

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 June 6, 2011. Mayor Dehen 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 Dehen, Council Members Schindle, Freyberg, Steiner and Norland, City Administrator Sande, Finance Director Mork, City Clerk Gehrke, Attorney Kennedy, Engineer Malm and Planner Fischer.

Approval of Minutes

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of May 16, 2011, as amended. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.

Correspondence

Charter Rate Increase Notification

Mayor Dehen presented a letter from Charter notifying the City of a rate increase as required by the Franchise Agreement.

Public Hearing, 7 p.m. – Consideration of Amendment to HUD 2010 Action Plan

The Mayor opened the public hearing to consider the amendment to the Housing & Urban Development (HUD) 2010 Action Plan. Planner Fischer reported a notice of hearing was published in the official newspaper. He reported the HUD 2010 Action Plan provides for the use of 2010 CDBG funds toward individual down payment assistance grants for income-qualified persons to purchase existing homes or build new homes. He reported that only three (3) grants have been issued and approximately \$70,000 of the 2010 funds are available for carryover to 2011. As permitted by HUD, staff is proposing to discontinue the down payment assistance grant program and use the 2010 CDBG funds to either acquire a residential dwelling at 706 Range Street or use toward the purchase of the Belgrade Avenue Budget Mart. As part of the HUD requirements, a public hearing is necessary to reallocate the 2010 CDBG funds. In response to a question from Council Member Schindle, Administrator Sande reported the home at 706 Range would be rehabilitated or removed and that no definite plans are in place for the Belgrade Avenue Budget Mart but that this property is an important part of the Central Business District. The sheriff's sale for the Belgrade Budget Mart is coming up shortly. Kim Spears, 916 South Avenue, appeared before the Council and requested clarification on the number of grants issued to income-qualified persons. Planner Fischer reported that a total of three grants have been given. With no one else appearing before the Council, the Mayor closed this portion of the meeting. **Council Member Schindle moved, seconded by Council Member Norland, to approve the amendment to the HUD 2010 Action Plan. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Public Hearing, 7 p.m. – Consideration of Amendment of Gambling Ordinance

The Mayor opened the public hearing to consider the amendment of the Gambling Ordinance. A notice of the hearing was published in the official newspaper. Administrator Sande reported the Council received a request from the Lake Washington Improvement Association to conduct gambling in North Mankato. The current gambling ordinance requires at least 40 percent of its active members to reside within the City, 80 percent of its active members to reside within ISD 77 or 100 percent of net profits generated within the City to be designated to an eligible recipient as established by the Council and located within the corporate limits of the Cities of North Mankato and Mankato. The Lake Washington Improvement Association resides outside the ISD 77 boundaries. Kim Spears, 916 South Avenue, and Phil Henry, 1300 Noretta Drive, appeared before the Council against changing the gambling ordinance. Rene Maes, 1925 Haughton Drive, appeared before the Council and thanked the

citizens of North Mankato and the MAYBA Board Members for appearing at the public hearing in support of not changing the gambling ordinance. He reported that MAYBA currently has 1,205 youth signed up to play baseball in the North Mankato/Mankato area and their charitable gambling supports safety equipment, training of coaches and keeps the fees at a reasonable level for children to play baseball. Dave Collins, 1517 LaMar Drive, appeared before the Council and reported the positive influence on youth baseball and how it keeps the player fees down which enables more youth to play ball and stay active and healthy. In response to a question, Administrator Sande reported the current Gambling Ordinance has not been changed, however, the 10% list has been changed on several occasions. John Lamm, 813 Range Street, appeared before the Council in support of changing the gambling ordinance to allow the Lake Washington Improvement Association to conduct gambling in North Mankato stating the Association is in the Mankato trade area and from their gambling sites in Mankato gives 50 percent of their proceeds to the Mankato area. He reported their Association uses gambling proceeds for water sampling, spraying weeds and putting buoys out. There being no one else appearing before the Council, the Mayor closed this portion of the meeting. **Council Member Steiner moved, seconded by Council Member Norland, to make no changes to the Gambling Ordinance. Vote on the motion: Schindle, Freyberg, Steiner and Norland, aye; Dehen abstained; no nays. Motion carried.**

Open the Meeting to the Public for the First Time

Kim Spears, 916 South Avenue

Kim Spears appeared before the Council and voiced his disapproval of the Tax Increment Financing for Web Construction.

Betty Rykhus, Wheeler Avenue

Betty Rykhus, Wheeler Avenue, appeared before the Council and reported she has lived in North Mankato and this is her first appearance at a Council meeting. Ms. Rykhus asked if contact could be made with the resident on the southeast corner of Nicollet Avenue and Center Street to trim his bushes. She reported the bushes obstruct traffic westbound on Nicollet and coming from Mankato. Administrator Sande reported staff would contact the owner regarding this matter. Ms. Rykhus reported the street light at Lee Boulevard and RoeCrest Drive does not work. She also reported when taking cardboard to the Recycling Center she observed long waits because staff was not helping residents unload their cardboard.

