

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 6, 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, Administrator Sande, City Clerk Gehrke, Finance Director Mork, Engineer Malm and Attorney Kennedy. Absent: Planner Fischer.

Approval of Minutes

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

Correspondence

Thank-You Letter from MNMYF

The Mayor read a letter from Mankato North Mankato Youth Football thanking the City for the \$500 donation from the Charitable Gambling Fund.

Thank-You Letter from Dakota Meadows Middle School

The Mayor read a letter from the Dakota Meadows Middle School students thanking the City for the generous donation from the Charitable Gambling Fund.

Thank-You Letter from Boy Scout Troop 29

The Mayor read a letter from the Scouts of Troop 29 thanking the City for the \$500 donation from the Charitable Gambling Fund.

Thank-You Letter from Children's Museum of Southern Minnesota

The Mayor read a letter from the Children's Museum of Southern Minnesota thanking the City for the \$1,000 donation from the Charitable Gambling Fund. Executive Director Olson reported this gift will benefit the establishment of a permanent children's museum.

Thank-You Letter from Toys for Tots

The Mayor read a letter from the Marine Corps Reserve Toys for Tots thanking the City for the donation from the Charitable Gambling Fund. The Toys for Tots Coordinator, Bernard Thompson, reported the Toys for Tots Program served 2,500 children last year in the Blue Earth County and Nicollet County area.

Public Hearing, 7 p.m. – Consider Adoption of Tax Increment Financing District No. IDD 1-19 Plan

The Mayor opened the public hearing to consider adoption of the Tax Increment Financing District No. IDD 1-19 Plan. Ed Tschida, Advance Resources for Development, Inc., appeared before the Council and presented the plan for redevelopment of the old Dollar Store at 422 Belgrade Avenue. He reported that a second story will be added to the 12,000 square foot building to accommodate seven housing units and the main floor will be redeveloped to accommodate five retail spaces. Mr. Tschida responded to questions reporting property redevelopment projects provide for a maximum duration of the District of 25 years from the date of receipt of the first tax increment. He has worked with the County Assessor and developer to determine the valuation for tax purposes. Bonds will be issued for the project in 2011. Kim Spears, 916 South Avenue, appeared before the Council and asked for confirmation of the

amount of TIF dollars for this project. With no one else appearing before the Council, the Mayor closed this portion of the meeting.

Res. No. 72-10 Approving the Tax Increment Financing Plan for IDD 1-19

Council Member Schindle moved, seconded by Council Member Steiner, to adopt Resolution No. 72-10 Approving the Tax Increment Financing Plan for IDD 1-19. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.

Public Hearing, 7 p.m. – 2011 Budget

Mayor Zellmer opened the public hearing to consider the 2011 Budget. Notice of the public hearing was published in the City's official newspaper. Finance Director Mork presented a PowerPoint recap of the 2011 General Fund Budget and compared it to the 2010 Budget. The final 2010 General Fund Budget is \$5,312,650 and the proposed 2011 General Fund Budget is \$5,631,531, an increase of 6.00%. Finance Director Mork presented information outlining levy calculations, tax capacity rate comparisons, a history of property tax rates for the last ten fiscal years and graphs showing property tax distribution and General Fund expenditures and revenues. The Finance Director reported since the 2011 proposed levy of \$4,814,154 is the same as the 2010 levy, actual property taxes should be lower than reflected on the statements recently mailed to property owners. The Finance Director presented the 2011 Levy Limitation Notice from the State of Minnesota and noted the final levy proposal leaves the City \$591,602 under the levy limit. Council Member Norland expressed her concern about the zero percent levy increase considering the City may face additional cuts in 2011 because of the State revenue shortfall. Kim Spears, 916 South Avenue, appeared before the Council and commented he believes the zero percent levy increase is a good thing considering the number of people who are unemployed and having their work hours cut. With no one else appearing before the Council, this portion of the meeting was closed.

