

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 17, 2007. Mayor Zellmer 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 Zellmer, Council Members Norland, DeWitte, Schindle and Steiner, Administrator Sande, City Clerk Gehrke, Finance Director Mork, Engineer Malm, Attorney Kennedy and Planner Fischer.

Approval of Minutes

Council Member Norland moved, seconded by Council Member Steiner, to approve the minutes of the Council meeting of December 3, 2007 and the Council Workshop of December 3, 2007. Vote on the motion: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.

Correspondence

Certificate of Achievement for Excellence in Financial Reporting for 2006 - CAFR

Mayor Zellmer read a letter from the Government Finance Officers Association with notification that our Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006 qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Mayor congratulated the Finance Director for this accomplishment.

ECHO Food Shelf

In response to the needs of the ECHO Food Shelf and the upcoming holidays, Mayor Zellmer suggested a donation from the 10% gambling fund to the ECHO Food Shelf immediately. In previous years, a \$500 donation was allocated to the ECHO Food Shelf.

Council Member Steiner moved, seconded by Council Member Norland, to donate \$1,000 to the ECHO Food Shelf. Vote on the motion: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.

Public Hearing, 7 p.m. – Annexation of Burnett Property, 30.13 Acres

The Mayor opened the public hearing to consider the annexation of 30.13 acres of land owned by Roy Burnett (Burnett Properties LLC) which will be used for future industrial development. A notice of hearing was published in the official newspaper. With no one appearing before the Council, the Mayor closed this portion of the hearing.

Ord. No. 16, Fourth Series, Annexation of 30.13 Acres

Council Member Steiner moved, seconded by Council Member Schindle, to adopt Ord. No. 16, Fourth Series, annexation of 30.13 acres, Roy Burnett Property. Vote on the Ordinance: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.

Open the Meeting to the Public for the First Time

The Mayor opened the meeting to the public for the first time with no one appearing.

Review of Nicollet County Board Actions

Administrator Sande reported he met with Jim Stenson regarding the dispatch center and the potential of scheduling a retreat with the Nicollet County Board.

Staff Reports**City Planner****Authorize Submission of Minnesota Housing Grant**

Planner Fischer presented a proposal to submit a grant application to the Minnesota Housing Finance Agency (MHFA) under its Minnesota City Participation Program (MCP) to address housing needs. Through the MCP, the MHFA sells mortgage revenue bonds on behalf of cities to meet locally identified housing needs. The proceeds of these bonds provide below market interest rate home mortgage loans for low- and moderate-income first-time homebuyers. In 2007, the interest rate for this program was 5.75%. The City has been participating in this program since 1997. **Council Member DeWitte moved, seconded by Council Member Steiner, to authorize submission of a housing grant application to the Minnesota Housing Finance Agency. Vote on the motion: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

Traffic Study

Planner Fischer presented background information and a study conducted by SRF Consulting in 2000. The intent of the study was to develop a plan that ensures the safe and efficient operations of Highway 14 while supporting the City's long-term growth plans. A summary of the findings and recommendations of the report show the following: 1) The current traffic counts are estimated to be 11,000 vehicles per day of which 1,100 are trucks; 2) A modified diamond interchange was recommended near the Highway 14/CSAH 41 intersection; 3) Based on current and expected future growth, an interchange at Highway 14/CSAH 41 would reduce traffic congestion at the Lookout Drive interchange; and 5) Highway 14 is an important principal arterial corridor that links major trade centers across southern Minnesota and based on expected future growth in the area, Highway 14 will fall below performance goals by the year 2020. While the SRF study discouraged an at-grade intersection in this location, the City believes it is necessary to accommodate existing and future industrial and residential growth.

City Administrator**Approval of Proposed 2008 Budget, Res. No. 101-07 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2008**

Administrator Sande noted the Council held a public hearing for the 2008 budget on December 3, 2007. He presented a resolution approving the General Fund Budget in the amount of \$5,440,995 and the Auxiliary Fund Budget in the amount of \$17,830,058 for a total budget of all funds in the amount of \$23,271,053. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 101-07 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2008. Vote on the Resolution: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

Res. No. 102-07 Approving the Capital Improvement Plan 2008-2012

Administrator Sande noted a public hearing was held on the Capital Improvement Plan 2008-2012 on December 3, 2007 and presented a resolution for approval of the Capital Improvement Plan 2008-2012. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 102-07 Approving the Capital Improvement Plan 2008-2012. Vote on the Resolution: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

Res. No. 103-07 Approving 2007 Tax Levy, Collectible in 2008

Administrator Sande presented Resolution No. 103-07 approving the 2007 tax levy, collectible in 2008. Administrator Sande reported of the total levy of \$4,603,569, \$1,318,471 was bonded indebtedness. Applications for property tax refunds for those renters or homeowners qualifying are available on the Minnesota Department of Revenue website www.taxes.state.mn.us. **Council Member Schindle moved, seconded by Council Member DeWitte, to adopt Resolution No. 103-07 Approving 2007 Tax Levy, Collectible in 2008. Vote on the Resolution: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

