

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 April 5, 2010. 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 Schindle, Steiner, Norland and DeWitte, City Administrator Sande, Finance Director Mork, City Clerk Gehrke, Attorney Kennedy, Engineer Malm and Planner Fischer.

### **Approval of Minutes**

**Council Member Schindle moved, seconded by Council Member DeWitte, to approve the minutes of the Council meeting of March 15, 2010 and the Council Workshop of March 15, 2010. Vote on the motion: Steiner, Norland, DeWitte and Zellmer, aye; Schindle abstained; no nays. Motion carried.**

### **Correspondence**

The Mayor received an invitation to Gustavus Adolphus College South Central Forum breakfast from 7-9 a.m. on Thursday, May 6, 2010.

The Mayor received an invitation to the MRCI Foundation Grand Prix on Saturday, July 24, 2010.

The Mayor was invited to give the welcome at the Mankato Area International Festival to be held on Sunday, April 11, 2010 from 11 a.m. to 4 p.m. at Mankato East High School.

The Mayor was invited to attend the Community Fest Adult Basic Education at Lincoln Community Center on Thursday, April 15, 2010 from 9-11 a.m.

### **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.

### **Public Hearing, 7 p.m. – Continuation of Annexation of Nicollet County Right-of-Way Plat No. 26, 102.90 Acres**

Mayor Zellmer opened the public hearing which was continued from March 15, 2010 to consider the annexation of Nicollet County Right-of-Way Plat No. 26. The City Attorney reported that he has been in contact with the Nicollet County Attorney and would recommend this hearing be continued to the next meeting since there are outstanding items necessary to be completed prior to the annexation of this property. With no one appearing before the Council, the Mayor closed this portion of the meeting. **Council Member Steiner moved, seconded by Council Member Norland, to continue the public hearing for the Annexation of Nicollet County Right-of-Way Plat No. 26, 102.90 acres, to 7 p.m. on Monday, April 19, 2010. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

### **Public Hearing, 7 p.m. – Project No. 10-01ABCDEF, CSAH 41/Carlson Drive/Howard Drive Improvements**

The Mayor opened the public hearing to consider Project No. 10-01ABCDEF, CSAH 41/ Carlson Drive/Howard Drive Improvements. A notice of hearing was published in the official newspaper. Administrator Sande reported this is a joint project with Nicollet County and we are awaiting Minnesota Department of Transportation approval of certain documents before bids can be taken. The City Engineer reported this is a two-year project. With no one appearing before the Council, the Mayor closed this portion of the meeting.

**Public Hearing, 7 p.m. – HUD Consolidated Plan**

The Mayor opened the public hearing to consider the HUD Consolidated Plan. Planner Fischer reported a notice of hearing was published in the official newspaper. He reported that since the Cities of North Mankato and Mankato achieved Metropolitan Statistical Area status, the communities are eligible for Community Development Block grants. As a requirement to receive the grants, the City must prepare a Consolidated Plan and hold two public hearings to receive citizen input. The City will be entitled to \$96,068 in 2010 and propose to use the funds for development of second story housing in the Central Business District. In response to questions from the Council, Administrator Sande noted there is not a requirement for matching funds for the grant dollars and the City has been in contact with private developers to develop a concept plan for the vacant lots in the 200 block of Belgrade Avenue. Planner Fischer reported the 30-day comment period for the Consolidated Plan is now open and comments should be submitted in writing to the City Planner. A copy of the Consolidated Plan is available at the North Mankato Taylor Library. Council Member Schindle requested the concept plans for the vacant lots be made available for a future Council Workshop. Planning Intern Rory Stierler appeared before the Council to answer questions and reported funds not used in the one-year time period could be carried over to the following year, however, an explanation would be needed of why the funds were not used. Planner Fischer reported the funds would be available to draw this fall. Kim Spears, 916 South Avenue, appeared before the Council asking if this is a new opportunity for the City. Planner Fischer reported Envision 2020 identified downtown redevelopment as one of its top priorities. With no one else appearing before the Council, the Mayor closed this portion of the meeting.

**Staff Reports**

**City Administrator**

**State of the City Report**

Administrator Sande presented the State of the City Report as follows:

Mayor Zellmer and Members of the City Council

As we begin 2010, I believe the State of the City is very good. Our physical infrastructure is in excellent condition, both in surface improvements in the form of streets and in the underground infrastructure of the water, sewer, and storm sewer systems. We have completed recent upgrades to the two water plants and are completing the replacement of Water Tower No. 1. The remaining projects are the repair and repainting of Water Tower No. 2 and the future drilling of Well No. 9. Upon completion of those projects, the water system will be in first-class condition.

