

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 May 7, 2018. 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 roll call: Mayor Dehen, Council Members Whitlock, Steiner, Norland, and Freyberg, City Administrator Harrenstein, Finance Director McCann, Attorney Kennedy, Community Development Director Fischer, City Engineer Sarff, and City Clerk Van Genderen.

**Approval of Agenda**

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

**Approval of Council Meeting Minutes**

**Council Member Norland moved, seconded by Council Member Freyberg, to approve the minutes of the Council meeting of April 16, 2018. Vote on the motion: Whitlock, Norland, Freyberg, and Dehen aye; Steiner abstain; no nays. Motion carried.**

**Mayor Dehen read the following Proclamation into record:**

PROCLAMATION

WHEREAS, biking to work, to school, to a store, to a park, on our trails or around the neighborhood provides many benefits including better health and fitness, reduced health care and transportation costs and a cleaner environment; and

WHEREAS, May is bike month in Minnesota and the United States of America; and the cities of Mankato and North Mankato join in recognition; and

WHEREAS, Greater Mankato Bike and Walk Advocates are organizing rides and events to celebrate Bike Month and work to encourage residents to ride their bikes not only during Bike Month but also throughout the year; and

WHEREAS, Mankato and North Mankato make bicycling easier as a form of recreation and transportation through bike lanes and routes, bike repair stations, bike racks, and wayfinding.

NOW, THEREFORE, We, Eric Anderson, Mayor of Mankato, and Mark Dehen, Mayor of North Mankato, do hereby proclaim May 2018 as

*MANKATO AND NORTH MANKATO BIKE MONTH*

in Mankato and North Mankato, Minnesota.

**Public Hearing, 7 p.m. Proposed Assessment for Project NO. 17-05 ABCDEF, Jefferson Avenue Street & Utility Improvement.**

City Engineer Sarff reported the project included the replacement of the existing water and sewer mains, reconstruction of the street and the addition of a stormwater system. Residents can have plumbers inspect their water and sewer mains and if they need to be replaced may add that cost to the assessment roll. City Engineer Sarff indicated the project includes replacement of the 5 feet wide sidewalk. Unfortunately, 24 boulevard trees will need to be removed, and residents may call City Hall to determine which trees will be removed. City Engineer Sarff reported the City's Assessment Policy allows the assessment of the improvement to the property owners. The calculated assessments range from \$6,300 to \$11,500. The City has proposed an assessment cap of \$6,000 for a total assessment to property owners of \$114,000 or 25% of the project cost. Following completion of the project, the assessments will be certified to the County of Nicollet for 15 years at 4% interest. Residents have two options for payment. They may prepay the assessment and not pay interest or pay over the 15 years; residents may always pay off the assessment. City Engineer Sarff stated the contractor has estimated a start date in the middle of June with completion in August. He noted there might be times the street will not be accessible.

Nancy Goodwin, 923 Range Street, appeared before Council and indicated it appeared some work had begun. City Engineer Sarff reported the gas company was doing some work in preparation, but they are not part of the City contract. Ms. Goodwin noted that Maker Space of Mankato was interested in obtaining the trees that were being cut down to use in woodworking projects. City Engineer Sarff indicated the City would be interested in working with Maker Space.

### **Consent Agenda**

**Council Member Norland moved, seconded by Council Member Whitlock, to approve the Consent Agenda which included:**

- A. Bills and Appropriations.
- B. Res. No. 48.18 Approving Donations/Contributions/Grants.
- C. Approved Seasonal Extension of Patio Premise for the Circle Inn and 232 Belgrade Avenue, from May to October 2018.
- D. Approved Audio Permit for a Fishing Opener Party at the Circle Inn on May 12, 2018, from 6:00 p.m. to 10:00 p.m.
- E. Approved Park and Audio Permit for Tribute to the Troops on May 19, 2018, from 11:00 a.m. until 3:00 p.m. in Spring Lake Park.
- F. Approved Parade Permit for Mankato Brewery's Mankato Beer Run 5K & .05K Run/Walk on September 22, 2018, from 10:00 a.m. to 12:00 p.m.
- G. Approved Audio Permit for Mankato Brewery's Mankato Beer Run 5K & .05K on September 22, 2018, from 9:00 a.m. to 12:00 p.m. at 1119 Center Street.
- H. Approved License Agreement with Nature View Subdivision, LLC.
- I. Authorized City Administrator to Execute Development Agreement with Dan Wingert.