Nicollet County Board Actions

Council Member Freyberg asked staff to find out the time of the meeting County Engineer Seth Greenwood is holding regarding rumble strips and he would like to attend this meeting.

Staff Reports

City Administrator

Res. No. 30-11 Ordering Plans and Specifications for Project No. 11-04D, 2011 Street Improvement Project

Administrator Sande stated the proposed 2011 Street Improvement Project includes final asphalt overlays on Abbywood Lane, Aspen Lane from Willow to Raymond, Camden Court, a portion of Fairbanks Drive, Arlington Lane and Arlington Court. Funds for this project are on hand in the construction fund. Engineer Malm reported the wearing course of the project was delayed until after completion of a ravine project in the area. The bid opening for the project will be scheduled for 11 a.m. on Thursday, July 14, 2011. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Resolution No. 30-11 Ordering Plans and Specifications for Project No.**

11-04D, 2011 Street Improvement Project. Vote on the Resolution: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.

Res. No. 31-11 Proposal to Establish Tax Increment Financing District IDD No. 1-21 and Calling for Consultation with Other Affected Jurisdictions and Setting a Public Hearing for 7 p.m. on Monday, June 20, 2011

Administrator Sande reported an agreement has been reached with Web Construction of Mankato for the sale of a 2.47-acre parcel to be platted as Lot 1, Block 1 of Northport No. 16 and located at the far end of Howard Drive West adjacent to Minnesota Truck & Tractor. Web intends to build a sales and service facility for Allstate Peterbilt. The project is to be tax increment supported and qualifies under the 2010 amendments to the tax increment statute. Administrator Sande reported the project is estimated to cost \$2.2 million and construction is scheduled to begin shortly after the necessary approvals are received on June 20, 2011. The project is projected to create 12-15 permanent jobs. In response to questions, Administrator Sande reported the LJP Project and Ziegler Project are also tax increment supported and that the selling price of the property would recoup assessment costs. **Council Member Schindle moved, seconded by Council Member Steiner, to adopt Resolution No. 31-11 Proposal to Establish Tax Increment Financing District IDD No. 1-21 and Calling for Consultation with other Affected Jurisdictions and Setting a Public Hearing for 7 p.m. on Monday, June 20, 2011. Vote on the Resolution: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Caswell Park Batting Cage Project

Administrator Sande presented project drawings from the I & S Group for the two batting cages to be constructed at the south end of the east parking lot at Caswell Park for a total estimated cost of \$13,400. The City has two sponsors for the batting cages, Pub 500 in the amount of \$1,500 and the Sports Institute in the amount of \$200. Administrator Sande reported the balance of the project costs will be paid from sales tax revenue. Council Member Schindle suggested a user fee for the batting cages. Administrator Sande reported that all user fees will be an item for discussion during the 2012 Budget process. Council Member Freyberg stated that any investment made at Caswell Park is a good investment. Council Member Schindle requested a breakdown of the 2010 costs for Caswell Park. Discussion was held on a multi-purpose year-round facility for all sports groups at Caswell Park. Administrator Sande reported the Softball Association has committed to making donations for the expansion of Caswell Park. The Council requested this be an agenda item at a future Council Workshop. **Council Member Norland moved, seconded by Council Member Steiner, to approve the Batting Cage Project and proceed with the construction. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, 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. Interview and Interrogation Training, St. Paul, November 1-2, for Police Detective.
2. 2011 Minnesota Municipal Clerks Institute, Brooklyn Center, July 11-15, for Records Clerk.

Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.

Veterans Place

Administrator Sande reported the Public Works personnel have completed the base work for Veterans Place and have laid out the star.

Nicollet Avenue Parking Lot

Administrator Sande reported the new parking lot is completed, the street lights are in, and pavers will be used behind the curb to minimize maintenance. Shrubs will be planted for screening.

City Clerk**Large Group Permit for Grace Baptist Church Picnic, Spring Lake Park**

Clerk Gehrke presented an application for a large group permit for Grace Baptist Church to hold a picnic at Spring Lake Park from 11:30 a.m. to 3:30 p.m. on Sunday, July 31, 2011. **Council Member Norland moved, seconded by Council Member Schindle, to approve the large group permit for Grace Baptist Church to hold a picnic at Spring Lake Park from 11:30 a.m. to 3:30 p.m. on Sunday, July 31, 2011 at Spring Lake Park. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Res. No. 32-11 Waiving Waiting Period for Exemption from Lawful Gambling License for Holy Rosary Church

Clerk Gehrke presented an application for exemption from lawful gambling for Holy Rosary Church, 546 Grant Avenue, to conduct raffles on November 25, 2011. **Council Member Norland moved, seconded by Council Member Schindle, to adopt Resolution No. 32-11 Waiving Waiting Period for Exemption from Lawful Gambling License for Holy Rosary Church to conduct raffles on November 25, 2011. Vote on the Resolution: Schindle, Freyberg, Steiner and Norland, aye; Dehen abstained; no nays. Motion carried.**