Res. No. 104-07 Approving Salary Ranges for Fiscal Year 2008

Administrator Sande presented Resolution No. 104-07 approving the salary ranges for fiscal year 2008 noting the general fund salary budget for 2008 includes a 3.00% increase for general and merit increases. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 104-07 Approving Salary Ranges for Fiscal Year 2008. Vote on the Resolution: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

Agreement for Provision of Legal Services

Administrator Sande presented the proposed Agreement for Provision of Legal Services for calendar year 2008 with Kennedy & Kennedy with the recommended monthly retainer for 2008 at \$6,835 per month and non-retainer services billed at the rate of \$140 per hour. **Council Member Schindle moved, seconded by Council Member DeWitte, to approve the Agreement for Provision of Legal Services for calendar year 2008 with Kennedy & Kennedy. Vote on the motion: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

Res. No. 105-07 Setting Rates and Charges for Municipal Water, Sewer, Refuse and Storm Water

Administrator Sande presented the resolution setting rates and charges for municipal water, sewer, refuse and storm water rates to be effective January 1, 2008. The rates for water increased 7.00% and storm water increased \$.50 per month; all other rates remain unchanged. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 105-07 Setting Rates and Charges for Municipal Water, Sewer, Refuse and Storm Water. Vote on the Resolution: Norland, DeWitte, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

Due to another commitment, Council Member Steiner left the meeting at this time.

Purchase of Real Estate at 514 Webster Avenue

Administrator Sande presented background information on the property at 514 Webster Avenue reporting this property is one of the non-conforming residential uses north of Webster Avenue between Center Street and Quincy. Staff became aware several months ago that the property would be available for sale and believes this is an opportunity to resolve a non-conforming use, create a buildable commercial lot and reuse the house to redevelop blighted property. **Council Member DeWitte moved, seconded by Council Member Norland, to refer this item to the North Mankato Port Authority Commission. Vote on the motion: Norland, DeWitte, Schindle and Zellmer, aye; no nays.**

Res. No. 106-07 Calling for a Public Hearing on Proposed Property Tax Abatement for The Bean's Plus, Inc. Child Care Facility

Administrator Sande reported that due to the space needs of South Central College, the daycare facility will have to relocate by June 30, 2008. Staff has been working with the operator of the childcare center who is proposing to construct The Bean's Plus, Inc. Child Care facility at the corner of Carlson Drive and Rolling Green Lane adjacent to the industrial park and Benson Park. The owner is requesting assistance to the project in the form of a property tax abatement and a low-interest loan from the Port Authority for a portion of the project costs. The total project cost is estimated to be \$1,535,000 of which the Port Authority will be requested to provide \$275,000 from the Revolving Loan Fund or approximately 18 percent of total project costs. A public hearing is necessary to consider granting a property tax abatement for this project. **Council Member Norland moved, seconded by Council Member DeWitte, to adopt a Resolution Calling for a Public Hearing on Proposed Property Tax Abatement for The Bean's Plus, Inc. Child Care Facility for 7 p.m. on Monday, January 7, 2008. Vote on the Resolution: Norland, DeWitte, Schindle and Zellmer, aye; no nays. Motion carried.**

Notice of Pay Equity Compliance

Administrator Sande presented notification of compliance with the Local Government Pay Equity Act from the Minnesota Department of Employee Relations. The Notice of Compliance will be displayed at the Municipal Building.

Sale of Surplus Equipment

Administrator Sande updated the Council on the sale of surplus equipment reporting total receipts of \$3,510 for a 1958 International Harvester Fire Truck, 1987 Chevrolet 1-ton truck, 1988 Chevrolet ½ ton pickup and generator windings.

Update on Well No. 6 Repairs

Administrator Sande reported repairs are continuing on Well No. 6 with the well company anticipating re-installation of the pumping equipment and testing of the pumping equipment during the next two weeks. He reported the City Engineer is working on the feasibility report for Well No. 9 which will be located near Caswell Park.

City Clerk**License Renewals for 2008**

Clerk Gehrke presented a list of the 2008 liquor license renewals for on-sale intoxicating liquor, Sunday liquor, off-sale intoxicating liquor, club on-sale intoxicating liquor, cabaret and wine on-sale. The Police Department recommends approval and issuance of the renewal applications for 2008. All insurance certificates have been received and appropriate fees and property taxes have been paid. The Clerk also presented the 2008 license renewals for soft drink, cigarette, mechanical amusement devices, refuse haulers, mobile home parks, 3.2 non-intoxicating on-sale, 3.2 non-intoxicating off-sale and taxi. All appropriate fees and insurance certificates have been received and staff recommends approval of all license renewals for 2008. **Council Member Schindle moved, seconded by Council Member DeWitte, to approve all 2008 liquor and other license renewals and authorize the Mayor and Clerk to sign all licenses. Vote on the motion: Norland, DeWitte, Schindle and Zellmer, aye; no nays. Motion carried.**