Open the Meeting to the Public for the First Time

Dan O'Neill, Northland Securities, Inc. – Recommendation of Sale of \$2,305,000 General Obligation Improvement Bonds, Series 2010A; \$750,000 General Obligation Tax Revenue Bonds, Series 2010B; \$4,355,000 General Obligation Refunding Bonds, Series 2010C and \$810,000 Taxable General Obligation Tax Increment Bonds, Series 2010D

Dan O'Neill, Northland Securities, Inc. appeared before the Council with recommendations on the sale of \$2,305,000 General Obligation Improvement Bonds, Series 2010A; \$750,000 General Obligation Tax Revenue Bonds, Series 2010B; \$4,355,000 General Obligation Refunding Bonds, Series 2010C and \$810,000 Taxable General Obligation Tax Increment Bonds, Series 2010D. Mr. O'Neill reported Standards & Poor's Rating Services affirmed its 'AA' long-term rating to North Mankato based on their opinion of the City's participation in the economic base, strong economic income and wealth indicators, very strong financial reserves and moderate overall debt burden. Mr. O'Neill reported six bids were received for the Series 2010A issue, one bid was received for the Series 2010B issue, ten bids were received for the Series 2010C issue and one bid was received for the Series 2010D issue.

Res. No. 73-10 Awarding the Sale of \$2,305,000 G.O. Improvement Bonds, Series 2010A

The following bids were received for the \$2,305,000 G.O. Improvement Bonds, Series 2010A:

Bidder	Net Interest Cost	True Interest Rate
Cronin & Co., Inc.	\$837,563.45	3.2951210%
UBS Financial Services, Inc.	\$841,608.70	3.3407716%
Robert W. Baird & Co., Inc.	\$847,402.00	3.3641998%
Northland Securities, Inc.	\$847,780.90	3.3897150%
Wells Fargo Advisors	\$863,788.25	3.4502947%
M&I Bank	\$881,171.60	3.5071635%

Mr. O'Neill reported the G.O. Improvement Bonds, Series 2010A, would be used to finance various improvements including the CSAH 41/Carlson Drive/Howard Drive Improvements. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 73-10 Awarding the Sale of \$2,305,000 G.O. Improvement Bonds, Series 2010A, to Cronin & Co., Inc. for a net cost of \$837,563.45 and a true interest rate of 3.2951210%. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Res. No. 74-10 Awarding the Sale of \$750,000 G.O. Sales Tax Revenue Bonds, Series 2010B

The following bid was received for the \$750,000 G.O. Sales Tax Revenue Bonds, Series 2010B:

Bidder	Net Interest Cost	True Interest Rate
Cronin & Co., Inc.	\$216,167.10	3.251572%

Mr. O'Neill reported proceeds of the G.O. Sales Tax Revenue Bonds, Series 2010B, will be used to finance improvements to the library, downtown redevelopment, regional parks and the local share of the 14/41 interchange project. **Council Member Norland moved, seconded by Council Member Schindle, to adopt Resolution No. 74-10 Awarding the Sale of \$750,000 G.O. Sales Tax Revenue Bonds, Series 2010B. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Res. No. 75-10 Awarding the Sale of \$4,355,000 G.O. Refunding Bonds, Series 2010C

The following bids were received for the \$4,355,000 G.O. Refunding Bonds, Series 2010C:

Bidder	Net Interest Cost	True Interest Rate
UMB Bank N.A.	\$750,829.95	2.628269%
Robert W. Baird & Co., Inc.	\$765,839.90	2.653210%
Cronin & Co., Inc.	\$783,082.40	2.683482%
Morgan Keegan & Co., Inc.	\$777,349.18	2.686563%
UBS Financial Services, Inc.	\$783,897.72	2.720522%
Incapital LLC	\$812,412.53	2.745779%
BMO Capital Markets	\$817,885.63	2.763689%
Northland Securities, Inc.	\$794,525.30	2.780846%
Wells Fargo Advisors	\$806,583.28	2.816731%
M&I Bank	\$840,818.05	2.920590%

