

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 September 8, 2020. City Administrator Harrenstein on March 31, 2020, under MN Statute Section 13D.021, declared the use of electronic meetings due to the COVID-19 pandemic. 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 remotely through Zoom for roll call: Council Members Whitlock, Oachs and Steiner, City Attorney Kennedy, Community Development Director Fischer, City Intern Melina Lobitz, and Public Works Director Host, present in the Council Chambers for roll call: Council Member Norland, Mayor Dehen, City Administrator Harrenstein, Finance Director McCann, and City Clerk Van Genderen. Citizen participation was available through teleconference and live stream of the meeting.

Approval of Agenda

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

Approval Council Minutes from the August 17, 2020, Council Meeting.

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of August 17, 2020. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Public Hearing, 7 p.m., Hearing on Vacation of Newcastle Drive.

Community Development Director Fischer reported that the property to the south is in the process of being platted, and the new development does not require Newcastle Drive, and eliminating the street would be appropriate management of the property. When the street is vacated, the County will divide the land among the adjacent landowners, and the land will be deeded to the owners. Mayor Dehen requested clarification if the taxes would go up for the property owners based on the addition of the property. Attorney Kennedy indicated once the property is deeded, the property owner's taxes may go up based on the increase in property size.

With no one else appearing before Council, the Mayor closed the public hearing.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Res. No. 71-20 Approving Donations/Contributions/Grants.
- C. Appoint Don Westphal to Serve the Remainder of Corey Brunton's Term on the Planning Commission. Appointed through 2023.
- D. Approved the Renaming of the Prairie Heights Development to the Waters North Development.

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

Public Comments Concerning Business Items on the Agenda

None.

Business Items**Res. No. 72-20 Vacating Newcastle Drive.**

Council Member Norland moved, seconded by Council Member Steiner, to Adopt Res. No. 72-20 Vacating Newcastle Drive. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Consider the Waters North-Final Plat a Request from Prairie Development, LLC.

Community Development Director Fischer reported in June 2020, that the applicants received preliminary plat approval of Prairie Heights. Prairie Heights is a new single-family residential subdivision on 109 acres of land recently annexed into the City limits and zoned for low-density residential housing. Due to the presence of a plat recorded at the County as Prairie Heights, the applicants are requesting consideration of the final plat of The Waters North plat. The final plat has changed from the preliminary plat. The revised plat consists of 47 lots for single-family homes and the additions of Deerwood Drive, North Pointe Court, and South Pointe Court. There are several Outlots platted with the following uses: Outlots A, B, and C-Storm Water Ponds and Outlots D, E, and F-Future Development. North Pointe Court will be a cul de sac to replace Newcastle Drive. This change was made for engineering purposes. South Pointe Court will extend to the west as part of a future phase of development within Outlot D. The property is zoned R-1, One-Family Dwelling. The minimum lot sizes for this district are Lot width-90 feet, Lot depth-100 feet, and Lot size-9,000 sq. Ft. All proposed lots within The Waters North meet or exceed the minimum lot size requirements. The final plat contains the required utility easements. Several ravines are included within the subdivision, and according to the City code, developers can either dedicate the ravine property to the City or record an easement approved by the City for the conservation and preservation of the terrain and vegetation. The developers prefer to enter into an easement, and the terms are outlined in the Conservation Easement. Community Development Director Fischer reported the Planning Commission reviewed and recommended approval of the plat.

Council Member Norland thanked staff for the Conservation Easement and the requirements included in the easement. Council Member Oachs requested clarification on if the sump pump drainage management was included in the information. City Administrator Harrenstein reported the provision is in the City Code.

Council Member Norland moved, seconded by Council Member Steiner, to adopt the Waters North-Final Plat a Request from Prairie Development, LLC. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Receive Tax History & Distribution, Relevant Strategic Plans, and Proposed Tax Levy Budget Information.

