

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 20, 2022. Mayor Dehen called the meeting to order at 7:00 pm, asking everyone to join the Pledge of Allegiance. The following were present for roll call: Council Members Steiner, Norland, Oachs, Interim City Administrator Fischer, Finance Director McCann, and City Clerk Van Genderen. Absent: Council Member Whitlock.

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, and Dehen aye; no nays. Motion carried.

Approval of Council Minutes from June 6, 2022, Council Meeting.

Council Member Norland moved, seconded by Council Member Oachs, to approve the Council meeting minutes of June 6, 2022. Vote on the motion Oachs, Steiner, Norland, and Dehen aye; no nays. Motion carried.

Approval of Special Council Meeting Minutes from June 13, 2022, Meeting.

Council Member Steiner moved, seconded by Council Member Oachs, to approve the Special Council Meeting Minutes from June 13, 2022. Vote on the motion Oachs, Steiner, Norland, and Dehen aye; no nays. Motion carried.

Proclamation

WHEREAS, the Class AAA Mankato West Scarlets Softball Team recently became 2022 Minnesota State Girls' High School Champions; and

WHEREAS, the Scarlets won three consecutive games at the State Tournament held June 9th and 10th to become State Champions; and

WHEREAS, the team, led by Head Coach Don Krusemark, had a season record of 23-4; 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 June 20th, 2022, as:

Mankato West Scarlets Day

Coach Krusemark thanked the Cities for the proclamation and commended the players for their hard work noting the team also worked hard off the field with a team GPA of 3.93.

Public Hearing, 7 p.m., Proposed Property Tax Abatement.

Tammy Omdal, Northland Securities, appeared before Council and reviewed two options for proceeding with the bond sale because the City has not received funding from the State for the Indoor

Caswell Recreation Center. Approximately 6.1 million dollars of the proposed bond sales were scheduled to be an abatement bond to match the State dollars for the Indoor Recreation Center. The Council must decide if they will move forward with the complete bond request or remove the request for the approximately 6.1 million dollars planned for the Caswell Recreation Center. If the Council moves forward and includes the 6.1 million dollars Council could use the funds for other park-related improvements as tax abatement bonds may only be used for park-related improvements. The Council can also remove the 6.1 million dollars from the bond request and move forward with the 3.9 million dollars planned for the Lor Ray Drive and McKinley Avenue Improvement.

Barb Church, 102 Wheeler Avenue, appeared before Council and indicated she believed Council should remove the 6.1 million dollars and only bond for Lor Ray Drive and McKinley Avenue Improvements.

Tom Hagen, 927 Lake Street, appeared before Council and concurred with Ms. Church.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Res. No. 60-22 Approving Donations/Contributions/Grants.
- C. Approved Audio Permit for Holy Rosary Church Mass at Wheeler Park on August 17, 2022.
- D. Approved Audio Permit for We Walk With Them, Door of Hope Ministries at Spring Lake Park on October 2, 2022, from 3 pm to 5 pm.
- E. Approved Audio Permit for Spinners Bar, 301 Belgrade Avenue, on June 18, 2022, and June 25, 2022, for the Times Listed on the Permit Applications.
- F. Approved Audio and Block Party Permit for Spinners Bar, 301 Belgrade Avenue, on July 9, 2022, from 1 pm to 11 p.m.
- G. Approved an Audio Permit for Spring Lake Park for Mankato Walk to Defeat ALS on September 17, 2022, from 9 am to 12 pm.
- H. Received and Accepted Traffic and Safety Committee Minutes and Recommendations from June 13, 2022, Traffic and Safety Meeting.
- I. Res. No. 61-22 Approving Consent Assessment Agreement.
- J. Approved Public Art Agreement with Indulge Tanning & Salon.

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

Public Comments Concerning Business Items on the Agenda.

Barb Church, 102 Wheeler Avenue, appeared before Council and indicated she disagreed with the wage being offered in the proposed City Administrator Contract.

Business Items

Res. No. 62-22 Providing for the Competitive Negotiated Sale of General Obligation Improvement Bonds, Series 2022A.

Finance Director McCann reported the City began the bonding process a few months ago and had the option to remove the abatement bond portion, which is tied to the Caswell Sports Indoor Recreation Facility.

Tammy Omdal, Northland Securities, reported the Resolution Set Sale of 10 million dollars in general bonds. Street improvements include McKinley Avenue for \$1.6 million and \$2.3 million for

the Lor Ray Drive project. The remaining \$6.1 million is scheduled for the Caswell Indoor Recreation Facility. The City Council can decide to remove the \$6.1 million due to the State not approving the bonding for the facility and proceed with the \$3.9 million designated for the road improvements. A discussion was held concerning waiting to bond for the Caswell Indoor Recreation Facility until the State approves the bonding request.

Council Member Norland moved, seconded by Council Member Oachs, to Direct Staff to Remove the \$6,115,000 Tax Abatement Bonds Portion of the Resolution and Approve the Competitive Negotiated Sale of General Obligation Improvement Bonds, Series 2022A. Vote on the motion Oachs, Steiner, Norland, and Dehen aye; no nays. Motion carried.

Lor Ray Center Preliminary and Final Plat.

Interim City Administrator Fischer reported the request is for the Preliminary and Final Plat of the Lor-Ray Center. The applicant's request to formally plat the property is addressed as 1721 Lor Ray Drive, which has never been officially platted. The property is located between Walgreens and the Shell Gas Station. The property is zoned B-3 General Commercial. The purpose of the platting is to accommodate future commercial development, which has now been announced as a future Starbucks and Chipotle.