Mr. O'Neill reported the proceeds of the G.O. Refunding Bonds, Series 2010C, will be used to refund in advance of maturity and at their redemption date the City's G.O. Improvement

Bonds, Series 2006A, current refunding of the City’s G.O. Improvement Bonds, Series 2002A, G.O. Improvement Bonds, Series 2003A, and refunding of the City’s G.O. Water Revenue Bonds, Series 2001A. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 75-10 Awarding the Sale of \$4,355,000 G.O. Refunding Bonds, Series 2010C. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Res. No. 76-10 Awarding the Sale of \$810,000 Taxable General Obligation Tax Increment Bonds, Series 2010D

The following bid was received for the \$810,000 Taxable G.O. Tax Increment Bonds, Series 2010D:

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
Northland Securities, Inc.	\$420,209.17	4.816455%

Mr. O’Neill reported the Taxable G.O. Tax Increment Bonds, Series 2010D, will be used to refund the City’s Taxable G.O. Tax Increment Bonds, Series 2001 (Marigold Project) and to finance certain development costs related to the FX Fusion project. **Council Member Schindle moved, seconded by Council Member Norland, to adopt Resolution No. 76-10 Awarding the Sale of \$810,000 Taxable G.O. Tax Increment Bonds, Series 2010D. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Carl Fitzloff, Boy Scout Troop 29

Carl Fitzloff, Boy Scout Troop 29 Leader, appeared before the Council and reported the Boy Scouts are in attendance at tonight’s Council meeting as part of their community citizen award. The scouts are also working on the nation citizen and world citizen awards.

Staff Reports

City Administrator

Res. No. 77-10 Proposal to Modify Industrial Development District No. 1 and Establish Tax Increment Financing District IDD No. 1-20 and Calling for Consultation with Other Affected Jurisdictions and Setting Public Hearing

Administrator Sande presented a notice of public hearing for Tax Increment Financing District IDD 1-20 which is the Ziegler Caterpillar Project. In addition to the Tax Increment Financing District, it is proposed to modify the limits of the Industrial Development District by the addition of the property abutting both sides of the Howard Drive West extension. Mike Aune, Director of Facilities for Ziegler, Inc. has submitted a commitment letter for the project. Administrator Sande reported in the 2010 Session, the Legislature adopted temporary modifications to the TIF Statutes to encourage additional projects that would create jobs both during the construction phase and permanent employment. Ziegler wishes to take advantage of the Tax Increment Financing and move forward with their project at this time. Administrator Sande reported this is a \$9 million project and will create an additional 12 permanent jobs. Construction of the facility could begin as early as March or April 2011. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 77-10 on the Proposal to Modify Industrial Development District No. 1 and Establish Tax Increment Financing District IDD No. 1-20 and Calling for Consultation with Other Affected Jurisdictions and Setting a Public Hearing for 7 p.m. on Tuesday, January 18, 2011. Vote**

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

Set Bid Opening for Materials and Rental Equipment for Year 2011

Council Member Schindle moved, seconded by Council Member Norland, to set January 3, 2011 for a bid opening on Materials and Rental Equipment for 2011. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.

Set Public Hearing for 7 p.m. on Monday, January 3, 2011 for Revision of Code of Ordinances

Administrator Sande presented the notice of public hearing to amend the North Mankato City Code reporting amendments are done annually to ensure the City Code is kept current. The City Planner will distribute proposed amendments to the Council for their review. **Council Member Norland moved, seconded by Council Member DeWitte, to set a public hearing for 7 p.m. on Monday, January 3, 2011 for Revision of the Code of Ordinances. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Res. No. 78-10 Authorizing the City's Participation in Nightcap DWI Enforcement Grant Program