City Administrator Harrenstein reported this is the first of 8 work sessions to discuss the proposed budget. Statutorily the first formal action taken by Council would be the adoption of the maximum levy by the end of September 2020. He reported the 2021 proposed tax levy is estimated at \$6.8 million, which is a 1.5% increase and amounts to approximately \$98,000 in new operating revenue for the City. All new revenue is allocated to the General Fund for 2021. Finance Director McCann introduced North Mankato City Intern Melina Lobitz, who helped facilitate and research the information for the introductory budget information. Ms. Lobitz reviewed the document and provided highlights of the proposed budget. The taxable market value (TMV) of the community is estimated at \$1.2 billion for 2021. This is a \$17.7 million increase or 1.5% between 2020 and 2021 in new growth. The total city tax capacity increased by \$210,000 between 2020 and 2021. The 2021 tax levy is

estimated at \$6.8 million, which is a 1.5% increase and amounts to approximately \$98,000 in new operating revenue for the City. The value of the community increased by 4.3%, and new construction makes up 1.5% of that increase. The proposed tax rate is 48.275%, a 1.39 percentage point reduction from 2020. The decrease is proposed in recognition of the financial impacts of the COVID-19 pandemic on businesses and homeowners in the community. North Mankato is comprised of 5 major tax classifications, including residential, commercial, industrial, agricultural, and tax-exempt properties. Residential parcels make up 78% of total City parcels. These parcels pay 57% of all city tax amounts. Commercial and industrial properties makeup 5% of total City parcels and contribute 30% of the City tax levy. The top 10 highest contributing tax entities in North Mankato contribute 7.3% of the total levy or approximately \$515,000. Four of the top ten contributors are Taylor Corporation companies. The average North Mankato homeowner pays roughly \$1,000 in city taxes. Approximately 80% of all residents contributing to the tax levy have an estimated property value between \$100,000 and \$300,000. When compared to other similarly sized cities, North Mankato ranks in the upper third for TMV, in the middle third for the levy, and the bottom third for city tax rates. City utility rates are competitive when compared to similar cities in terms of population size and geographic location. Randomly selected commercial and residential properties suggest that the city portion of property tax rates has remained relatively flat over the last three years. Council Member Norland requested if additional information would be provided concerning ravine management. City Administrator Harrenstein reported at the next Council Work Session and staff will present information on ravine maintenance and associated costs. Council Members thanked Ms. Lobitz and staff for the new budget format. Mayor Dehen requested additional information on if the City left the tax rate flat, increased or increased the tax rate by 1%. He indicated the discussion should be held in light of the COVID-19 pandemic and potential loss of LGA funds. He also requested staff include a place holder for a 2021 CIP project. City Administrator Harrenstein reported staff would present those options at the next Council Work Session.

Open Forum

None.

City Administrator and Staff Comments

City Administrator Harrenstein thanked staff for their work at the pool and reminded Council about the Strategic Planning Session scheduled for September 15, 2020, at noon.

Public Works Director Host reported Howard Drive and Monroe Avenue are in the final stages, and Countryside Drive is just beginning. He thanked Library Director Heintz for adding Music in the Park events.

Mayor and Council Comments

Council Member Norland thanked the staff for the budget preparation and the updated budget format.

Council Member Norland thanked City staff for making parks accessible for groups to use.

Council Member Norland was interested in adding environmental concerns to the strategic planning process.

Council Member Oachs requested information on fall clean-up plans. Public Works Director Host reported fall clean up is scheduled for October 8-11, 2020. The event will be run like the Spring Drop-off.

Council Member Oachs encouraged businesses to apply for Nicollet County Cares grant money.

Mayor Dehen stated he was able to attend the South Central College ribbon cutting for their expanded facility.

Mayor Dehen requested an update on the Kerns Bridge application process. Public Works Director Host reported he was aware of several other submissions, but initial interest letters would be accepted until September 30, 2020.

Mayor Dehen stated the Strategic Planning Session that would be held on September 15, 2020, would be an opportunity to set the tone for the future of North Mankato and is an opportunity to move the City forward.

At 8:05 p.m. on a motion by Council Member Norland, seconded by Council Member Oachs, the Council Meeting was adjourned.

Mayor

City Clerk