

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 June 16, 2014. Mayor Dehen called the meeting to order at 7:00 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for the meeting, Mayor Dehen, Council Members Spears, Steiner, Norland and Freyberg, City Administrator Harrenstein, Finance Director Thorne, Attorney Kennedy, City Clerk Gehrke, Planner Fischer and Public Works Director Swanson.

Approval of Agenda

Council Member Spears asked that Item 9.C. be removed from the Consent Agenda. This item was moved to Business Item 11.J. **Council Member Freyberg moved, seconded by Council Member Norland, to approve the agenda as amended. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.**

Approval of Minutes

Council Member Norland moved, seconded by Council Member Steiner, to approve the minutes of the Council meeting of June 2, 2014. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Public Hearing, 7 p.m. – Street Right-of-Way Vacation on Howard Drive West

The Mayor opened the public hearing to consider the street right-of-way vacation on Howard Drive. A copy of the Notice of Public Hearing and Affidavit of Publication were part of the Council packet. With no one appearing before the Council, the Mayor closed this portion of the meeting.

Public Hearing, 7 p.m. – Utility Vacation Northport No. 17

The Mayor opened the public hearing to consider a utility vacation in Northport No. 17. A copy of the Notice of Public Hearing and Affidavit of Publication were part of the Council packet. With no one appearing before the Council, the Mayor closed this portion of the meeting.

Consent Agenda

Council Member Norland moved, seconded by Council Member Steiner, to approve the Consent Agenda, as amended:

- A. Bills and Appropriations.
- B. Res. No. 36-14 Approving Donations/Contributions/Grants.
- C. Sunday On-Sale Liquor License for Mankato Brewery, LLC.

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

Public Comments

Neal Benson, 2221 Clare Drive

Neal Benson, 2221 Clare Drive, appeared before the Council and spoke against a paved bicycle trail being included in the Old Belgrade ravine project stating the trail would be 30 feet from the deck in their backyard, other neighbors are also opposed to the trail and \$40,000 cost of the paved trail is extraordinary. Council Member Norland reported some neighbors who are in favor of the trail have contacted her so not everyone is against the trail.

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council and spoke in opposition to a bicycle trail being included in the Old Belgrade ravine project noting the \$40,000 cost and stating the City already has many miles of trails.

Lucy Lowry, Library Director

Lucy Lowry, Library Director, appeared before the Council and gave them an update of the new bookmobile and the grant dollars used for the bookmobile and upgrades to the bookmobile. She reported the bookmobile is operational and on the road. The Library Director reported since \$12,000 was available after the bookmobile was completed, the remaining funds are eligible to be used for another project. She noted that an open house would be held in the near future for the new bookmobile and to retire the old bookmobile. Administrator Harrenstein reported that last weekend Bookin' on Belgrade, a nearly 5K walk/run was held and the 10th Annual Art Splash will be held June 21st. He thanked Lucy for the work she does using the library to build the community and for all she does for the City of North Mankato and its children.

Business Items**Res. No. 37-14 Vacating Street Right-of-Way on Howard Drive**

Council Member Freyberg moved, seconded by Council Member Norland, to adopt Resolution No. 37-14 Vacating Street Right-of-Way on Howard Drive. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Resolution Vacating Utility Easements - Northport No. 17

The Administrator recommended this item be tabled until this property is ready for sale. **Council Member Norland moved, seconded by Council Member Steiner, to table vacating the utility easements in Northport No. 17. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.**

Res. No. 38-14 Awarding Bid for Project No. 13-02AC, Roe Crest-Noretta-Belgrade Ravine and "Old" Belgrade Avenue

Council Member Spears moved, seconded by Council Member Steiner, to adopt Resolution No. 38-14 Project No. 13-02AC, Roe Crest-Noretta-Belgrade Ravine and "Old" Belgrade Avenue, without the paved trail included. Council Member Spears stated his concern about privacy on both ends of the trail and also about bicyclists coming out Old Belgrade Hill onto Lee Boulevard and does not believe the trail should be promoted as a bicycle trail. Council Member Steiner stated the trail does not connect to any other trails. Council Member Freyberg asked what type of trail the City needs to service the sanitary and storm water mains in the ravine. Public Works Director Swanson reported this is the only ravine that has both water and sewer outlets. Engineer Sarff stated that preferably an aggregate base if not a paved trail be considered to get the City vehicles up and down the ravine. Administrator Harrenstein recommended the Council proceed with borrowing the money for this project and approving the project with the stipulation that no work begins on the trail until the Council gives further directive regarding the style and material for the trail. Council Member Spears withdrew the original motion. **Council Member Norland moved, seconded by Council Member Freyberg, to adopt Resolution No. 38-14 Awarding Bid for Project No. 13-02AC with the stipulation that additional Council discussion would be held regarding the trail. Council Member Spears made a friendly amendment to this motion to include the language that no**

work would begin on the trail until the Council has additional discussion and a directive is given regarding the trail including materials to be used for the trail. Council Member Norland and Council Member Freyberg agreed to the amendment to the motion. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Res. No. 39-14 Approving and Authorizing Execution of a Declaration of Official Intent of the City under the Reimbursement Bond Regulations of the Internal Revenue Service