Council Member Steiner requested clarification on Item #9H Consider Approval of License Agreement with Nature View Subdivision, LLC. Community Development Director Fischer reported that during the platting process and the relocation of Marie Lane a piece of the right of way was turned into an outlot. The developer would like to place a monument sign on the property, and the developer will maintain the property. City Administrator Harrenstein reported the City would have design approval for the monument and the agreement automatically renews every year and if the property is not taken care of the City can act. Attorney Kennedy reported the agreement enforces the use of the property.

Mayor Dehen thanked all of the donors who donated to the library.

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

**Public Comments Concerning Business Items on the Agenda**

Phil Henry, 1300 Noretta Drive, appeared before Council and thanked Council for addressing the cats in Agenda Item 11D.

**Business Items**

**Res. No. 44-18 Adopting Assessment for Project NO. 17-05 ABCDEF Jefferson Avenue Reconstruction Project.**

**Council Member Freyberg moved, seconded by Council Member Norland to Adopt Res. No. 44-18 Adopting Assessment for Project NO. 17-05 ABCDEF Jefferson Avenue Reconstruction Project. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

**Res. No. 45-18 Accepting Bid for Project No. 17-05 ABCDEF Jefferson Avenue Reconstruction Project.**

**Council Member Steiner moved, seconded by Council Member Norland to Adopt Res. No. 45-18 Accepting Bid for Project No. 17-05 ABCDEF Jefferson Avenue Reconstruction Project. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

**Res. No. 46-18 Accepting Bid Project No. 18-03 DE 2018 Street Improvement Project.**

City Administrator Harrenstein reviewed the work included in the 2018 Street Improvement Project which included Raymond Drive, Leona Drive, Spring Lake Park Hockey Rink Parking Lot, and the basketball courts at Wheeler Park, Tower Boulevard, and Howard Drive. He reported after the street crews complete patching, the City would provide an overview of the roads that will be seal coated by City crews. **Council Member Norland moved, seconded by Council Member Steiner to Adopt Res. No. 46-18 Accepting Bid Project No. 18-03 DE 2018 Street Improvement Project. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

**Res. No. 47-18 A Resolution of the North Mankato City Council in the Matter of a Continuous Nuisance Located at 1201 Lor Ray Drive North Mankato on Property Owned and/or Controlled by Rayleen Kay Martinez.**

Attorney Kennedy reported the owner was charged twice with criminal complaints and she has paid the fine and not removed the excess number of cats. The problem continues, and the City requests passage of the resolution which allows the City to remove the cats if she does not remove the excess number of cats within 20 days. **Council Member Steiner moved, seconded by Council Member Norland to Adopt Res. No. 47-18 A Resolution of the North Mankato City Council in the Matter of a Continuous Nuisance Located at 1201 Lor Ray Drive North Mankato on Property Owned and/or Controlled by Rayleen Kay Martinez. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

**Review 2019 Budget & Proposed 2019-2028 CIP Schedule.**

Finance Director McCann reported the Sanitary sewer system is critical to the City's operations and staff has identified wastewater projects for consideration including:

- Forecemains and lift station upgrades on Carol Court and Marvin Boulevard
- Sewer lining on Carol Court, Allan Ave., Valerie Lane, and Marvin Boulevard

The total expenditure for the work is estimated at \$795,000, but the projects can be phased and the project totals kept under \$175,000 if completed separately. Council Member Norland requested clarification on if there were current problems in the area. City Administrator Harrenstein reported when there are substantial rainfalls the Marvin lift station cannot keep up. City Engineer noted that if the City phases the work correctly updating the Carol Court lift station may eliminate the problem. City Administrator Harrenstein noted that with the rate increase the projects could fit into the five-year plan.

