 51, FOURTH SERIES**

**AN ORDINANCE BY THE CITY OF NORTH MANKATO, MINNESOTA  
ESTABLISHING AN INTERIM ORDINANCE UNDER  
MINNESOTA STATUTE §462.355**

**THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA  
ORDAINS:**

**SECTION 1.**

- 1. 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.**
- 2. Although no such operations currently exist within the City of North Mankato the study is necessary to determine where would be proper zoning for such use if application is made to the City of North Mankato.**
- 3. A one-year interim ordinance (moratorium) is needed to protect the planning process while formal studies are conducted regarding such land use issues.**
- 4. Effective immediately, the City of North Mankato hereby suspends acceptance of any application for a tobacco license under North Mankato City Code Section 110.22 for any use referenced in No. 1 above.**
- 5. This interim ordinance (moratorium) shall be effective for one year from the date of publication.**
- 6. This ordinance shall be published once in the official newspaper of the City after adoption, signing, and annotation. The ordinance shall be in effect on or after the day following such publication.**

**Adopted by the City Council this 19<sup>th</sup> day of August 2013.**

\_\_\_\_\_  
**Mayor**

**ATTEST:**

\_\_\_\_\_  
**City Clerk**



CITY OF NORTH MANKATO

OFFICE OF THE MAYOR

## PROCLAMATION

*WHEREAS, the Business on Belgrade Association's mission is to promote, enhance and preserve beautiful Lower North Mankato as a diverse business, cultural and residential destination for the benefit of the entire community; and*

*WHEREAS, five years ago Business on Belgrade started Blues on Belgrade, a community celebration that has grown to be a major celebration in the Greater Mankato Area; and*

*WHEREAS, in honor of the five year anniversary of Blues on Belgrade and to recognize the time, dedication, and perseverance of those who work to promote Business on Belgrade;*

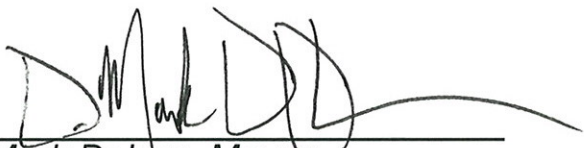
*NOW, THEREFORE, I, Mark Dehen, Mayor of the City of North Mankato, Minnesota, do hereby recognize*

### **BLUES ON BELGRADE 5 YEAR ANNIVERSARY**

*in the City of North Mankato, and encourage all area residents to attend Business on Belgrade events throughout the year.*

*Dated this 19<sup>th</sup> day of August 2013.*



  
Mark Dehen, Mayor