Administrator Harrenstein reported that General Obligation Bonds, Series 2014A, would be used for the Roe Crest-Noretta-Belgrade Ravine improvements, purchase of municipal sanitary waste carts and upgrades to the main lift station. Council Member Norland moved, seconded by Council Member Spears, to adopt Resolution No. 39-14 Approving and Authorizing Execution of a Declaration of Official Intent of the City under the Reimbursement Bond Regulations of the Internal Revenue Service. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Res. No. 40-14 Providing for the Issuance and Sale of General Obligation Bonds, Series 2014A

Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 40-14 Providing for the Issuance and Sale of General Obligation Bonds, Series 2014A. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Consider Contribution for Revised Envision 2020 Report

Administrator Harrenstein presented background information regarding Envision 2020 reporting that City Center Partnership is part of E2020 and the City Planner sits on this committee. He reported the Mankato Area Foundation is heading up the effort for the revision of the Envision 2020 report and currently has contributions totaling \$11,000. The City of Mankato has contributed in the amount of \$2,500. Council Member Spears spoke against contributing to this effort since he believes it is redundant given our membership in REDA and the Comprehensive Plan that is currently being developed. Council Member Norland moved, seconded by Council Member Freyberg to approve the City of North Mankato contribution in the amount of \$2,000 for the revision of the Envision 2020 Report. Vote on the motion: Steiner, Norland Freyberg and Dehen, aye; Spears, nay. Motion carried.

Res. No. 41-14 Authorizing Transfer of Funds

Finance Director Thorne reported the \$432,200.95 transfer of funds from the City's Bond Reserve Fund to the Port Authority 2009A Taxable Refund Bond Fund is to cure certain deficits in the 2009A Bond fund. This fund originally refunded the Port Authority Taxable General Obligation Building Revenue Bond, Series 1998A which were issued to develop Development District No. 1. She reported the tax increment revenues projected to fund debt service did not materialize creating a deficit balance in the debt service fund. This transfer will cure the accumulated deficit in the 2009A Bond fund and current budget practice projects the use of property tax to fund future debt requirements. Administrator Harrenstein stated this interfund loan is an accounting cleanup which will make it easier to speak about during bond ratings. Council Member Freyberg moved, seconded by Council Norland moved, to adopt Resolution No. 41-14 Authorizing Transfer of Funds. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.

Res. No. 42-14 Authorizing Interfund Loan for Certain Costs in Connection with Tax Increment Financing District No. 8 Marigold

Finance Director Thorne reported the City is advancing funds in the form of a loan from the City's General Fund to the Port Authority Tax Increment Financing District No. 8 Marigold Fund in order to cure deficits in the Marigold fund, and proposed to designate the advance as an interfund loan. She reported the Marigold fund has incurred costs associated with the project that revenues generated in the district were not able to cover. When the Marigold project moves forward, tax increment from the current project has potential to cover future debt service and the interfund loan repayment. **Council Member Freyberg moved, seconded by Council Member Steiner, to adopt Resolution No. 42-14 Authorizing Interfund Loan for Certain Costs in Connection with Tax Increment Financing District No. 8 Marigold. Vote on the Resolution: Spears, Steiner, Norland, Freyberg and Dehen, aye; no nays. Motion carried.**

Set Public Hearing for 7 p.m. on Monday, July 7, 2014, to Consider Amendment to City Code, Chapter 110, General Business Regulations and Licensing, Specifically Section 110.22, Tobacco

Attorney Kennedy reported the moratorium passed by the City regarding electronic delivery devices for tobacco will expire the end of August 2014. He presented a proposed ordinance which combines electronic devices along with tobacco. The necessary action is to set a public hearing to consider the amendment to the City Code as it relates to tobacco and electronic delivery devices. Council Member Spears stated the City should not be taking up this matter. **Council Member Steiner moved, seconded by Council Member Norland, to set a public hearing for 7 p.m. on Monday, July 7, 2014, to Consider Amendment to City Code, Chapter 110, General Business Regulations and Licensing, Specifically Section 110.22, Tobacco. Vote on the motion: Steiner, Norland Freyberg and Dehen, aye; Spears nay. Motion carried.**

Comprehensive Plan Chapter 5: Economic Development and Chapter 6: Parks, Trails and Recreation

