

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 7, 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, Whitlock, City Administrator Harrenstein, City Attorney Kennedy, Finance Director McCann, Community Development Director Fischer, Public Works Director Host, and City Clerk Van Genderen.

**Approval of Agenda**

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

**Approval of Council Minutes from August 16, 2021, Council Meeting.**

**Council Member Steiner moved, seconded by Council Member Whitlock, to approve the Council meeting minutes of August 16, 2021. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.**

**Mayor Dehen read the proclamation into the record.**

*WHEREAS, September 17, 2021, marks the two-hundred-thirty-fourth anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and*

*WHEREAS, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and*

*WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week.*

*NOW THEREFORE I, Mark Dehen, Mayor of North Mankato, by virtue of the power vested in me as Mayor of the City of North Mankato do hereby proclaim September 17 through 23 as:*

*CONSTITUTION WEEK*

*And ask our citizens to reaffirm the ideals the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties.*

**Public Hearing, 7 pm Consider Ordinance Authorizing the Issuance of Bonds by the Port Authority of North Mankato in the Maximum Amount of \$4,500,000.**

Bond Counsel from Northland Securities Tammy Omdal appeared before Council and stated the Ordinance would allow the North Mankato Port Authority to issue General Obligation bonds with the full faith and credit of the City. The bonds would finance the purchase of property within the just established Industrial Development District. The Ordinance would allow the Port Authority to go through the process of issuing the bonds.

Barb Church, 102 Wheeler Avenue, appeared before Council stated the Council should consider not issuing the bonds as the project seems speculative. Ms. Church said a hotel, golf course, and grocery store were also speculative actions by the City that were not successful and suggested the City leave speculation to private developers. Ms. Church commented the City could have made Ordinance changes to accommodate the situation rather than using taxpayer dollars to purchase the property.

With no one else appearing before Council Mayor Dehen 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. 57-21 Accepting Donations/Contributions/Grants.
- C. Authorized the City Administrator to Execute the Developer Agreement for Privately Financed Improvements Waters North Development Phase 1, Part 2 (Waters North No. 2), Upon Receipt of a Cash Deposit or Irrevocable Letter of Credit Equal to the Cities Liability Exposure.
- D. Approved Audio Permit for Arlington Lane on September 25, 2021, from 6:00 p.m. to 10:00 p.m.
- E. Approved Parade Permit for Mount Olive on September 24, 2021, from 8:00 a.m. to 1:00 p.m.

Council Member Oachs requested clarification on Consent Agenda Item C. City Administrator Harrenstein reported the Developer Agreement is for Waters North Phase 1 Part 2 and is a private subdivision. Some of those improvements are public items such as sewers, water mains, and other general improvements. The agreement requires an irrevocable letter of credit or cash deposit equal to the cost of the public improvements. If the private developer does not complete the general improvements, the City will complete the improvements using the funds or credit of the developer. The motion allows the City Administrator to authorize the agreement after the City has received the funds. The City has not received the funds, so we will wait to authorize until after the funds are received.

**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**

**Ordinance No. 144 Authorizing the Issuance of Bonds by the Port Authority of North Mankato in the Maximum Principal Amount of \$4,500,000 for the Purpose of Securing Funds as Needed by the City of North Mankato to Finance the Acquisition of Property within the Webster Avenue Industrial Development District.**

City Administrator Harrenstein reported the City was approached with a unique situation early in 2021. The City's settlement agreement with HyLife Foods provided an opportunity to accommodate the need for worker housing. It allowed the Port to enter into a purchase agreement with the lessee. He commented that compared to other assets, there is reason to be hopeful concerning the agreement and the purchase of the property. The hotel is in a prime location, and the City has procured a favorable lease which secures the debt for several years. City Administrator Harrenstein commented that adopting ordinance changes to accommodate the situation would have created permanent changes to the lodging and residential code. He commented that the area is called out for commercial use in long-range planning and the property is still available for private development. City Administrator Harrenstein commented that the property appears to be under better management, and the company has invested in the property. Council Member Steiner requested clarification on if the room that was

pictured in the IDD plan was repaired. City Administrator Harrenstein reported the room had not been repaired as it is not in use, but the exterior of the building has been repaired.

