

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 1, 2016. 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 roll call: Mayor Dehen, Council Members Spears, Steiner, Norland and Freyberg, City Administrator Harrenstein, Finance Director McCann, Attorney Kennedy, City Planner Fischer, Public Works Director Swanson and City Clerk Van Genderen.

Approval of Agenda

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

Approval of Council Minutes

Council Member Norland moved, seconded by Council Member Steiner to approve the minutes of the Council meeting of July 18, 2016. Council Member Spears noted in the minutes sent out prior to the meeting his vote was incorrectly recorded as aye for Res. No. 59-16 Adopting Proposed Sidewalk Maintenance and Installation Policy and Res. No. 60-16 Awarding Bid for Project No. 16-01EF Municipal Building Entrance and Parking Lot and had been changed in the minutes that would be voted on. **Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

Public Hearing, 7 pm-Proposed Amendment to City Code, Chapter 111, Alcoholic Beverages.

City Clerk Van Genderen stated City staff is requesting to amend City Code Chapter 111.054 Temporary 3.2%, Malt Liquor License, On-Sale, for Special Events increasing the number of permitted calendar days for qualified applicants from 10 days to 12 days.

Barb Church, 102 Wheeler Avenue, appeared before Council and requested clarification on the increase in the number of events permitted.

Mayor Dehen stated it was mainly due to events held at Caswell Park, and increasing the number of permitted events allows organizations such as the North Mankato Firefighter's Relief Association the opportunity to serve 3.2% at longer tournaments.

Public Hearing, 7 pm-Proposed Ordinance Opting-Out of the Requirements of Minnesota Statutes 462.3593.

Barb Church, 102 Wheeler Avenue, appeared before Council and stated the legislation had good intentions but it appears to be poorly constructed.

Public Hearing, 7 pm-Proposed Amendments to B-1, B-2 and B-3 Building Setbacks.

Matthias Leyrer, 526 Wall Street, appeared before Council and advocated for the elimination of setbacks citing the idea that the property value on the 200 block of Belgrade was significantly higher than the Walgreens property located at 1705 Commerce Drive due to how the land was developed based on setbacks. Mr. Leyrer also indicated he believes eliminating setbacks increases safety and calms traffic and he believes citizens prefer not to have setbacks.

Barb Church, 102 Wheeler Avenue, appeared before Council and stated she approved of the 20 foot setback recommended by the Planning Commission not the 15 foot recommended by staff. She reported she approved of compromise not radical changes.

Consent Agenda

Council Member Freyberg moved, seconded by Council Member Steiner, to approve the Consent Agenda which included:

- A. Bills and Appropriations.
- B. Adopted Res. 64-16 Approving Donations/Contributions/Grants.
- C. Approved Application for Cigarette and Soft Drink License for Tip Top Tobacco, LLC at 1710 Commerce Drive; Suite 130.
- D. Approved Large Group Audio Permit for Kelsey O'Donnell for Vacation Bible school at Wheeler Park on August 4, 2016 from 3 p.m. to 9 p.m.
- E. Approved Temporary Liquor License for the North Mankato Fire Relief Association for August 5-7, and 11-14, 2016 at Caswell Park.
- F. Approved Setting the Fall Drop-Off for October 14-16, 2016.
- G. Adopted Res. No. 65-16 Approving Consent Assessment Agreement.
- H. Adopted Res. No. 66-16 Declaring Surplus Vehicles and Equipment.

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

Public Comments

Tom Hagen, 927 Lake Street, appeared before Council and stated he appreciated the Spring Lake Park sound map guidelines produced by the City but stated it should have included banning audio devices at pavilion #3. Mr. Hagen indicated his decibel reader found Blues on Belgrade out of compliance with State Statute.

Kelly McDonough, 822 South Avenue, appeared before Council and thanked everyone involved with Blues on Belgrade and stated it was a fabulous event that promotes the community.

Jim Downs, 2444 Northridge Drive, appeared before Council and thanked the Council and all involved in producing Blues on Belgrade indicating it was a fabulous community event.

Scott Peymann, 10 Restless Court, appeared before Council and stated over the road trucks were creating a lot of noise using jake brakes on Lookout Drive and requested patrolling of the area.

Business Items

Ordinance No. 77 Amending City Code, Chapter 111, Alcoholic Beverages. Council Member Steiner moved, seconded by Council Member Freyberg to Adopt Ordinance No. 77, Fourth Series an Ordinance of the City of North Mankato, Minnesota, Amending North Mankato City Code, Title XI, Business Regulations, Chapter 111, Alcoholic Beverages. Vote on the motion: Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.

