

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, 2021. Mayor Dehen called the meeting to order at 7:00 pm, asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Council Members Steiner, Norland, Oachs and Whitlock, City Administrator Harrenstein, Finance Director McCann, and City Clerk Van Genderen.

Approval of Agenda

Council Member Steiner moved, seconded by Council Member Norland, to approve the agenda as presented. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Commendation

WHEREAS, Lori Shure has worked for the United States Post Office since 1988; and
WHEREAS, Lori began working for the residents of North Mankato in 2010; and
WHEREAS, Lori has served North Mankato faithfully for 11 years; and
WHEREAS, she is an asset to the community of North Mankato and has rigorously worked to serve the public and provide assistance to the community;

NOW, THEREFORE, I, Mark Dehen, Mayor of the City of North Mankato, Minnesota, do hereby commend Lori Shure for her outstanding work and dedication to the community and express my appreciation for her skills and work at the US Post Office in North Mankato.

Proclamation

WHEREAS, the Class AAAAA Mankato West Scarlets Football Team recently became 2021 Minnesota State Football Champions; and

WHEREAS, the Scarlets won three consecutive games at the State Tournament held November 13, 20, and 27, 2021 to become State Champions; and

WHEREAS, the team, led by Head Coach J.J. Helget, had a season record of 13-0, the first undefeated season in the program's history; and

WHEREAS, the team's success was achieved through hard work, dedication, teamwork, and sportsmanship; and

WHEREAS, the team's championship season was supported by friends, family, and the community.

NOW, THEREFORE, BE IT RESOLVED, that we, Najwa Massad, Mayor of the City of Mankato, and Mark Dehen, Mayor of the City of North Mankato, in the State of Minnesota hereby proclaim December 13, 2021, as:

Mankato West Scarlets Day

Approval of Council Minutes from November 15, 2021, Council Meeting.

Council Member Norland moved, seconded by Council Member Oachs, to approve the Council meeting minutes of November 15, 2021. Vote on the motion Steiner, Norland, Whitlock, and Dehen aye; no nays. Abstain; Oachs. Motion carried.

Public Hearing, 7 p.m. Truth in Taxation 2022 Budget and Five-Year Capital Improvement Plan, 2022-2026.

Finance Director McCann presented the proposed 2022 Budget and Five-Year Capital Improvement Plan, 2022-2026. He reviewed the budget process timeline and a breakdown of a resident property tax composed of 45% Nicollet County, 38% North Mankato, 17% Mankato Area Public Schools, and a small amount to Region Nine and the South Central Minnesota HRA. Council Member Norland requested clarification on why Region 9's taxes are so low. Finance Director McCann reported the agency taxes over nine counties to spread out the tax burden. Finance Director McCann said the City estimates a tax rate reduction from 48.812% in 2021 to 47.897% in 2022. The proposed final 2022 levy dollar amount is \$139,667 more than the 2021 levy. Finance Director McCann reported the general property taxes needed by the City of North Mankato for 2022 are \$7,122,995 with \$5,300,575 going to the General Fund, \$75,000 to the Port Authority, \$1,346,736 to Debt Service, and \$400,684 for the Abatement Levy.

Finance Director McCann reviewed a history of the taxable Market Value, which continues to increase. He reviewed both the Tax Levy History and the Tax Capacity vs. Tax Rate. Both show a continued effort by the Council in the past ten years to decrease the tax rate. The Taxable Home Value of a median home in North Mankato (currently \$251,800) showed a taxable value increase in the past eight years of \$1,900 and a City tax decrease of \$116.00. Finance Director McCann reviewed the Median Home Value Tax Impact for a \$251,800 home with a total property tax of \$3,561, with \$1,158 of those taxes going to the City. The City taxes are then broken down into the General Fund with \$865.00, Debt Service Fund \$280, and the Port Authority \$12.00. A review of the 2021 Comparable City Tax Rates showed that the City of North Mankato had a relatively low rate with only three cities with lower tax rates.

Finance Director McCann reviewed the 2022 Budget by Department, noting the total budget is \$9,459,520, a decrease of \$45,608 mainly due to moving the swim facility to a separate fund. Increases included \$169,507 to fill a vacant position in the Police Department, and an increase of \$100,914 in the Parks Department to restore the parks plan spending to pre-covid levels.

Finance Director McCann reviewed the 2022 Personnel Costs, which included a pay plan increase up to 3% for performance, a 10% decrease in health insurance, and increasing the FTEs from 60.50 to 61.00.

Finance Director McCann reviewed the 2022 Utility Fund Expenditures. Due to wage adjustments, well repairs, and filter rehabs, the Water fund has a 23% increase from \$1,924,257 in 2021 to \$2,371,234 in 2022. The Wastewater Fund has a 2% increase from \$2,549,689 to \$2,592,114 due to wage adjustments and changes to the Mankato treatment charges. The Solid Waste Fund has a 1% increase from \$826,441 to \$835,134 due to rising landfill and clean-up costs. The Recycling Fund increased 7% from 526,401 to \$536,278 due to wages, hauling, and transfer-free changes. The Storm Water Fund has a 14% increase from \$447,504 to \$508,126 due to ravine work and levee recertification and corps station updates. A review of the utility fund revenue includes an increase in the Water Fund of \$49,840, an increase in the Wastewater Fund of \$40,100, an increase in the Solid Waste Fund of \$61,362, an increase in the Recycling Fund of \$22,936, and an increase in the Storm Water Fund of \$4,500. Finance Director McCann reviewed the 2022 Utility Rates to comparable cities, and the City of North Mankato is a lower rate than most cities except Faribault, Willmar, and New Ulm.