Police Chief Boyer appeared before the Council and reported the Minnesota State Patrol has requested the North Mankato Police Department participate in the Nightcap DWI Enforcement Grant Program. He reported this will be conducted four nights a year and will involve 18 hours of overtime which will be paid by the Grant Program. **Council Member Norland moved, seconded by Council Member Schindle, to adopt Resolution No. 78-10 Authorizing the City's Participation in Nightcap DWI Enforcement Grant Program. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Renewal of Annual Towing Contract

Administrator Sande presented a letter from the City of Mankato to Affordable Towing Company approving the extension of the existing towing contract for one year extending it until November 30, 2011. Based on the Consumer Price Index for the twelve-month period ending September 30th reflecting a 1.5% increase, it is recommended the tow rate be increased from \$54.50 to \$55.25 for 2011 with all other sections of the contract remaining unchanged. Chief Boyer reported the Police Department has received excellent service from Affordable Towing for the past two years. **Council Member Schindle moved, seconded by Council Member DeWitte, to approve the renewal of the annual towing contract at the rate of \$55.25 per tow. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Schools and Conferences

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

1. Center for Business and Industry (SCC) Training SLOTS (14 Class Positions), North Mankato, Various Dates in 2011, for Patrol Officers.
2. Managing Major Cases, St. Paul, February 14-16, 2011, for one Patrol Officer.
3. Commercial Vehicle Inspection Re-Certification Class, North Mankato, February 1, 2011 for Mechanic Foreman.

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

City Clerk

License Renewals for 2011

Clerk Gehrke presented a list of the 2011 liquor license renewals for on-sale intoxicating liquor, Sunday liquor, off-sale intoxicating liquor and club on-sale intoxicating liquor. The Police Department recommends approval and issuance of the renewal applications for 2011. All insurance certificates have been received and appropriate fees and property taxes have been paid. The Clerk also presented the 2011 license renewals for soft drink, cigarette, mechanical amusement devices, refuse haulers, mobile home parks, 3.2 non-intoxicating off-sale, cabaret and taxi. All appropriate fees and insurance certificates have been received and staff recommends approval of all license renewals for 2011. **Council Member Schindle moved, seconded by Council Member Steiner, to approve all 2011 liquor and other license renewals and authorize the Mayor and Clerk to sign all licenses. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Application for On-Sale Intoxicating Liquor License, Sunday On-Sale Liquor License and Soft Drink License for Borders Tex-Mex Grill & Cantina LLC

Clerk Gehrke presented an application for on-sale intoxicating liquor license, Sunday on-sale liquor license and soft drink license for Borders Tex-Mex Grill & Cantina LLC, 503 Belgrade Avenue. This is the former location of Bonito Guadalajara. The Police Department has conducted a background investigation and recommends approval of the licenses. The appropriate insurance certificate has been received and the appropriate fees have been paid. **Council Member Schindle moved, seconded by Council Member DeWitte, to approve the on-sale intoxicating liquor license, Sunday on-sale liquor license and soft drink license for Borders Tex-Mex Grill & Cantina LLC. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.**

Finance Director

Resolutions Declaring Costs to be Assessed for Municipal Charges – 941 Lyndale Street, 10 Arlington Court, 418 South Avenue, 424 South Avenue and Platinum Development Group, Inc.

Finance Director Mork presented resolutions declaring costs to be assessed for municipal charges for the following: 941 Lyndale Street for plumbing permit and replacement meter in the amount of \$105.50; 10 Arlington Court for lawn mowing in the amount of \$150.00; 418 South Avenue for lawn mowing in the amount of \$75.00; 424 South Avenue for lawn mowing in the amount of \$75.00; and Platinum Development Group, Inc. for lawn mowing for properties in the North Gate #2 Subdivision in the amount of \$5,250. **Council Member Norland moved, seconded by Council Member DeWitte, to adopt Resolution No. 79-10 Declaring Costs to be Assessed for Municipal Charges – 941 Lyndale Street, Resolution No. 80-10 Declaring Costs to be Assessed for Municipal Charges – 10 Arlington Court, Resolution No. 81-10**

Declaring Costs to be Assessed for Municipal Charges – 418 South Avenue, Resolution No. 82-10 Declaring Costs to be Assessed for Municipal Charges – 424 South Avenue and Resolution No. 83-10 Declaring Costs to be Assessed for Municipal Charges – Platinum Development Group, Inc. Vote on the Resolutions: Schindle, Steiner, Norland DeWitte and Zellmer, aye; no nays. Motion carried.