Interim City Administrator Fischer reported that the applicant conducted a traffic study to determine if there would be any traffic issues resulting from the future commercial development. The applicants hired a consultant, and no negative traffic issues were found.

Council Member Steiner moved, seconded by Council Member Oachs, to Approve the Lor-Ray Center Preliminary and Final Plat. Vote on the motion Oachs, Steiner, Norland, and Dehen aye; no nays. Motion carried.

Final Plat of Belgrade Addition.

Interim City Administrator Fischer reported that in May of 2022, the City approved the Preliminary Plat of the Belgrade Addition, which would accommodate single-family residential development on 39 acres of land being annexed into the City limits. The Final Plat consists of 28 lots for future single-family residential development. Outlot A is reserved for future phased development. And Outlots B & C for stormwater holding ponds. Interim City Administrator Fischer reported that while traditionally, the developer names the streets, the city has the right to reject street names. The Planning Commission rejected the street name Joaco Lane, and the developer changed the name to Serenity Lane. He noted that all lots meet or exceed the minimum lot size requirements. Interim City Administrator Fischer reported the Planning Commission recommended approval of the Final Plat with the street name changed from Joaco to Serenity Lane.

Council Member Norland moved, seconded by Council Member Steiner, to approve the Final Plat of Belgrade Addition with the Street Name of Serenity Lane. Vote on the motion Oachs, Steiner, Norland, and Dehen aye; no nays. Motion carried.

Accept North Mankato's 2021 Financial Statement Audit.

Finance Director McCann introduced Layne Kockelman from Abdo, who reviewed the audit. Mr. Kockelman reported there were no findings or instances of noncompliance. There were two findings which included the preparation of the financial statements, which means the auditors assisted with document preparation, and material audit adjustments, which means there were some adjustments at year-end. Mr. Kockelman reported the City received the GFOA Award of Financial Reporting Achievement for the 35 years in a row. Mr. Kockelman reviewed the General Fund Fund Balances, which were approximately 8.9 million. A review of the General Fund Revenues by Type did not show

significant differences from previous years, except the Intergovernmental revenue was higher because of CARES money. General Fund Expenditures by Type showed an increase in the Culture and Recreation due to moving it to a separate fund to provide more transparency. Mr. Kockelman reviewed the Capital Project Fund Balances noting that Caswell North shows a deficit which will be covered as Mankato United pays for the turf in the out-years. He said most of the Fund balances are restricted to bonded projects. Mr. Kockelman reviewed the Special Revenue Fund Balances and reported an increase in the funds. Finance Director McCann pointed out that there are some large cash balances, but they are dedicated and not available for spending outside their designation. Mr. Kockelman reviewed the debt service, noting there is \$1.75 million unrestricted cash and investments, \$30 million in outstanding debt, and \$5.5 million in future interest. Mr. Kockelman reviewed the Enterprise Funds, including the Water, Sewer, Storm Water, Recycling, Solid Waste, and Hotel Fund. All of the funds are cash flowing. It was noted the Solid Waste Fund's balance is low, but rates were increased in 2022, and the fund balance will grow. This is the first year of the Hotel Fund, and Finance Director McCann reported staff continues to work on a development plan for the hotel. Mr. Kockelman reviewed vital performance indicators by comparing North Mankato with Cities in Nicollet County and Class 3 Cities. The Tax rate and per capita is in line with the comparable cities. Long Term debt and debt service expenditures are close to the comparable cities. Finance Director McCann reported the audit showed the City in good financial standing.

Council Member Steiner moved, seconded by Council Member Norland, to Accept the North Mankato's 2021 Financial Statement Audit. Vote on the motion Oachs, Steiner, Norland, and Dehen aye; no nays. Motion carried.

Authorize the City of North Mankato, Minnesota Employment Agreement with Kevin McCann.

Council Member Oachs questioned the pay rate noting she thought it would be closer to the bottom of the range. Mayor Dehen commented that \$155,000 was the max and noted the demand for experienced City Administrator is high, and the City wanted to secure a good candidate.

Council Member Norland moved, seconded by Council Member Steiner, to Authorize the City of North Mankato, Minnesota Employment Agreement with Kevin McCann. Vote on the motion Oachs, Steiner, Norland, and Dehen aye; no nays. Motion carried.

City Administrator and Staff Comments

Interim City Administrator Fischer reported the City would be hosting a Pollinator event at Benson Park on June 25, 2022, from 9 to noon.

The Swim Facility will be hosting an adult night on June 24, 2022.

The Police Department has opened the Police Annex Community Room as a cooling center through Thursday, June 23, 2022.

The Library and City Hall will be closed on July 4, 2022, in observance of Independence Day.

City Administrator McCann thanked the City Council for the opportunity to help move the City forward.

Mayor and Council Comments

Council Member Norland warned the community about various scams and would be providing resources to the library.

Council Member Oachs noted the City needs to follow the ARPA dollar federal guidelines carefully. She also commented that as the City moves into the budget season, they need to be preparing to expend dollars for the ASA remodeling and the wastewater reconstruction.

Council Member Oachs stated the flood wall mural looks great.

Council Member Oachs thanked Community Development Director Fischer for his work as interim City Administrator.

Council Member Steiner requested that the open forum be part of the agenda.

Mayor Dehen thanked the public for attending ArtSplash, Concert on Commerce, and Movies in the Park.

At 8:12 pm, on a motion by Council Member Norland, seconded by Council Member Steiner, the Council Meeting was adjourned.

Mayor

City Clerk