Ordinance No. 78 an Ordinance Opting-Out of the Requirements of Minnesota Statutes, Section 462.3593. Council Member Spears stated he would like staff to consider creating an ordinance that addresses temporary family health care dwellings. Attorney Kennedy reported the main concern with the proposed legislation is that it removes local control and staff is proposing the City opt-out of the legislation. Council Member Norland requested Administrator Harrenstein propose an alternative ordinance to address temporary family health care dwellings. Administrator Harrenstein requested the Planning Commission review temporary family health care dwellings. **Council Member**

Freyberg moved, seconded by Council Member Norland to Adopt Ordinance No. 78 an Ordinance Opting-Out of the Requirements of Minnesota Statutes, Section 462.3593. Vote on the motion, Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.

Ordinance No. 79, an Ordinance of the City of North Mankato, Minnesota, Amending North Mankato City Code, Chapter 156, Zoning Code. Council Member Spears requested reducing the setbacks in the proposed ordinance from the Planning Commission's recommendation of 20 feet to City staff's 15 feet recommendation. **Council Member Spears moved, seconded by Council Member Norland to Reduce the Proposed Front Yard Setback from 20 feet to 15 feet. Vote on the motion, Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.** Council Member Freyberg moved, seconded by Council Member Steiner to Adopt Ordinance No. 79, with the Reduced Front Yard Setback from 20 feet to 15 feet, an Ordinance of the City of North Mankato, Minnesota, Amending North Mankato City Code, Chapter 156, Zoning Code. **Vote on the motion, Spears, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

Res. No. 67-16 Resolution Awarding the Sale of General Obligation Bonds, Series 2016A, in the Original Aggregate Principal Amount of \$1,800,000; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their payment. Tammy Omdal from Northland Securities was present to discuss the bond sale. Ms. Omdal first noted that the City's AA bond rating was reaffirmed. Ms. Omdal reported five bids were received and United Bankers' Bank, Bloomington, Minnesota was the winning bidder at a True Interest Cost (TIC) of 1.88%. She stated the results were positive and as financial advisor, Northland Securities, recommends approval of the bid. Council Member Spears requested clarification on if the bond was rejected what would happen to the Roe Crest Drive Project. Administrator Harrenstein stated the project would immediately stop. **Council Member Steiner moved, seconded by Council Member Norland to Adopt Res. No. 67-16 Awarding the Sale of General Obligation Bonds, Series 2016A, in the Original Aggregate Principal Amount of \$1,800,000; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their payment. Vote on the motion, Steiner, Norland, Freyberg and Dehen aye; Spears nays. Motion carried.**

Receive Rental Density Study. Matt Lassonde from Bolton & Menk appeared before Council to present the Rental Density Study. Mr. Lassonde stated the Rental Density Study was initiated after a one-year moratorium was implemented on September 21, 2015 due to concerns of the increasing conversion of single family homes to rentals in the community. The concerns stem from research that indicates rental concentrations are linked to increases in nuisances, City Code violations, and calls to the Police Department and data findings in North Mankato give merit to those claims. He stated the rental density regulation is rooted in the North Mankato Comprehensive Plan which contains a policy to "create a policy that permits a limited number of rental units in a specified area to minimize turnover of owner-occupied single-family homes to rental units within established neighborhoods." Staff suggests setting a rental density of 10% per block. Currently lower North Mankato has a renter occupancy of 16% and without offsetting factors could see an additional 50 new licenses in a 5-year period raising the percentage to nearly 19%. Mr. Lassonde reviewed studies indicating homeownership increased neighborhood stability by increasing the length of tenure of the current residents, increasing property value, improved physical condition of properties, and social conditions in the neighborhood, such as school dropout or crime rate. He reviewed police calls to North Mankato rentals which supported the data that there are higher occurrences of police calls to renter occupied homes as compared to homeowner occupied homes. Mr. Lassonde stated policy recommendations