Large Group Permit for Prehn Graduation Party, Spring Lake Park

Clerk Gehrke presented an application for a large group permit for the Prehn graduation party to be held at Spring Lake Park from 12 noon to 8 p.m. on Sunday, June 26, 2011. **Council Member Schindle moved, seconded by Council Member Norland, to approve the large group permit for the Prehn graduation party to be held at Spring Lake Park from 12 noon to 8 p.m. on Sunday, June 26, 2011 at Spring Lake Park. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Application for 3.2 Temporary Liquor License, American Legion Post 518, Wheeler Park

Clerk Gehrke presented an application for a temporary 3.2 temporary liquor license for American Legion Post 518 to serve 3.2 liquor at the Veterans Benefit Picnic to be held at Wheeler Park on August 27, 2011. **Council Member Steiner moved, seconded by Council Member Norland, to approve the temporary 3.2 temporary liquor license for American Legion Post 518 to serve 3.2 liquor at Wheeler Park on August 27, 2011. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.**

Finance Director

Finance Director Mork reported the CityArt Walking Sculpture Tour is a huge success and thanked the Council and community for their support. He reported the sculpture "Look and You Will Find It" that was vandalized in front of Frandsen Bank has been removed for repair. A \$500 reward is being offered for information leading to the conviction of the person or persons responsible for the vandalism. The public is asked to report any vandalism they see.

City Engineer

Engineer Malm reported material is being hauled and grading will continue on the Carlson/Howard/CSAH 41 Extension Project.

Engineer Malm reported the bridge will be set at Minnemishinona Falls and final work will be completed in the next couple of weeks. Mayor Dehen reported a Mayors' bicycle ride to Minnemishinona Falls is scheduled.

Report from Council Members

Council Member Schindle

Council Member Schindle asked staff to check the fees of Sibley Park batting cages, the rules and the scheduling process.

Council Member Freyberg

Council Member Freyberg expressed his concern about spending \$10,000 for a downtown planning study considering the work E2020 and Business on Belgrade has done.

Council Member Freyberg requested a summary of the expenditures from the Community Development Fund.

Council Member Steiner

Council Member Steiner read a letter from Sharon Oachs, Honor Flight #9, thanking him for the great send off for the World War II Veterans before their trip to Washington DC to see the World War II Memorial.

Council Member Norland

Council Member Norland reported that an event will be held at Rounders at 4:30 p.m. on Sunday, June 12, 2011 featuring the Ron Schara "River Revival: Working Together to Save the Minnesota River" documentary which will air at 6 p.m. on KARE 11.

Report from the Mayor

Proclamation Declaring June 23, 2011 as Capstone Day

Mayor Dehen read a joint proclamation declaring June 23, 2011 as Capstone Day in North Mankato and Mankato.

The Mayor reported "Coffee with the Council" was held at the LorRay Deli Mart on Saturday, June 4, 2011.

The Mayor reported Mankato Day at the Capitol has been scheduled for February 22, 2012.

The Mayor reported the CityArt Walking Sculpture Tour is ongoing and a great success.

The Mayor reported the Mankato River Ramble is scheduled for October 9, 2011.

The Mayor reported an event to benefit Veterans Place will be held on June 8, 2011 at the old Embers parking lot.

The Mayor reported a Flag Day event will be held at 6 p.m. on Tuesday, June 14, 2011 in Centennial Park.

The Mayor reported he will inform the Council once the date of the Mayors' Bike Ride has been finalized.

The Mayor reported the Belgrade Blues Festival will be held on Saturday, July 23, 2011.

The Mayor reported the Minnesota High School League Softball banquet will be held at the Verizon Wireless Center at 6 p.m. on Wednesday, June 8, 2011.

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 again stated his displeasure of the Tax Increment Financing for the Allstate Peterbilt project. Mr. Spears also questioned items listed on the claims and Administrator Sande responded to those items.

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council and stated he is not in favor of spending money for a consultant for the downtown planning study. He also expressed his concern about Tax Increment Financing for corporations.

John Lamm, 813 Range Street

John Lamm, 813 Range Street, appeared before the Council and stated that bars usually do not change their gambling organization unless they are unhappy with them. He reported the Lake Washington Improvement Association will be reluctant to donate money to North Mankato if they are able to have a gambling site in North Mankato.

Bills and Appropriations

Council Member Norland moved, seconded by Council Member Steiner, to approve all bills and appropriations in the amounts of \$91,926.14 and \$504,963.73. Vote on the motion: Schindle, Freyberg, Steiner, Norland and Dehen, aye; no nays. Motion carried.

There being no further business, the meeting was adjourned at 8:50 p.m.

Mayor

City Clerk