

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on December 15, 2014. Mayor Dehen called the meeting to order at 7:05 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for the meeting: Mayor Dehen, Council Members Spears, Steiner, Norland and Freyberg, City Administrator Harrenstein, Finance Director Thorne, Attorney Kennedy, City Clerk Van Genderen, Planner Fischer and Public Works Director Swanson.

Approval of Agenda

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

Approval of Minutes

Council Member Spears moved, seconded by Council Member Steiner, to approve the minutes of the Council meeting of December 1, 2014. Vote on the motion: Spears, Steiner, Norland and Dehen aye; Freyberg, abstain, no nays. Motion carried.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Res. No. 87-14 Approving Donations/Contributions/Grants.
- C. Res. No. 88-14 Setting Council Meeting Dates for Year 2015.
- D. Res. No. 89-14 Setting Rate and Charge for Municipal Utility.
- E. Res. No. 90-14 Application for Minnesota Public Facilities Authority Loan Application, Drinking Water Revolving Fund.
- F. Charitable Fund Distribution.
- G. Application for On-sale, Sunday and 2 a.m. Liquor Licenses, and Soft Drink, Cabaret and Amusement Device Licenses for Velzke, LLC d/b/a Benderz Bar & Grill, 503 Belgrade Avenue, North Mankato, MN.

Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried. Mayor Dehen thanked Jo Robbins for her contribution to the Library. Council Member Spears noted the Thin Film payment was the final payment. Administrator Harrenstein indicated the payment would dissolve the revolving loan. Council Member Spears suggested the City consider a contract with CTS (Computer Technology Systems) rather than using DKemp Associates. Administrator Harrenstein noted information technology would be addressed in 2015.

Public Comments

Chad Hoppe, 2243 Kodiak Drive appeared before the Council and stated the forfeited properties on Kodiak Drive and Fairbanks Drive should have signs indicating whom potential buyers could contact to purchase the properties.

Business Items

Res. No. 91-14 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2015

Finance Director Thorne reported the Total General Fund Expenditures is budgeted for \$7,170,951 and the Total Auxiliary Fund Expenditures is budgeted for \$11,721,215 bringing the Total Budget All Funds to \$18,892,166. Council Member Freyberg stated he initially supported the budget

but with the changes that have occurred in the past three months he could not support the budget as proposed. He specified the changes included utility rate, sales tax and the purchase of three homes. Freyberg stated he would like a copy of the amended budget items. Freyberg indicated he did not disapprove of the amount of the budget rather the accounting process and he would like a financial process audit included in the passing of the budget. Council Member Spears noted he had issues reconciling the current numbers with the preliminary budget. Council Member Steiner stated changes to the budget were outlined during the Public Hearing. Administrator Harrenstein reported changes made from the preliminary budget were openly discussed. Mayor Dehen indicated that with the City implementing a new financial system it may be a good time for a financial process audit. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Res. No. 91-14 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2015. Vote on the Resolution: Spears, Steiner, Norland, and Dehen aye; Freyberg nay. Motion carried.**

Res. No. 92-14 Approving 2014 Tax Levy Collectible in 2015

Finance Director Thorne stated the Levy would remain flat and the General Fund would receive \$3,991,414, the Port Authority \$75,000 and Bonded Indebtedness \$1,530,000 for a Total Budgeted Levy of \$5,596,414. Thorne reported provisions have been made by the City for payment of \$346,049 as the City's contributory share to the Public Employees' Retirement Fund. **Council Member Steiner moved, seconded by Council Member Norland to adopt Res. No. 92-14 Approving the 2014 Tax Levy, Collectible in 2015. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

Res. No. 93-14 Approving the Capital Improvement Plan Covering Period of 2015-2019

Finance Director Thorne reviewed the Capital Improvement Plan, 2015-2019 reporting a total estimated budget of \$11,151,000 for the 5 year expenditures. Council Member Freyberg indicated he would not support the CIP. He stated the \$3.1 million estimated expenditures in 2015 is excessive preferring the spending be spread out. Administrator Harrenstein reported part of the 2015 expenditure is due to a balloon payment for the refunding of G.O. Bonds and the construction of Lookout Drive Roundabout which uses Municipal State Aid and federal funds. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Res. No. 93-14 Approving Capital Improvement Plan Covering Period of 2015-2019. Vote on the Resolution: Spears, Steiner, Norland and Dehen aye; Freyberg nay. Motion carried.**

Res. No. 94-14 Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive Roundabouts

