

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 18, 2006. 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 McGee, Pearson, Schindle and Steiner, Administrator Sande, City Clerk Gehrke, Finance Director Mork, Engineer Rippke, Attorney Kennedy and Planner Fischer.

### **Approval of Minutes**

**Council Member McGee moved, seconded by Council Member Steiner, to approve the minutes of the Council meeting of December 4, 2006. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

### **Correspondence**

#### **Certificate of Achievement for Excellence in Financial Reporting for 2005 - 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, 2005 qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Mayor congratulated the Finance Director for this accomplishment.

### **Open the Meeting to the Public for the First Time Realtor Association of Southern Minnesota**

Jason Beal, representing the Realtor Association of Southern Minnesota, appeared before the Council and requested their consideration of the Property Line Identification Disclosure Statement as revised October 30, 2006. Jim Norland, 411 Page Avenue, also appeared before the Council and addressed this subject. Council Member Pearson reported he has been working with representatives of the RASM and believes the revised Property Line Identification Disclosure Statement meets the needs of the City. He encouraged RASM to notify all realtors of the need to return the statements to the City of North Mankato, along with the I & I Statements. **Council Member Pearson moved, seconded by Council Member McGee, to adopt the Property Line Identification Disclosure Statement as revised October 30, 2006 to be effective January 1, 2007. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried. Council Member Pearson moved, seconded by Council Member Steiner, to include this revision with other changes presented at the January 16, 2007 public hearing amending the City Code. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

### **Review of Nicollet County Board Actions**

Administrator Sande reported the Nicollet County Board allocated dollars for library support for the balance of 2006 including the library at the Nicollet Public School. No action was taken on the request that the Nicollet County Board meetings be recorded and televised on the cable channels.

### **Staff Reports**

#### **City Planner**

#### **Minutes of December 14, 2006 Planning Commission Meeting**

The Council accepted the minutes of the December 14, 2006 Planning Commission meeting.

**Preliminary Plat of Burnett's Ravine Ridge No. 4**

Planner Fischer presented a request from Steven and Kathleen Burnett for preliminary plat approval of Burnett's Ravine Ridge No. 4. The plat consists of eleven (11) residential lots including the extension of Raymond Drive to intersect with Pleasant View Drive and the addition of Raymond Court. Outlot A would be used for the expansion of Pleasant View Park including a sidewalk connection to Raymond Drive. The Planning Commission recommended approval of the preliminary plat of Burnett's Ravine Ridge No. 4. **Council Member Steiner moved, seconded by Council Member Pearson, to approve the preliminary plat of Burnett's Ravine Ridge No. 4. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**V-3-06, Variance Request to Increase the Maximum Allowable Amount of Garage Floor Space from 1,200 sq. ft. to 1,677 sq. ft.**

Planner Fischer presented a request from Eric and Malinda Else to increase the maximum allowable amount of garage floor space from 1,200 sq. ft. to 1,677 sq. ft. at 1541 Nottingham Drive. A building permit was issued for the applicants to construct a 2-story building with 1,200 sq. ft. of permitted garage floor space on the first level and a living unit on the second level. After construction of the building occurred, the applicants submitted a variance request to increase the garage floor space from 1,200 sq. ft. to 1,677 sq. ft. Eric Else addressed the Council asking for their consideration of this variance reporting the garage would be used to store his boat and camper and the second floor would be used as living space for relatives. The Planning Commission recommended denial of the variance due to a lack of demonstrated hardship. **Mayor Zellmer moved, seconded by Council Member Steiner, to deny V-3-06, as recommended by the Planning Commission. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**V-4-06, Variance Request to Reduce a Side Yard Setback from 10 feet to 0.8 feet at 1511 LorRay Drive**