The City Planner reported as part of the Comprehensive Planning process, Chapter 5: Economic Development and Chapter 6: Trails and Recreation were brought before the Planning Commission on June 12, 2014 for their review. Regarding Chapter 5- Economic Development, discussion was held regarding the data presented and how to act on the data and fill any gaps noted. It was recommended that a local grant program for downtown redevelopment and any potential grant funding sources should be added to the finance tools section. The Planning Commission indicated the Comprehensive Plan should be written to be understood by all readers and that the goals be attainable for staff to address. Regarding Chapter 6 – Parks, Trails and Recreation, the Planning Commission believes more attention should be given to culture and fine arts. They also would like to see consistent signage within all parks. There was considerable discussion regarding parkland dedication as a means to purchase and maintain parkland and pedestrian trail connections from neighborhoods to parks. Mayor Dehen stated that HUD dollars are also available for redevelopment activities in the CBD. He also spoke of the arts and culture available citing the Twin River Center for the Arts which brings in \$5 million to the community annually. The City Administrator stated the community benefits from such a strong YMCA and the amenities provided by non-profits. Council Member Norland requested that Tom Hagen's vision statement for parks be included in this section and that the reports from the Park & Green Spaces Committee be listed as references. Administrator Harrenstein reported that two open houses would be held to discuss future land uses, the first meeting on Wednesday, June 18, 2014 and the second meeting on Monday, June 23, 2014. Both meetings will be held from 5:30 p.m.

to 7 p.m. at Fire Station No. 2. He reported there are some additional chapters to be reviewed but the Comprehensive Plan is nearing completion.

City Administrator and Staff Comments

Brad Swanson, Public Works Director, reported that Movies in the Park held on Friday, June 13, 2014 at Spring Lake Park was a huge success with hundreds in attendance. The featured movie was E.T. He reported the City worked with Community Education, and he thanked Realty Executives, Business on Belgrade, WisPak, Angie's Kettle Corn, the North Mankato Taylor Library bookmobile and Fire Department for their contributions to the event. He also thanked Lloyd Lumber for donating the bounce house for the pre-movie event. The next Movies in the Park will be held on Friday, August 15, 2014.

Mayor and Council Comments**Council Member Norland**

Council Member Norland reported that she attended a luncheon meeting sponsored by the Women's Foundation of Minnesota and they support and provide grants for organization to raise the economic status, increase safety and increase leadership skills for women and girls. For a copy of the report or additional information go to www.wfmn.org. She stated it is frustrating to see the lack of progress on these issues.

Council Member Freyberg

Council Member Freyberg reported an MAPO meeting was held on June 5, 2014. He attended an All Seasons Arena meeting on June 13, 2014 and they are currently evaluating the impact of additional MSU activities moving to the civic center in 2015-16. Projections look good with a growing need for additional ice time. An Intergovernmental meeting was held last week and Mankato Mayor Anderson will have those minutes out soon.

Council Member Spears

Council Member Spears read the Summary Review of the City Administrator's evaluation for the period of March 2013 to March 2014.

Mayor

The Mayor reported that Brad Swanson, Public Works Director, attended the MAPO meeting. A national bicycle consultant was in town reviewing the biking in Mankato and North Mankato. The Public Works Director will attend the Bicycle Commission meeting on Wednesday, June 25, 2014 at 7 p.m. and give a report.

Public Comments**Neal Benson, 2221 Clare Drive**

Neal Benson, 2221 Clare Drive, appeared before the Council and thanked them for listening and debating the trail issue. He stated there was strong opposition from the citizens most affected by the trail.

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council and spoke about the transfer of funds and stated that now that the entire Council sits on the Port Authority, maybe fund transfers will not be necessary.

Jim Whitlock, President of Business on Belgrade

Jim Whitlock, President of Business on Belgrade, appeared before the Council and thanked the City Administrator, stating Kansas' loss is our gain. He reported that Business on Belgrade is now 10 years old. He thanked Lucy Lowry for joining Business on Belgrade and for hosting Bookin' on Belgrade last Saturday. He also thanked the Public Works and Police Department for all they did for traffic control for this event. He stated Lucy was on the radio with Pete Steiner and talked about Boo on Belgrade. Mr. Whitlock recapped the main three events hosted by Business on Belgrade: 1) Blues on Belgrade which will be held July 26, 2014; 2) Beer on Belgrade (Oktoberfest) which will be held September 27, 2014; and 3) Bookin' on Belgrade which was held June 14, 2014. He stated four Boogie on Belgrade events will be held this year with the third one Saturday night which he was unable to attend. Mayor Dehen attended and reported there was a large number of people he didn't recognize and these events are bringing in new people to our community which is just what we wanted. Mr. Whitlock reported the final Boogie on Belgrade will be held on July 25th. He also reported the new business, Benderz, recently joined Business on Belgrade.

There being no further business on a motion by Council Member Norland and second by Council Member Steiner, the meeting was adjourned at 8:14 p.m.

Mayor

City Clerk