included the establishment of §151.18 Rental Density Ordinance; establishment of §151.19 Temporary Rental Licenses, adopting increased parking requirements for rental properties and increased efforts for documenting grass, weed, and nuisance complaints. He presented a map that documented available licenses based on 10% per block. Administrator Harrenstein stated that when the City adopted the Comprehensive Plan it identified concentration of rentals as an issue to address. He stated rental density in lower North Mankato is trending upward and may negatively impact neighborhoods. The City does want renters and areas have been identified for higher rental density including the Central Business District. The City's goal is to create a healthy mix of rentals and homeowner occupied housing. Existing rentals are not in jeopardy of losing their license even if the rental density for the block is higher than 10%. If a rental license lapses in a block with higher than 10% rental density the license will not be reissued. Recognizing the need for temporary rental licenses, the policy recommendations include creating a temporary rental license to assist those that are moving and exempts homeowners from density limits. The Comprehensive Plan identified trends and staff applied research to determine a course of action. City Administrator Harrenstein indicated that the issue is less acute in upper North Mankato. Attorney Kennedy requested clarification on the definition of a block. Mr. Lassonde stated it was a subjective look at natural boundaries and relied on established practices. Attorney Kennedy stated Public Hearings would be appropriate to consider. City Administrator Harrenstein indicated citizen discussion would occur through multiple forums before City Council made any decisions.

Res. No. 68-16 Specifying Proposed Use of Revenues from the Extension of the Local Sales and Use Tax. City Administrator Harrenstein stated this resolution set the sales tax limit at \$9 million and identified the following uses for the proceeds: Development of Regional Parks and Hiking and Biking Trails, New and Existing Recreational Facilities, Expansion of the North Mankato Taylor Library, Riverfront Redevelopment and Lake Improvement Projects. Council Member Spears stated he was concerned that the use of proceeds was not well defined and indicated he was not in favor of a particular proposed project. Council Member Norland stated she was in favor of not having specific projects to allow flexibility. Mayor Dehen stated he agreed that only a few specific projects were named, but the Council will vet any projects that are proposed before tax money is spent. Council Member Freyberg stated the money will not become available for many years and it would be difficult if there were specific projects because those projects may not be available in the years to come. **Council Member Norland moved, seconded by Council Member Steiner to Adopt Res. No. 68-16 Specifying Proposed Use of Revenues from the Extension of the Local Sales and Use Tax. Vote on the motion, Steiner, Norland, Freyberg and Dehen aye; Spears nay. Motion carried.**

Res. No. 69-16 Determining the Necessity for the Extension of a Sales and Use Tax and Calling a Special Election Thereon. City Administrator Harrenstein indicated the resolution sets forth the purpose of the extension of the sales and use tax, proposes that the extension of the sales and use tax be presented to voters, directs the City Clerk to follow specific notification and provides the language used on the ballot question. He indicated the language for the ballot question was specified by the City's bond council. Council Member Spears stated one of the proposed projects is a large project that he considers third tier project because it does not benefit everyone and maintenance of a large scale project could be significant. **Council Member Steiner moved, seconded by Council Member Norland to Adopt Res. No. 69-16 Determining the Necessity for the Extension of a Sales and Use Tax and Calling a Special Election Thereon. Vote on the motion, Steiner, Norland, Freyberg and Dehen aye; Spears nay. Motion carried.**

City Administrator and Staff Comments

City Clerk Van Genderen stated there are two Council Member at large positions (4-year terms) and the Mayor (2-year term) up for election. Filing begins on August 2 and concludes on August 16. Residents can visit the City Clerk’s office to file and pay the filing fee.

Mayor and Council Comments

Mayor Dehen thanked the staff for the audio permit map.

Council Member Norland stated Council received a police report from Chief Boyer concerning the audio during Blues on Belgrade. She stated the report indicated there were no violations of State Law concerning noise.

Mayor Dehen thanked those that produced Blues on Belgrade.

Mayor Dehen stated he received a thank you note from Bob Ringhofer’s daughter, Jackie Snell, thanking the City for the float in the parade and the flowers sent in memorial of former City Administrator Bob Ringhofer.

Mayor Dehen requested City Planner Fischer review Scott Peymann’s concerns about excessive noise and jake braking by trucks on Lookout Drive with the Traffic and Safety Committee.

Public Comments

Tom Hagen, 927 Lake Street, appeared before Council and expressed concerns about the Rental Density Study.

Kelly McDonough, 822 South Avenue, appeared before Council and stated more individuals may rent in lower North Mankato due to more accessibility to transportation.

Matthias Leyrer, 526 Wall Street, appeared before Council and expressed concerns about the Rental Density Study.

Barb Church, 102 Wheeler Avenue, appeared before Council and expressed concerns about the Rental Density Study.

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Norland, the meeting adjourned at 8:13 p.m.

Mayor

City Clerk