City Engineer Dan Sarff stated he would discuss the three resolutions advancing Municipal State Aid together although the Council would act individually on the resolutions. Sarff indicated funding for the Lookout Drive Project was complex with federal funding from three sources in four different fiscal years. The project would be constructed next year when the first funds would become available. The Resolution Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive Roundabouts and the Resolution Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive Reconstruction, Roundabouts and Mill/Overlay both use Municipal State Aid advances to pay for the project until federal funds are available to repay the advance. The third resolution Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive advances money from the City's Municipal State Aid Account and covers the expenditures that are not covered by federal funding. The total advancement from the City's Municipal State Aid equals \$1,790,000 and includes the Highway 14 trail. Administrator Harrenstein asked if it would be possible to receive more state funds because the interchange would be a critical detour during the Highway 169 closure. Council Member Spears stated the project maxes out Municipal State Aid

advances. City Engineer Sarff reported it would take four years to replenish the expended funds in the Municipal State Aid Fund. Council Member Spears indicated he was not in favor of the Highway 14 trail and could not support the resolution committing funds to the project. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Res. No. 94-14 Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive Roundabouts. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

Res. No. 95-14 Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive Reconstruction, Roundabouts and Mill/Overlay

Council Member Norland moved, seconded by Council Member Steiner, to adopt Res. No. 95-14 Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive Reconstruction, Roundabouts and Mill/Overlay. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.

Res. No. 96-14 Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive

Council Member Norland moved, seconded by Council Member Steiner, to adopt Res. No. 96-14 Requesting Advancement of Municipal State Aid Funds Project No. 14-03 DEF Lookout Drive. Vote on the Resolution: Steiner, Norland, Freyberg and Dehen aye; Spears nay. Motion carried.

Res. No. 97-14 Awarding Bid for Project No. 08-07B, Well House No. 9

City Engineer Sarff reported five bids were opened for the Construction of Well House No. 9 on December 10, 2014 at 10:00 a.m. Sarff stated it was recommended to award the project to Municipal Builders, Inc. from Andover, MN with a bid of \$827,000.00. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Res. No. 97-14 Awarding Bid for Project No. 08-07B, Well House No. 9. Vote on the motion Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

Res. No. 98-14 Adopting Water Supply Plan

City Engineer Sarff stated the Water Supply Plan was submitted in 2006 and is a 10-year plan. To complete the PFA loan for Well No. 9 the Minnesota Public Facilities Authority requires the City Council adopt a Water Supply Plan which has been approved by the Department of Natural Resources. The plan was submitted in 2006 and was never read until the City applied for the PFA loan. When the DNR read the plan it was determined the City's water conservation rates did not comply with requirements. The City complied and passed new conservation rates. When the rates were passed the Water Supply Plan was in compliance with requirements and the DNR approved the Water Supply Plan. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Res. No. 98-14 Adopting Water Supply Plan. Vote on the motion Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

Preliminary and Final Plat of Wowanwa Hillside, Part of Blocks 2 and 3, Wendel Hodapp's Addition, a request from Albert and Mary Weller

City Planner Fischer reported the applicants own two properties addressed as 707 Lake Street and 806 Garfield Avenue. The 806 Garfield property is directly behind the 707 Lake Street property. The property owners intend to sell the 806 Garfield property and would like to put the garage and shed located on the 806 Garfield property with the 707 Lake Street property. The owners would dedicate Outlot A, the remaining portion of the hillside, to the City. Planner Fischer stated the Planning Commission reviewed the proposal and recommend approval. **Council Member Freyberg moved,**

seconded by Council Member Norland, to approve the Preliminary and Final Plat of Wowanwa Hillside, Part of Blocks 2 and 3, Wendel Hodapp's Addition, a request from Albert and Mary Weller. Vote on the motion Spear, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.

City Administrator and Staff Comments

Administrator Harrenstein thanked the Council for the discussion and accountability concerning the budget.

Administrator Harrenstein reported a draft comprehensive plan will be presented to the Council in January and a final plan in February.

Mayor and Council Comments

Council Member Norland

Council Member Norland reported Community Education and Recreation was looking for volunteers to work in classrooms. If anyone was interested please visit the website.

Norland stated the University of Minnesota Water Resources website recently posted a report containing recommendations to improve water sustainability.

Mayor Dehen

Mayor Dehen reported he attended a presentation at SCC about the Federal government's future water regulations. He stated the State of Minnesota has implemented many of the regulations that the federal government may require in the future. Dehen indicated that the City needs to be aware of future federal water regulations as the regulations may have a negative impact on the City.

Mayor Dehen requested information on the property located at 303 Belgrade. Attorney Kennedy stated charges against the property owner would be presented before a judge on January 22, 2015.

Council Member Spears

Council Member Spears stated he received a request from a citizen requesting a park in lower North Mankato where citizens could walk their dogs.

Public Comments

None

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Norland, the meeting adjourned at 7:58 p.m.

Mayor

City Clerk