Planner Fischer presented a variance request from Eugene Buckley to reduce a side yard setback from 10 feet to 0.8 feet for a wheelchair accessible ramp and reduce a side yard setback from 10 feet to 6.8 feet for a building addition. According to a property survey, the existing house was constructed in violation of both side yard setback regulations. A proposed access ramp and deck would reduce a side yard setback to 0.8 feet and a building addition to 6.8 feet from the south property line. Dale Schmidt, Dale Schmidt Construction, Inc., appeared before the Council and reported because of Veterans Administration wheelchair accessibility requirements, the building addition would need to be constructed in conjunction with the access ramp and deck. The Planning Commission recommended approval of V-4-06 subject to the removal of the ramp and deck upon sale of the property or when Mr. Buckley's use ends. **Council Member Steiner moved, seconded by Council Member McGee, to approve V-4-06 as recommended by the Planning Commission, subject to the removal of the ramp and deck upon sale of the property. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**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 2006, the interest rate for this program was 5.625%. The City has been participating in this program since 1997. **Mayor Zellmer moved, seconded by Council Member Steiner, to authorize submission of a housing grant application to the Minnesota Housing Finance Agency. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

#### **City Administrator**

#### **Approval of Proposed 2007 Budget, Res. No. 99-06 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2007**

Administrator Sande noted the Council held a public hearing for the 2007 budget on December 4, 2006. He presented a resolution approving the General Fund Budget in the amount of \$5,013,845 and the Auxiliary Fund Budget in the amount of \$15,325,017 for a total budget of all funds in the amount of \$20,338,862. This is a General Fund increase of 2.61% over the previous year. **Council Member Schindle moved, seconded by Council Member Pearson, to adopt Resolution No. 99-06 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2007. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

#### **Res. No. 100-06 Approving the Capital Improvement Plan 2007-2011**

Administrator Sande noted a public hearing was held on the Capital Improvement Plan 2007-2011 on December 4, 2006 and presented a resolution for approval of the Capital Improvement Plan 2007-2011. **Council Member McGee moved, seconded by Council Member Steiner, to adopt Resolution No. 100-06 Approving the Capital Improvement Plan 2007-2011. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

#### **Res. No. 101-06 Approving 2006 Tax Levy, Collectible in 2007**

Administrator Sande presented Resolution No. 101-06 approving the 2006 tax levy, collectible in 2007, for a levy of \$4,218,750. Administrator Sande reported this was an increase of 7.50% from the previous levy. **Council Member Steiner moved, seconded by Council Member Pearson, to adopt Resolution No. 101-06 Approving 2006 Tax Levy, Collectible in 2007. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

#### **Res. No. 102-06 Approving Salary Ranges for Fiscal Year 2007**

Administrator Sande presented Resolution No. 102-06 approving the salary ranges for fiscal year 2007 noting the general fund salary budget for 2007 includes general increases up to 3.00% and merit increases up to .50%. **Council Member McGee moved, seconded by Council Member Steiner, to adopt Resolution No. 102-06 Approving Salary Ranges for Fiscal Year 2007. Vote on the Resolution: McGee, 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 2007 with Kennedy & Kennedy with the recommended monthly retainer for 2007 at \$6,510 per month and non-retainer services billed at the rate of \$140 per hour. **Council Member Steiner moved, seconded by Council Member McGee, to approve the Agreement**

**for Provision of Legal Services for calendar year 2007 with Kennedy & Kennedy. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Res. No. 103-06 Setting Water Rates and Charges for Municipal Water, Sewer, Refuse and Storm Water**

Administrator Sande presented the resolution setting water rates and charges for municipal water, sewer, refuse and storm water rates to be effective January 1, 2007. The rates for water and storm water increase; all other rates remain unchanged. **Council Member Pearson moved, seconded by Council Member Steiner, to adopt Resolution No. 103-06 Setting Water Rates and Charges for Municipal Water, Sewer, Refuse and Storm Water. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Set Public Hearing for 7 p.m. on Tuesday, January 16, 2007 for Revision of Code of Ordinances**

Administrator Sande reported staff has identified necessary technical changes and some omissions in the recently adopted Code of Ordinances and will present the list of changes at the public hearing on January 16, 2007. **Council Member Steiner moved, seconded by Council Member Schindle, to set a public hearing for 7 p.m. on Tuesday, January 16, 2007 for revision of the Code of Ordinances. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Schools and Conferences**

**Council Member McGee moved, seconded by Council Member Steiner, to approve actual and necessary expenses for the following schools and conferences:**

1. Minnesota River Summit, New Ulm, January 10-11, for City Planner.
2. 2007 CGMC Legislative Action Day, St. Paul, January 10, for Mayor and City Administrator.

**Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**City Clerk**

**License Renewals for 2006**

Clerk Gehrke presented a list of the 2007 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 2007. All insurance certificates have been received and appropriate fees and property taxes have been paid. The Clerk also presented the 2007 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 approving all license renewals for 2007. **Council Member Steiner moved, seconded by Council Member Pearson, to approve all 2007 liquor and other license renewals and authorize the Mayor and Clerk to sign all licenses. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Res. No. 104-06 Setting Council Meeting Dates for Year 2007**

Clerk Gehrke presented a 2007 calendar and 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 2, 2007; Tuesday, January 16, 2007; Tuesday, February 20, 2007; and Tuesday, September 4, 2007. The balance of the meetings will remain on the regularly scheduled first and third Mondays of the month.

**Council Member Schindle moved, seconded by Mayor Zellmer, to adopt Resolution No. 104-06 Setting Council Meeting Dates for Year 2007. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Parade Permit for Arthritis Foundation North Central Chapter Walk**

**Council Member Schindle moved, seconded by Council Member Steiner, to approve the parade permit for the Arthritis Foundation North Central Chapter Walk from 8:30 a.m. to 1:30 p.m. on May 5, 2007. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Application for 3.2 Off-Sale Beer, Casey's Retail Company d/b/a Casey's General Store, 1375 Lookout Drive**

Clerk Gehrke presented an application for a 3.2 off-sale beer license for Casey's Retail Company d/b/a Casey's General Store, 1375 Lookout Drive, reporting the Police Chief has reviewed the application and recommends approval. **Council Member Steiner moved, seconded by Council Member Schindle, to approve the application for an off-sale 3.2 beer license for the period January 1-December 31, 2007 for Casey's Retail Company d/b/a Casey's General Store, 1375 Lookout Drive. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays.**

**Finance Director****Res. No. 105-06 Approving 2006 Budget Amendments**

Finance Director Mork presented Resolution No. 105-06 Approving 2006 Budget Amendments as follows: Parkland Fund (225) – Increase \$58,325 (Joint Projects); Contingency Fund (227) – Increase \$34,250 (Original Budget Understated); Port Authority Fund (228) – Increase \$5,000 (E2020 Funding); Capital Facility Fund (230) – Increase \$5,000 (Remodeling City Hall); Northport Center Fund (248) – Increase \$6,700 (Common Area Maintenance); G.O. Improvement Bonds of 2004 (344) – Increase \$50,905 (Change in Scheduled Debt Service); Port Authority Revenue Bonds (368) – Increase \$55,302 (Change in Scheduled Debt Service); Port Authority Lease Revenue Bonds (369) – Increase \$3,404 (Increase in Paying Agent Fees). **Council Member Pearson moved, seconded by Council Member Steiner, to adopt Resolution No. 105-06 Approving 2006 Budget Amendments. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Res. No. 106-06 Authorizing Transfer of Funds**

Finance Director Mork presented a resolution calling for the following fund transfers: From General Fund (101) to the Capital Facilities and Equipment Replacement Fund (230) - \$20,000 for capital facilities and equipment replacement; From General Fund (101) to the Parkland Fund (225) - a transfer in lieu of parkland fees of \$14,000; From Water Fund (601) to the Capital Facilities-Water Fund (231) - \$40,000 for capital facilities and equipment replacement; From Sewer Fund (602) to Capital Facilities-Sewer Fund (232) - \$45,000 for

capital facilities and equipment replacement; From Storm Water Utility Fund (604) to G.O. Improvement Fund of 1996 (336) - \$45,385 for debt service; From Port Authority Fund (228) to Port Authority Construction Fund (448) - \$10,000 for construction costs; From Sewer Fund (602) - \$5,000, from Water Fund (601) - \$15,000, from Sanitation Fund (603) - \$6,000 to Equipment Certificate of Indebtedness Fund (305) for debt service; From Water Fund (601) - \$33,655, from Sewer Fund (602) - \$50,985, from Sanitation Fund (603) - \$32,200 and from Storm Water Utility Fund - \$4,750 to General Fund (101) Utility Administration Fee; From Sanitation Fund (603) - \$10,000 to Parkland Fund (225) for contribution to construction projects; From Port Authority Tax Increment Financing Fund (238) - \$50,000 to G.O. Improvement Bonds of 1998 Fund (338) for UPS Project; From 2006 Construction Fund (446) - \$124,600 to Parkland Fund for purchase of land for storm water pond in Benson Park. **Council Member Steiner moved, seconded by Mayor Zellmer, to adopt Resolution No. 106-06 Authorizing Transfer of Funds. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Res. No. 107-06 Declaring Costs to be Assessed for Municipal Charges – 816 Nicollet Avenue**