Ms. Omdal reported the process for issuance of the bonds would include a Port Authority meeting on September 20, 2021, setting the sale, and on November 15, 2021, the bonds would be sold, and both the Port and the Council would meet to award the bonds.

**Council Member Steiner moved, seconded by Council Member Norland, to Adopt Ordinance No. 144 Authorizing the Issuance of Bonds by the Port Authority of North Mankato in the Maximum Principal Amount of \$4,500,000 for the Purpose of Securing Funds as Needed by the City of North Mankato to Finance the Acquisition of Property within the Webster Avenue Industrial Development District. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.**

**Res. No. 58-21 Ordering the Preparation of Report on Improvement for Project No. 21-05 ABCDEF Lor Ray Drive Street and Utility Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Street and Utility Improvement Project.**

City Engineer Sarff reported the resolution would initiate the process for 2022 improvement projects. The projects would include Lor Ray Drive from White Oak to the Reserve and three blocks of McKinley Avenue. Although the preparation of the 2022 budget and 2022-2026 capital improvement program is in progress and has not been adopted, both projects are included in the preliminary budget. They are accounted for in the debt service projections. The Local Road Improvement Program Funds of \$575,000 are available for Lor Ray Drive in 2022 and Municipal State Aid Advancement of \$325,000 and \$1,000,000 in Coronavirus Relief Funds are also available. The project's total estimated cost is \$3,700,000, and with the anticipated funding, bonding would be approximately \$1.8 million. McKinley Avenue is eligible for \$200,000 in Coronavirus Relief Funds. The total estimated cost of McKinley Avenue reconstruction is \$1.5 million, and with anticipated funding, the City would need to bond for \$1.3 million. Since both projects utilize special assessments, it is recommended that the Council adopt the resolution ordering the preparation of the reports to begin the required processes. Mayor Dehen commented that the McKinley Avenue project would continue the City's commitment to improving Presidents' row. The Lor Ray Drive would respond to residents requesting the improvement and move the street from a County road to a City Street. **Council Member Norland moved, seconded by Council Member Steiner, to Adopt Res. No. 58-21 Ordering the Preparation of Report on Improvement for Project No. 21-05 ABCDEF Lor Ray Drive Street and Utility Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Street and Utility Improvement Project. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.**

### Open Forum

Susan Akland, Representative District 19A, appeared before Council and stated she was glad to speak to the Council and residents. Ms. Akland highlighted actions taken during the legislative session, including an increase of 5% in budget for education and a relatively low tax increase. The City of North Mankato received \$700,000 in Local Road Improvement Funds and funding for LorRay and Somerset. She encouraged the Council and residents to contact her.

Barb Church, 102 Wheeler Avenue, appeared before Council and commented she had concerns about an interaction between staff and a Council member that occurred in January of 2021.

Tom Hagen, 927 Lake Street, appeared before Council and expressed concerns about the Wingert Development Agreement signed on May 7, 2018.

**City Administrator and Staff Comments**

City Administrator Harrenstein invited residents to Symphony on the Prairie on September 11, 2021, and Bier on Belgrade on September 18, 2021.

City Administrator Harrenstein reminded residents the City is currently under water conservation measures.

City Administrator Harrenstein reported the Water Department was second-runner up for the Dave Neiman Source Water Protection Award for the Wellhead Protection Plan

City Administrator Harrenstein invited residents to a MAPO open house for a proposed pedestrian bridge over Highway 14.

Public Works Director Host reported junk drop-off would be held in October, and a shredding event would be held on October 9, 2021.

Finance Director McCann reminded Council about the Council Budget Work Session on Monday, September 13, 2021, at noon.

**Mayor and Council Comments**

Council Member Oachs expressed her good wishes to everyone returning to school. She invited businesses to a weekly Business Zoom meeting and mentioned Representative Akland attends when she is available.

Council Member Whitlock invited everyone to Symphony on the Prairie at Benson Park on September 11, 2021. It will be a patriotic celebration.

Mayor Dehen invited residents to attend the Music in the Park series held on Thursdays in September, hosted by the Library.

At 7:43 pm, on a motion by Council Member Norland, seconded by Council Member Oachs, the Council Meeting was adjourned.

---

Mayor

---

City Clerk