Refunding Escrow Agreement - \$1,825,000 General Obligation Water Revenue Bonds, Series 2001A and \$3,630,000 General Obligation Improvement Bonds, Series 2006A

Council Member Steiner moved, seconded by Council Member Norland, to approve the Refunding Escrow Agreement for the \$1,825,000 General Obligation Water Revenue Bonds, Series 2001A, and \$3,630,000 General Obligation Improvement Bonds, Series 2006A. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.

Refunding Escrow Agreement - \$990,000 Taxable General Obligation Tax Increment Bonds, Series 2001D

Council Member DeWitte moved, seconded by Council Member Steiner, to approve the Refunding Escrow Agreement for the \$990,000 Taxable General Obligation Tax Increment Bonds, Series 2001D. Vote on the motion: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.

Report from Council Members

Council Member Steiner

North Mankato Taylor Library Circulation Statistics

Council Member Steiner presented the circulation statistics for the North Mankato Taylor Library as of November 30, 2010. He reported that circulation continues to rise and surpassed the 200,000 mark in November.

Council Member Norland

Council Member Norland reported the Region 9 Small Business Development Center holds educational seminars and grant funds are available for education through South Central College.

Council Member Norland reported she received an email from the property owner at the corner of Castle Drive and Valley View who received a letter from the City about their sidewalk not being shoveled. The property owner reported she has no boulevard and her sidewalk is repeatedly having snow placed on the sidewalk from the snowplow. Administrator Sande stated these lots were originally platted for multi-family housing and when replatted for single-family housing there was not sufficient street width for both a sidewalk and a boulevard. Those sidewalks have been cleared by the City crews for this snowfall.

Report from Mayor

Res. No. 84-10 Making Appointment to the North Mankato Taylor Library Board

Council Member Steiner moved, seconded by Council Member DeWitte, to adopt Resolution No. 84-10 appointing Brenda Peterson to fill the open position on the North Mankato Taylor Library Board. Vote on the Resolution: Schindle, Steiner, Norland, DeWitte and Zellmer, aye; no nays. Motion carried.

The Mayor congratulated Troy Jutting for the Minnesota State University-Mankato hockey team's two wins over the Minnesota Gophers this past weekend.

The Mayor received a call from Tony Ulmen about the narrowing of Pleasant View Drive because of the recent snowstorm and the vehicles from the Pleasant View apartments parked on the street. A letter will be sent to the owners of the Pleasant View apartments informing them of the parking requirements for their property.

The Mayor thanked Police Chief Boyer for the work he has done since being appointed as Police Chief. Chief Boyer responded the Police Department has had a successful year and recently arrested the armed robber of the SuperAmerica station.

Mayor Zellmer read a Proclamation marking the 60th Anniversary of KTOE Radio founded by the Don Linder Family in 1950.

**Open the Meeting to the Public for the Second Time
Kim Spears, 916 South Avenue**

Kim Spears, 916 South Avenue, appeared before the Council and requested clarification of the Refunding Escrow Agreements. He also inquired about how to find out about openings on City committees and boards. Administrator Sande reported information may be obtained from the City's website www.northmankato.com and the Talent Bank form may be filled out and returned to the City.

Bills and Appropriations

Council Member Norland moved, seconded by Council Member Steiner, to approve all bills and appropriations in the amounts of \$128,597.73 and \$796,428.50. 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 8:53 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.

Mayor

City Clerk