

Pursuant to due call and notice thereof, a Council Workshop of the North Mankato City Council was held in the Council Chambers of the Municipal Building on April 4, 2011. The meeting was called to order at 6 p.m. The following were present for the meeting: Mayor Dehen, Council Members Norland, Schindle, Steiner and Freyberg, City Administrator Sande, Finance Director Mork and City Clerk Gehrke.

VINE

Pam Determan, Executive Director of VINE Faith in Action, appeared before the Council and reported VINE has assumed the management of the Summit Center which now serves over 400 people. She asked for the City's support as VINE raises funds to obtain and rehabilitate the Nichols Building to house the senior programming of the Summit Center and consolidate the offices and programs of their organization. She reported Blue Earth County has agreed to sell the Nichols Building to VINE for \$1.00 providing they can generate the resources needed to renovate the building. Funds needed to rehabilitate the exterior are estimated at \$1.7 million and are needed by this fall. The total project cost is \$4.3 million. She asked the Council to consider having a member serve on the Development Task Force. Council Member Norland asked if Executive Director Determan has applied for funds from the Federal Home Loan Bank Board and USDA Rural Development. She asked Ms. Determan to contact her regarding other areas of funding. The Mayor asked for a volunteer from the Council to serve on the VINE Development Team.

Swim Facility

Administrator Sande reported the operation of the swim facility was included in the approved 2011 General Fund Expenditures Budget. Since no definitive information has been received from the Legislature regarding LGA cuts, staff asked for a determination from the Council on how to proceed with the swim facility. Finance Director Mork has estimated a net savings of \$57,375 in the General Fund if the swim facility is not opened in 2011. Council Member Schindle asked for a list of other items that could be cut in the parks in order to keep the swim facility open. The Council directed staff to proceed with hiring the personnel and to open the swim facility.

Proposed Amendment to Charitable Gambling Ordinance

Mayor Dehen reported the Lake Washington Improvement Association has requested the City consider amending the Charitable Gambling Ordinance to include two miles outside the boundaries of Independent School District No. 77. He reported the Lake Washington Improvement Association would like to have charitable gambling in Hott Shotts. Council Member Schindle requested a breakdown of the donations from the Lake Washington Improvement Association. Council Member Freyberg requested an inventory of all charitable gambling functions in Mankato and North Mankato.

Port Authority

Port Authority President Wade Hensel and Commissioner Bob Knutson, members of the North Mankato Port Authority Commission were in attendance to discuss revitalization efforts in the downtown and related issues. Council Member Freyberg reported he had several questions regarding the bylaws of the Port Authority. He asked if the current City Administrator has always been the Executive Vice President of the Port Authority. Administrator Sande reported he has been the Executive Vice President of the Port Authority since he was appointed City Administrator. The previous City Administrator was the Executive Vice President prior to that time. Council Member Freyberg asked about the times for the Port Authority meetings. He stated that 7:30 a.m. meetings limit the number of people able to attend. Administrator Sande reported the meeting times were changed for a period of time and the attendance was the same. He reported the meetings are televised

to give a broader audience access to the meetings. President Hensel reported that 7:30 a.m. was the best time for the Port Authority Commissioners. Council Member Freyberg reported he has heard from many of his constituents that they would like a different meeting time. President Hensel said meeting times would be discussed at a future Port Authority meeting.

Council Member Freyberg addressed the North Mankato Federal Revolving Loan Fund Guidelines, Section VII.B. Ineligible Activities, states that funds may not be used for retail businesses. Administrator Sande reported there are two divisions of funds and local funds may be used for retail. Council Member Freyberg stated in his opinion loaning up to 40 percent of a project cost is risky. He also asked who reviews the business plan prior to approval of a loan and if the loan request is referred to the City Council for approval. Administrator Sande reported that a Port Authority Loan Committee meets and reviews the application and makes a recommendation to the Port Authority Commission. Council Member Schindle reported that the loan funds are coming from the Revolving Loan Fund and not from the General Fund. Administrator Sande gave background information on the monies in the Revolving Loan Fund reporting the Coloplast and Capstone grants were repaid with interest and these funds are used to loan out for other projects. Administrator Sande also reported the Port Authority is usually the third position for a loan after the bank and the Small Business Administration (SBA). Discussion was held about possible revisions to the bylaws and this item will be discussed at a future Port Authority meeting.

Council Member Freyberg addressed the Business Subsidy Policy and referenced Section 16.994(2) which states the criteria may not be on a case-by-case basis. Administrator Sande reported the provision was made so that discretion could be exercised for projects that retained jobs versus creating jobs, such as in the Thin Film case.

Council Member Freyberg asked if the term "riverfront redevelopment" was used on the ballot when the vote was taken for the Local Option Sales Tax. Administrator Sande reported the state tax chair requested the term riverfront redevelopment to have consistent terminology with the City of Mankato's request; however, the riverfront redevelopment was defined as "Assist business development in the Central Business District." Administrator Sande will send the Council copies of the ballot and also the information given to residents prior to the election.

Council Member Freyberg asked that when an applicant has requested a loan that the applicant is required to be at the Port Authority meeting where the loan is being considered. He also requested that if a Port Authority Commissioner votes "no" on a question, that the Port Authority minutes reflect the reason he voted "no."

Mayor Dehen asked for a comprehensive plan for parking in the downtown area. He also reported the biggest concern for North Mankato is the lack of commercial property available for development.

President Hensel stated he appreciated the Council's discussion of the Port Authority and reported the Port Authority has the same interests in revitalization and economic development.

Commissioner Knutson reported the Port Authority Commissioners struggle when loans or grants are more subjective, but feel we have enough confidence and vision to make the right decisions.

There being no further business, the Council Workshop was adjourned at 6:57 p.m.

Mayor

City Clerk