Finance Director Mork presented Resolution No. 107-06 for costs to be assessed in the amount of \$535.07 for unpaid utility bills at the rental property at 204 Christensen Street. The owner of the rental property asked the amount due to be assessed against his property at 816 Nicollet Avenue. **Council Member Schindle moved, seconded by Council Member Steiner, to adopt Resolution No. 107-06 Declaring Costs to be Assessed for Municipal Charges. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Res. No. 108-06 Declaring Costs to be Assessed for Municipal Charges – 1356 Lookout Drive**

Finance Director Mork presented Resolution No. 108-06 for costs to be assessed in the amount of \$280.60 for curb box repair at 1356 Lookout Drive. **Council Member McGee moved, seconded by Council Member Steiner, to adopt Resolution No. 108-06 Declaring Costs to be Assessed for Municipal Charges. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**Res. No. 109-06 Declaring Costs to be Assessed for Municipal Charges – 1744 Mary Lane**

Finance Director Mork presented Resolution No. 109-06 for costs to be assessed in the amount of \$98.70 for curb box repair at 1744 Mary Lane. **Council Member McGee moved, seconded by Council Member Steiner, to adopt Resolution No. 109-06 Declaring Costs to be Assessed for Municipal Charges. Vote on the Resolution: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

**City Engineer  
Project Update**

Engineer Rippke reported because of the good weather progress is continuing in Burnett's Ravine Ridge No. 4 Subdivision.

**Council Member Steiner**

Council Member Steiner thanked Council Members Pearson and McGee for their years of service to the City of North Mankato.

**Council Member Pearson**

Council Member Pearson thanked his wife, Jean, for helping him with the phone calls he received from citizens over the past 12 years; he thanked the voters for their confidence in electing him to three terms; and expressed his appreciation to the Council Members, past and present, and City staff members for their work. He gave a special thank you to the City crews who have dredged Spring Lake, built Caswell Park, and done street projects, which have saved the taxpayers many dollars. Administrator Sande recapped the many projects that have taken place in the City during the past 12 years while Council Member Pearson was in office.

**Council Member Schindle****Traffic & Safety Committee Minutes of the December 6, 2006 Meeting**

Council Member Schindle reported the Traffic & Safety Committee met on December 6, 2006 to consider two items of business. The first was a request from the City of North Mankato to install “No Parking” signs on Valerie Lane for street maintenance purposes. The Traffic & Safety Committee recommended the installation of “No Parking” signs on the west side or downhill side of Valerie Lane. **Council Member Schindle moved, seconded by Council Member Pearson, to approve the installation of “No Parking” signs on the west side or downhill side of Valerie Lane. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

The second item of business was a request from the City of North Mankato to replace an existing “Yield” sign with a “STOP” sign at the intersection of Pleasant View Drive and Willow Lane due to the presence of Pleasant View Park near this intersection. The Traffic & Safety Committee recommended replacing existing “Yield” signs with “STOP” signs at all current and future Pleasant View Drive intersections from North Ridge Drive to Rockford Road. **Council Member Schindle moved, seconded by Council Member Pearson, to approve replacing existing “Yield” signs with “STOP” signs at all current and future Pleasant View Drive intersections from North Ridge Drive to Rockford Road. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.**

Council Member Schindle thanked Council Members McGee and Pearson for their years of service to the City of North Mankato.

**Council Member McGee**

Council Member McGee thanked the Council and staff for their support during her time in office.

**Report from Mayor**

Mayor Zellmer thanked Council Members McGee and Pearson for their years of service to the City of North Mankato.

**Open the Meeting to the Public for the Second Time**

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

**Bills and Appropriations**

Council Member Schindle moved, seconded by Council Member Steiner, to approve all bills and appropriations in the amount of \$351,166.55. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.

There being no further business, the meeting was adjourned at 8:25 p.m. on a motion by Council Member Pearson, seconded by Council Member McGee. Vote on the motion: McGee, Pearson, Schindle, Steiner and Zellmer, aye; no nays. Motion carried.

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Mayor

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City Clerk