Despite the difficult economic times of the last couple of years, the tax base of the City has continued to increase. Building permit revenue in 2009 exceeded our budget by nearly ten percent. Despite the downturn in residential construction in the State, new home construction in North Mankato continued in 2009 albeit at a somewhat slower pace than prior years. Two new privately financed residential subdivisions were started in 2009 with housing construction continuing over the winter months. Construction prospects for 2010 appear to be reasonable as well. We will be announcing a new cooperative agreement with the Small Business Development Center to provide assistance to new and expanding businesses.

The granting of Metropolitan Statistical Area (MSA) status to the Cities of North Mankato and Mankato raises our visibility regionally and nationwide as well as providing an estimated \$98,000 a year in federal appropriations to North Mankato. We propose to use these funds for redevelopment activities.

While we have endured reductions in Local Government Aid (LGA) that now total \$1.2 million over the last three fiscal years, we have been able to make budgetary adjustments to effectively deal with the reductions. However, we will need to restore funding to certain core functions as quickly as possible.

As you know, we have maintained a low ratio of employees per capita, well below that of comparable communities. Our department heads have been successful in holding the line on expenditures, utilizing flexible scheduling and cross-training of employees to minimize overtime while maintaining effectiveness. The employees recognize the budgetary difficulties we have encountered and have provided a number of suggestions on ways to improve our efficiency and maximize budgetary resources.

This past year we have been successful in obtaining State grants for industrial development, job retention and downtown redevelopment. With those grant funds we were able to assist in the management buyout of Thin Film Technology, extend infrastructure in North Port Industrial Park and are now positioned to assist construction on the Marigold site. The Marigold Project will likely be the catalyst for additional downtown redevelopment. The Marigold Project and our other efforts in the downtown continue our commitment to implementation of the goals of Envision 2020 and the InterCity Leadership Visits. Representative Morrow and Senator Sheran were successful in securing legislative approval for the modification of the Marigold Tax Increment Financing District. The extension will provide the opportunity for the City to recover its investment in the site and to assist the Phase II and Phase III portions of the Marigold Project.

One of the projects approved by the voters in the Sales Tax Referendum was the expansion of the Taylor Library. The expansion is now complete and the response from the public is extremely positive. The City Council's commitment to quality library service has led to increasing circulation each month at the library and on the bookmobile. Sales tax revenues have been trending up as new businesses come on line in North Mankato. We anticipate a modest recovery in the local economy in 2010 which should also bode well for sales tax collections. The sales tax revenues will permit us to move forward with regional park improvements as laid out in the Five-Year Capital Improvement Plan. Our parks continue to receive strong support from members of the community. Drummer Construction has donated 25 large oak trees for the oak savannah in the Benson Park Plan. We continue our working relationship with the Mankato Area Softball Association on the improvement of softball facilities both at South Central College and at Caswell Park. The Thompson Pier Project continues in Spring Lake Park with completion anticipated in June 2010.

We have an agreement with Independent School District 77 for the joint development of the new North Mankato elementary school site at the corner of LorRay and Carlson. District 77 will build the new elementary school on the site in the next several years as enrollment conditions dictate. The City, in conjunction with the Mankato United Soccer Club, is planning a multi-field soccer complex to be developed on one-half of the site and coordinated with existing soccer fields at Dakota Meadows Middle School.

In cooperation with Nicollet County and the Minnesota Department of Transportation District 7, the City is moving forward with the first phases of the T.H. 14/ CSAH 41 interchange by constructing the northerly approach to the interchange, the extension of CSAH 41 to County Road 6 and connections to Howard Drive and Carlson Drive. The improvements open up a significant new area for industrial and commercial expansion of the community. The project will be funded with a combination of federal, county, gas tax and City funds. We have made additional requests for federal funding for the interchange and continue to work with our Legislative delegation on funding opportunities.

We are pleased to have taken over the Convention & Visitors responsibilities for the community. The contract with the Sports Institute is working very well and we look forward to expanded use of the existing sports facilities and promotion of the new soccer complex. The City recently signed a new three-year agreement with the Minnesota State High School League for the State Girls Softball Tournament at Caswell Park. Caswell Park is booked for the 2010 Season with national tournaments scheduled for 2011 and 2012.