Finance Director McCann reviewed the Special Funds Expenditures, which includes increased spending of \$4,966,113 due to the Construction Fund expenditures. A review of the Special Funds' Revenues shows a decreased revenue of \$3,544,848 due to the Cities Sales Tax Bond proceeds received in 2021.

Finance Director McCann reviewed the proposed 2022-2026 CIP. He reported the 2021-2025 CIP was \$32.4 million, and 2022-2026 was \$45.3 million, which is an increase of \$12.8 million. The increase is largely due to the Caswell Park improvements and bonding. New items budgeted for 2022 include \$87,400 for a Police Cruiser, \$4,530 for Police Radios, a sweeper purchase, website update, mower replacement, Parks trailer and bandshell replacements, and facility improvements held for future discussion. Finance Director McCann reviewed the Sales Tax Project. The legislature approved the \$2.0 in bonding toward Caswell Park Improvements. The City has the Sales Tax Bonds totaling \$9.2 million, which is allocated for Caswell Park and Caswell North Improvements and the remaining balance of \$7.3 million to the Caswell Indoor Facility. The City continues to pursue state appropriation for Caswell indoor recreation facility. A future abatement bond may be necessary for funding gaps for the indoor recreation facility.

Finance Director McCann reported the City would be passing the tax rate and the budget at the December 20, 2021, Council Meeting.

Barb Church, 102 Wheeler Avenue, appeared before Council and requested information on how long it takes for the City to increase sales tax revenue by \$100,000. She requested information on the changes to the budget since the initial work session.

With no one else appearing, Mayor Dehen closed the Public Hearing.

Consent Agenda

Council Member Whitlock moved, seconded by Council Member Norland, to approve the Consent Agenda.

- A. Bills and Appropriations.
- B. Res. No. 70-21 Accepting Donations/Contributions/Grants.
- C. Res. No. 71-21 Appointing Election Judges for the 2022 County Commissioner Special Election.
- D. Res. No. 72-21 Approving Polling Locations for the 2022 County Commissioner Special Election.
- E. Approved License Renewals.
- F. Res. No. 73-21 Declaring Costs to be Assessed for Municipal Charges.
- G. Approved Audio Permit for January 29-30, 2022, at Spring Lake Park for the Anthony Ford Pond Hockey Tournament.
- H. Res. No. 74-21 Amending North Mankato Fire Department By-Laws.
- I. Set Public Hearing on Stormwater and Annual Stormwater Pollution Prevention Program (SWPPP) Review.
- J. Authorized the City Administrator to Execute an Agreement with the Department of Natural Resources.

Vote on the motion Steiner, Norland, Whitlock, and Dehen aye; no nays. Abstain; Oachs. Motion carried.

Public Comments Concerning Business Items on the Agenda

None.

Business Items

Res. No. 75-21 Authorizing Minnesota Safe Routes to School 2021 Funding Application for the Lor Ray Drive Improvements/Dakota Meadows Middle School Project.

City Engineer Sarff reported that the funding application would request \$500,000 to cover the construction of pedestrian and bicycle facilities in 2022 as part of the Lor Ray Drive Improvements Project. Trails and sidewalks along Lor Ray Drive would provide safe routes to school for existing and future residential developments in the area. The resolution meets the application requirement, which is due on January 10, 2022. Mayor Dehen commented that the routes would help connect parks and trails around North Mankato and provide safe passage for students.

Council Member Norland moved, seconded by Council Member Steiner, to Adopt Res. No. 75-21 Authorizing Minnesota Safe Routes to School 2021 Funding Application for the Lor Ray Drive Improvements/Dakota Meadows Middle School Project. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

City Administrator and Staff Comments

City Administrator Harrenstein reported the Taylor Library kicked off their Hometown Holiday Lights on Monday, December 6th. Maps are available online or at the library, and voting ends on December 26th, with the winner announced on December 27th.

Bells on Belgrade was held on Saturday, December 4, 2021, with approximately 1,500 people attending. Concessions on Commerce will be held on Friday, December 10th, and Saturday, December 11th from 6:00 p.m. to 8:00 p.m. Stop by Curiosi-Tea for something to drink and eat.

City Administrator Harrenstein reported the Swim Facility is holding its holiday swim pass sale for 2022.

Community Development issued a building permit for a \$2,000,0000 building remodel at Coloplast.

The Public Works Department reports completing the Well #6 rehab project and the Marvin Lift Station pump and controls project. Leaf collection is winding down. Staff continues to pick up as called or as observed around town. Emerald Ash borer was discovered in Nicollet County. City staff have been trained to identify ash borer and how to handle materials at the compost site. The City was also awarded a grant from the Minnesota DNR to remove between 30-45 ash trees in Lower North Mankato and replace in-kind a different species.

Mayor and Council Comments

Council Member Norland thanked the staff for the park maintenance report, including information on the herbicides used.

Mayor Dehen thanked the Bells on Belgrade volunteers for the successful event.

Mayor Dehen thanked City Planner Lassonde for acquiring a SHIP grant for additional bicycle signage around the City.

Mayor Dehen reminded everyone about Hockey Day MN, which will be held in Mankato the week of January 22, 2022. He also invited everyone to the Anthony Ford Pond Hockey Tournament on January 29 and 30, 2022.

At 7:45 pm, on a motion by Council Member Steiner, seconded by Council Member Norland, the Council Meeting was adjourned.

Mayor

City Clerk