Application for On-Sale Intoxicating Liquor, Sunday On-Sale Liquor and Soft Drink Licenses for Bonito Guadalajara, 503 Belgrade Avenue

Clerk Gehrke presented an application for on-sale intoxicating liquor, Sunday on-sale liquor and soft drink licenses for Bonito Guadalajara, 503 Belgrade Avenue, reporting that although these licenses were granted in 2007, this establishment is under new ownership and a new application is required. The Clerk reported that all property taxes are paid and the appropriate fees and insurance certificates have been received. Staff recommends approval of the on-sale intoxicating liquor, Sunday on-sale liquor and soft drink licenses for Bonito Guadalajara, 503 Belgrade Avenue. **Council Member Norland moved, seconded by Council Member DeWitte, to approve the on-sale intoxicating liquor, Sunday on-sale liquor and soft drink licenses for Bonito Guadalajara, 503 Belgrade Avenue. Vote on the motion: Norland, DeWitte, Schindle and Zellmer, aye; no nays. Motion carried.**

Res. No. 107-07 Setting Council Meeting Dates for Year 2008

Clerk Gehrke presented a resolution with the recommended Council meeting dates to accommodate the necessary changes due to federal holidays. The Clerk noted changes from the regular Monday meeting dates to Tuesday, January 22, 2008; Tuesday, February 19, 2008 and Tuesday, September 2, 2008. The balance of the meetings will remain on the regularly scheduled first and third Mondays of the month. **Council Member Schindle moved, seconded by Council Member DeWitte, to adopt Resolution No. 107-07 Setting Council Meeting Dates for Year 2008. Vote on the Resolution: Norland, DeWitte, Schindle and Zellmer, aye; no nays. Motion carried.**

Finance Director**Communication with Nicollet County Auditor**

Finance Director Mork reported he received a call from Doreen Pehrson, the Nicollet County Assessor, to discuss the miscommunication on the valuation increase for North Mankato residents. Doreen wishes to appear before the Council each year prior to the equalization hearings in April to discuss changes proposed in the market values for properties in North Mankato.

Council Member Norland

Council Member Norland reported she attended the Community Education and Recreation meeting and discussion was held on funding for the summer programs.

Council Member Norland reported she attended President Davenport's holiday reception.

Council Member DeWitte

Council Member DeWitte reported he attended Bolton & Menk's holiday open house and toured the facility.

Report from Mayor**Res. No. 108-07 Making Appointment to the North Mankato Housing and Redevelopment Authority Board**

Mayor Zellmer reported Myron Wendland is currently a resident at Koppen Gardens who sent a letter of his qualifications to the Mayor for consideration of appointment to the opening on the North Mankato Housing and Redevelopment Authority Board. **Council Member Norland moved, seconded by Council Member DeWitte, to adopt Resolution No. 108-07 appointing**

Myron Wendland to the North Mankato Housing and Redevelopment Authority Board. Vote on the Resolution: Norland, DeWitte, Schindle and Zellmer, aye; no nays. Motion carried.

Allocation of Monies to the Park Development Fund

Mayor Zellmer reported the City would receive a ½ percent fee in the amount of \$12,500 for bonding for the Evangelical Covenant Church Daycare Center. He requested Council consideration to allocate these monies to the Endowment Fund for Parks or to the Park Development Fund. **Mayor Zellmer moved, seconded by Council Member Norland, to allocate the ½ percent fee in the amount of \$12,500 to the North Mankato Park Development Fund. Vote on the motion: Norland, DeWitte, Schindle and Zellmer, aye; no nays. Motion carried.**

Mayor Zellmer thanked the residents, Council and staff for a good year and wished everyone a Merry Christmas and Happy New Year.

**Open the Meeting to the Public for the Second Time
Curt Zupfer, 957 Belvista Drive**

Curt Zupfer, 957 Belvista Drive, appeared before the Council and compared taxes on homes valued at \$149,200 in Mankato and \$150,000 in North Mankato. He reported taxes on the Mankato home were \$1,332 and the North Mankato home were \$1,549, a difference of \$217. Administrator Sande reported Blue Earth County did a major re-valuation to commercial properties which had a favorable impact on residential property taxes.

Bills and Appropriations

Council Member Norland moved, seconded by Council Member DeWitte, to approve all bills and appropriations in the amount of \$338,834.34. Vote on the motion: Norland, DeWitte, Schindle and Zellmer, aye; no nays. Motion carried.

There being no further business, the meeting was adjourned at 8:22 p.m. on a motion by Council Member Norland, seconded by Council Member DeWitte. Vote on the motion: Norland, DeWitte, Schindle and Zellmer, aye; no nays. Motion carried.

Mayor

City Clerk