At the next City Council Workshop the staff will present budget alternatives to offset the additional 2010 Local Government Aid reduction of \$228,659. At that time we will make recommendations expected to include expenditure reductions, fund transfers, use of some reserves and other adjustments.

**Approval of Cooperative Construction Agreement between Nicollet County and the City of North Mankato for ROW Acquisition, Design and Construction of CSAH 41 from Howard Drive to CSAH 6**

Administrator Sande reported the City Engineer has been working with the Nicollet County Engineer finalizing the Cooperative Construction Agreement for the ROW acquisition, design and construction of CSAH 41 from Howard Drive to CSAH 6. He reported no significant changes from the previously discussed document and the budget amount remains the same. **Council Member Norland moved, seconded by Council Member Steiner, to approve the Cooperative Construction Agreement between Nicollet County and the City of North Mankato for ROW Acquisition, Design and Construction of CSAH 41 from Howard Drive to CSAH 6. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Res. No. 24-10 Approving Plans and Specifications, Ordering Improvement and Authorizing Advertisement for Bids for Project No. 10-03ABCDEF, Wall Street Extension**

Engineer Malm presented background information for Project No. 10-03ABCDEF reporting as part of the plan, an underground retention/stormwater holding area has been incorporated in an effort to reduce phosphorous amounts that runoff into the river as required by the MS4 Permit. Council Member Schindle asked if samples could be taken every month for the next year of water coming in and out of North Mankato. Engineer Malm will research the cost of taking samples and report back to the Council. Some discussion was held on the possibility of retrofitting the dry ponds in North Mankato to wet ponds to also lower phosphorous levels. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 24-10 Approving Plans and Specifications, Ordering Improvement and Authorizing Advertisement for Bids for Project No. 10-03ABCDEF, Wall Street Extension. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Schools and Conferences**

**Council Member Norland moved, seconded by Council Member DeWitte, to approve actual and necessary expenses for the following school and conference:**

1. AWWA Metro School, Brooklyn Center, April 6-8, for Public Works Director.

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

**City Clerk**

**Application for License for Soft Drink, Laura's Candy & Coffee, 1745 Commerce Drive**

Clerk Gehrke presented an application for a soft drink license for Laura's Candy & Coffee which will be opening soon at 1745 Commerce Drive. **Council Member Schindle moved, seconded by Council Member Steiner, to approve the Soft Drink License for Laura's Candy & Coffee, 1745 Commerce Drive. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Application for License for Soft Drink, Café Ambrosia, 1720 Commerce Drive**

Clerk Gehrke presented an application for a soft drink license for Café Ambrosia, 1720 Commerce Drive, which is under new ownership in April 2010. **Council Member Norland moved, seconded by Council Member Schindle, to approve the Soft Drink License for Café Ambrosia,**

**1720 Commerce Drive. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Parade Permit for A.B.A.T.E. Motorcycle Awareness Month Motorcycle Parade**

Clerk Gehrke presented the application for a permit to hold the A.B.A.T.E. of Minnesota Motorcycle Awareness parade from 1 p.m. to 1:20 p.m. on Saturday, May 1, 2010. The North Mankato Police Chief has approved this application. **Council Member DeWitte moved, seconded by Council Member Steiner, to approve the permit for the A.B.A.T.E. of Minnesota Motorcycle Awareness parade from 1 p.m. to 1:20 p.m. on Saturday, May 1, 2010. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Audio and Large Group Permit for American Legion Post 518 Fundraiser, 10 a.m. to 5 p.m. on Sunday, April 25, 2010**

Clerk Gehrke presented an application for an audio and large group permit for the American Legion Post 518 Fundraiser to be held from 10 a.m. to 5 p.m. on Sunday, April 25, 2010 in the City parking lot next to the American Legion. The North Mankato Public Works Department will be fencing in the area required for this event. **Council Member Steiner moved, seconded by Council Member DeWitte, to approve the audio and large group permit for the American Legion Post 518 Fundraiser to be held from 10 a.m. to 5 p.m. on Sunday, April 25, 2010. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Audio and Large Group Permit for Holy Rosary Church Mass and Picnic, Wheeler Park, 7 a.m. to 10 p.m. on Sunday, September 12, 2010**

