

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 October 2, 2017. 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, and Steiner, City Administrator Harrenstein, City Attorney Kennedy, Community Development Director Fischer, Public Works Director Swanson and City Clerk Van Genderen. Absent: Council Members Norland and Freyberg, and Finance Director McCann.

Approval of Agenda

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

Approval of Council Meeting Minutes

Council Member Steiner moved, seconded by Council Member Whitlock, to approve the minutes of the Council meeting of September 18, 2017. Vote on the motion: Whitlock, Steiner, and Dehen aye; no nays. Motion carried.

Public Hearing-Public Comments on the 2018 Proposed Budget.

None.

Public Hearing-Consider Purchase of 928 South Avenue.

City Administrator Harrenstein reported the City recently became aware that 928 South Avenue, which abuts the Police Annex, may be available for purchase. City staff recommends the purchase of the property and is negotiating a purchase price. This public hearing is to inform the City of the intent to purchase the property. Kim Spears, 916 South Avenue, appeared before Council and requested clarification on if the public hearing was publicized. City Clerk Van Genderen indicated it was included in the Agenda, but clarified a public hearing was not a requirement for the purchase of the property. Administrator Harrenstein stated a second public hearing could be held on October 16, 2017. Attorney Kennedy noted additional information would be available at the next meeting. Mr. Spears stated if the City purchases the property it comes off of the tax rolls. Council Member Steiner indicated the property had previously been discussed for purchase. Tom Hagen, 927 Lake Street, appeared before Council and stated in light of affordable housing shortages he did not agree with taking the house down, he believed it could be rented or sold. Mayor Dehen stated the City is well aware of the need for affordable housing and discussion had been made concerning moving the house to a different location.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Res. No. 68-17 Approving Donations/Contributions/Grants.
- C. Res. No. 69-17 Declaring as Surplus and Authorizing the Sale of Administrative Police Department Vehicle.
- D. Approved Purchase of Replacement Police Administrative Vehicle.

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

Public Comments

None.

Business Items

Receive Information Concerning Affordable Housing from Tom Hagen. Mayor Dehen reported the City is aware that there is a shortage of affordable housing and the City is working with Mankato to consider possible solutions. Mayor Dehen stated the City is limited in their ability to create affordable housing, but the City is looking for creative ways to help find a solution. Tom Hagen, 927 Lake Street, appeared before Council and reviewed information he learned at an Affordable Housing Forum hosted by the Mankato Free Press. He stated discussion was held concerning the shortage of affordable housing in the Greater Mankato area and that new affordable housing is difficult to build due to expenses. He believes the solution lies in legacy housing and allowing the conversion of homes in lower North Mankato to rentals. Mr. Hagen reported St. Peter is 60% rental and they manage the issues with enforcement. Phil Henry, 1300 Noretta Drive, appeared before Council and stated he believes the issue with affordable housing is property taxes and permit fees.

Consider Adopting Res. No. 70-17 Rejecting Bid for Project No. 17-4 Spring Lake Park Swim Facility. City Administrator Harrenstein reported the bid opening for the Spring Lake Park Swim Facility was held on October 2, 2017, at 2:00 p.m. The City received only one bid for the entire package. The base bid for the facility improvements was 2.8 million which exceeded the engineer's estimates by \$960,000. Due to the limited amount of bids received and the fact that the bid exceeded the amount reserved for the project; City staff recommends rejecting the bid. USAquatics will attend the next City Council meeting and explain the lack of bids and why the bid was overestimated. City Administrator Harrenstein indicated the City is still committed to achieving the improvement of the swim facility matching North Mankato residents' expectations. City Administrator Harrenstein requested City Council reject the bid and move to rebid the project. Council Member Steiner stated he remains committed to updating the swim pond, but not the addition of amenities. City Administrator Harrenstein thanked Council Member Steiner for his stand, saying 1.4 million of the proposed work is for the improvement of the swim facility, \$400,000 for the warming house and \$400,000 for amenities. He stated residents might express concern if no amenities are included in the improvement. **Council Member Steiner moved, seconded by Council Member Whitlock to Adopt Res. No. 70-17 Rejecting Bid for Project No. 17-4 Spring Lake Park Swim Facility and put the Project Back out for Bid. Vote on the motion: Whitlock, Steiner, and Dehen aye; no nays. Motion carried.**

Consider Approving a Developer Agreement for Privately Financed Improvements for the Landing North Phase 2. City Administrator Harrenstein reported this development agreement is for Landing North Phase 2 in the Reserve Subdivision. He stated the developers owned the property before the recession and stayed with the City maintaining the property and paying taxes until they were able to move forward with the second phase. Mayor Dehen stated it would be a welcome addition. **Council Member Whitlock moved, seconded by Council Member Steiner to approve the Developer Agreement for Privately Financed Improvements for the Landing North Phase 2. Vote on the motion: Whitlock, Steiner, and Dehen aye; no nays. Motion carried.**

Consider Approving Developer Agreement for Privately Financed Improvements for North Gate No. 3. City Administrator Harrenstein reported this would be a similar agreement to the one just approved. The development would extend Valdez Drive. Mayor Dehen stated this

development is an R1-S which has smaller lot sizes and is more for entry-level homeowners. **Council Member Steiner moved, seconded by Council Member Whitlock to approve the Developer Agreement for Privately Financed Improvements for North Gate No. 3. Vote on the motion: Whitlock, Steiner, and Dehen aye; no nays. Motion carried.**

City Administrator and Staff Comments

City Administrator Harrenstein stated the City is aware of the concerns about affordable housing and staff is committed to land use planning to allow affordable housing. Affordable housing is the impetus for guiding property to R1-S One Family Dwelling, Small Lot District. He stated cities have limited tools available to assist with the creation of affordable housing. City Administrator Harrenstein indicated that while the City is not its own housing agency, Section 8 vouchers are available. City Administrator Harrenstein reported 40 new multi-family housing units had been added to the community including some good entry level options. Administrator Harrenstein said City staff has proposed budgeting \$50,000 for the North Side Revival Program which will benefit legacy housing. The rental density cap restricts turning legacy homes into rentals which provides a greater opportunity for young professionals to obtain the property as they are not competing with landlords for properties. City Administrator Harrenstein stated the City is committed to the whole community. He stated an additional issue is that wages for the middle class have not kept up and wages limit the ability for prospective homeowners to enter homes.

City Administrator congratulated Hoover Elementary for being named a Blue Ribbon School.

Public Works Director Swanson thanked Dotson for allowing their employees to work for the City during the rebuilding of the foundry following the fire.

Public Works Director Swanson reminded citizens that fall drop-off is October 13, 14 and 15 from 8:00 am until 4:00 pm.

Mayor and Council Comments

Council Member Whitlock reported Business on Belgrade (BOB) participated in the LEMA (Law Enforcement Memorial Association) service. He stated he was very moved by the service.

Council Member Whitlock stated Bier on Belgrade was held on September 23rd. Attendance was down due to the heat, as it was over 96°.

Mayor Dehen stated Coffee with the Council would be held on Saturday, October 7th at 10:00 a.m. at the North Mankato Taylor Library. He said Finance Director McCann would be available to discuss the budget. Mayor Dehen stated Finance Director McCann would be hosting two Brewing up the Budget meetings on October 12, 2017, at 6:00 pm and October 17, 2017, at 6:00 pm at Neutral Groundz, 229 Belgrade Avenue.

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Whitlock, the meeting adjourned at 7:32 p.m.

Mayor

City Clerk