**Consider 4D Tax Classification Pilot Initiative.**

The 4D Tax Classification Pilot Initiative was originally on the North Mankato Port Authority Agenda that was held earlier in the evening, but due to limited time the item was added to the City Council Agenda. City Administrator Harrenstein reported the program is a tax rate classification program that may apply to certain residences that are rented and termed natural occurring affordable housing. He stated with the continued discussion about workforce housing and making rent affordable this program assists in maintaining affordable rents. The program allows owners to obtain a tax rate to reduce property tax liability with the goal of preserving naturally occurring affordable rental housing. Landlords would be eligible for the tax classification if they agree to keep some of their units affordable to people with lower incomes. The program serves people who have incomes at or below 60% of the Area Median Income. Finance Director McCann noted the rate would be set with the assessor and would lower the tax rate on the property. North Mankato has determined the minimum number that can be rated would be four units. Finance Director McCann stated an example would be a four plex valued at \$700,000, the property pays approximately \$12,000 in taxes; if the property were in the program taxes would decrease by \$1200 or 10% for the owner. City Administrator Harrenstein stated City Staff would be prepared to come back with additional information and on the fiscal impact. City Council Member Freyberg invited Port Authority President Dave Arnold to the podium for his perspective. President Arnold stated this would be a way for the City to help provide affordable housing and he would be interested in learning more about the program. Council Member Norland requested clarification on if the school district would also lose tax funds. City Administrator Harrenstein noted there were various incentive programs that impact the County and the school district; this program would be an exchange for affordable housing for students and staff. Council Member Norland stated she would be interested in additional information. Mayor Dehen requested staff reach out to eligible property owners to see if they were interested. If they are not then staff does not need to proceed. City Administrator Harrenstein indicated City Staff would prepare additional information.

**Open Forum**

Lucy Lowry, 2263 Northridge Drive, appeared before Council and spoke about the development agreement with Dan Wingert requesting clarification on the City's obligation. City Administrator Harrenstein reported the cities obligation was to reimburse the developer the difference between the price paid to Nicollet County for the lots and what the developer believes is the actual value of the tax forfeited property. Mayor Dehen indicated the purpose of the agreement was to help the developer get the properties on the tax rolls which will generate more taxes.

Barb Church, 102 Wheeler Avenue, appeared before Council and reported a typo on Exhibit A of the Development Agreement. Ms. Church requested clarification on if the 4D Tax Classification would reduce the rent. Ms. Church commented on the water meter survey indicating she did not believe renters should be able to complete a survey.

Phil Henry, 1300 Noretta Drive, appeared before Council and thanked Mayor Dehen for the proposed 4D Tax Classification because it benefited homeowners, not businesses.

### **City Administrator and Staff Comments**

City Administrator Harrenstein thanked Caswell Sports Director Tostenson and Amber Hauschen for the first Mud Lake 5K which had over 60 runners.

City Administrator Harrenstein thanked volunteer Rick Oglesby for his continued efforts to keep the City beautiful by picking up garbage. He also thanked all the individuals who donated swim passes.

City Administrator Harrenstein stated the junk pickup went well and street crews were now starting on patching.

Finance Director McCann reported the auditors were here this week and staff would be moving to the budget.

### **Mayor and Council Comments**

Council Member Norland stated she would like to instate a North Mankato Nice recognition process where the public could nominate individuals to City Administrator Harrenstein for public recognition of their service. Council Member Norland thanked Dave and Dennis Longhenry who snow blowed their driveway following the last storm.

Council Member Whitlock thanked Joel Mosky for taking care of the snow on his property this year. He truly appreciated the help.

Mayor Dehen read a thank you from Howard Vetter's family for the flower arrangement given by the City.

Mayor Dehen reported the Centennial Park fountain was turquoise for the American Lung Association.

Mayor Dehen thanked those that ran and participated in the Mud Lake 5K.

Mayor Dehen welcomed Vero's Tacos to the City of North Mankato.

**Council Member Norland moved, seconded by Council Member Steiner to adjourn to closed session for the City Administrator's evaluation. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen aye; no nays. Motion carried.**

At 9:15 p.m. Mayor Dehen announced the City Council completed the evaluation and approved a 3% raise for City Administrator Harrenstein in 2018-2019.

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Mayor

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City Clerk