Clerk Gehrke presented an application for an audio and large group permit for the Holy Rosary Church Mass and picnic to be held from 7 a.m. to 10 p.m. on Sunday, September 12, 2010 in Wheeler Park. **Council Member Steiner moved, seconded by Council Member Norland, to approve the audio and large group permit for the Holy Rosary Church Mass and picnic to be held from 7 a.m. to 10 p.m. on Sunday, September 12, 2010. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Audio and Large Group Permit for New Creation World Outreach Church Festival, Wheeler Park, 10 a.m. to 8 p.m. on Saturday, September 11, 2010**

Clerk Gehrke presented an application for an audio and large group permit for the New Creation World Outreach Church festival to be held from 10 a.m. to 8 p.m. on Saturday, September 11, 2010 in Wheeler Park. **Council Member Schindle moved, seconded by Council Member DeWitte, to approve the audio and large group permit for the New Creation World Outreach Church Festival to be held from 10 a.m. to 8 p.m. on Saturday, September 11, 2010. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Parade Permit for Golden Heart 5K Run/Walk**

Clerk Gehrke presented the application for a parade permit to hold the Golden Heart 5K Run/Walk from 7 a.m. to 12 p.m. on Saturday, May 15, 2010. The North Mankato Police Chief has approved this application. **Council Member Norland moved, seconded by Council Member Steiner, to approve the parade permit for the Golden Heart 5K Run/Walk from 7 a.m. to 12 p.m. on Saturday, May 15, 2010. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Finance Director**

**Res. No. 25-10 Declaring Costs to be Assessed for Municipal Charges – 717 Park Avenue**

Finance Director Mork presented Resolution No. 25-10 for costs to be assessed in the amount of \$75.00 for mowing at 717 Park Avenue. **Council Member DeWitte moved, seconded by Council Member Schindle, to adopt Resolution No. 25-10 Declaring Costs to be Assessed for Municipal Charges – 717 Park Avenue. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

**Report from Council Members**

**Council Member Steiner**

Council Member Steiner reported that Wednesday, April 14, 2010, will be first ever National Bookmobile Day.

Council Member Steiner reported that circulation at the North Mankato Taylor Library continues to increase every month.

**Report from the Mayor**

Mayor Zellmer reported the ATP 7 did not approve the City's request for ravine runoff and street stabilization funding.

The Mayor reported North Mankato Volunteer Firefighters aided Mankato during a major fire in Mankato Sunday night. He also reported that one of our Patrol Officers was the first responder at the fatal shooting in Mankato. He thanked both departments for their work.

The Mayor reported he received a complaint about snow removal in the Green Acres area where the sidewalks attach to the back of the curb. This issue will be reviewed prior to the next snow season.

The Mayor asked if the City Center newsletter could be attached to the City's website so it would be available to residents. Planner Fischer reported he will research the ability to link this to our website.

The Mayor asked when the replanting of the trees in Spring Lake Park would occur. Administrator Sande reported he has been working with Council Member Norland and a larger specimen of trees will be planted during the month of May.

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

**David Peterson, 488 Marvin Boulevard**

David Peterson, 488 Marvin Boulevard, appeared before the Council with questions for the City Engineer about the drainage plan for the CSAH 41/Carlson Drive/Howard Drive project. Engineer Malm will meet with Mr. Peterson onsite and review the drainage plan for this area.

**Kim Spears, 916 South Avenue**

Kim Spears, 916 South Avenue, appeared before the Council and noted the Nicollet County Board Minutes stated application is being made for grant funds for the ARMER Radio System. Administrator Sande reported the application is being made for funds to write a grant for the ARMER Radio System, which is an intermediate step and not approval of the ARMER Radio System. He

reported the ARMER Radio System will be a topic of discussion at the April 12, 2010 North Mankato/ Nicollet County Liaison Committee meeting.

Mr. Spears also requested explanation of the \$1,252,000 payment to Nicollet County listed on the bills. Administrator Sande reported this is the City's share of the right-of-way acquisition for the CSAH 41 and Carlson Drive Project. This bonded debt will be repaid with MSA gas tax funds.

**Bills and Appropriations**

Council Member Steiner moved, seconded by Council Member Norland, to approve all bills and appropriations in the amounts of \$273,763.96 and \$1,323,940.93. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.

There being no further business, the meeting was adjourned at 8:32 p.m. on a motion by Council Member Steiner, seconded by Council Member DeWitte. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.

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Mayor

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City Clerk