

Pursuant to due call and notice thereof, a special meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on June 28, 2021. Acting Mayor Billy Steiner called the meeting to order at 12:07 pm, asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Council Members Norland, Oachs, Whitlock and Steiner, City Administrator Harrenstein, City Attorney Kennedy, Finance Director McCann, Community Development Director Fischer, Public Works Director Host, and City Clerk Van Genderen. Mayor Dehen arrived during the first Public Hearing.

Approval of Agenda

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

Approval of Council Minutes from June 7, 2021, Council Meeting.

Council Member Norland moved, seconded by Council Member Oachs, to approve the minutes of the Council meeting of June 7, 2021. Vote on the motion: Norland, Oachs, Whitlock, and Steiner aye; no nays. Motion carried.

Approval of Council Work Session Minutes from June 14, 2021, Council Work Session.

Council Member Oachs moved, seconded by Council Member Norland, to approve the minutes of the Council Work Session meeting of June 14, 2021. Vote on the motion: Norland, Oachs, Whitlock, and Steiner aye; no nays. Motion carried.

Public Hearing, 12 pm Hearing on Vacation of Utility Easement Request from Todd King.

Community Development Director Fischer reported the applicant requested to vacate the utility easement on Sherwood Drive. The applicant is working with his neighbor to purchase some property to build a garage addition. Part of the process requires the vacation of the utility easement. All local utility companies were notified, and there have been no objections.

With no one appearing, Mayor Dehen closed the Public Hearing.

Public Hearing, 12 pm Hearing on Vacation of Utility Easement Request from Christopher Schweiss.

Community Development Director Fischer reported the applicant is requesting to combine properties into one lot. To complete the request, a utility easement must be vacated. All utility companies were notified, and there have been no objections.

With no one appearing, Mayor Dehen closed the Public Hearing.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Res. No. 49-21 Accepting Donations/Contributions/Grants.
- C. Approved Audio Permit for Balsam Court Block Party on July 24, 2021, from 7:00 pm to 10:00 pm.
- D. Approved Audio Permit for Carlson-Tillisch Eye Clinic Summer Party on July 24, 2021, at Wheeler Park from 1:00 pm to 6:00 pm.

- E. Approved Audio Permit for North Mankato Legion Parking Lot on August 7, 2021, from 3:00 pm to 10:00 pm.
- F. Approved Audio Permit for North Mankato Legion Parking Lot on September 11, 2021, from 3:00 pm to 7:00 pm.
- G. Received and Approved the Recommendations from June 17, 2021, Traffic & Safety Committee Meeting.

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

Public Comments Concerning Business Items on the Agenda

None.

Business Items

Res. No. 50-21 Vacating Utility Easement.

Council Member Norland moved, seconded by Council Member Steiner, to Adopt Res. No. 50-21 Vacating Utility Easement. Vote on the motion: Norland, Oachs, Whitlock, Steiner, and Dehen aye; no nays. Motion carried.

Res. No. 51-21 Vacating Utility Easement.

Council Member Norland moved, seconded by Council Member Steiner, to Adopt Res. No. 51-21 Vacating Utility Easement. Vote on the motion: Norland, Oachs, Whitlock, Steiner, and Dehen aye; no nays. Motion carried.

Approve North Mankato's 2020 Financial Statement Audit.

Finance Director McCann reviewed the City's financial standing. He noted the City is moving in the right direction fiscally, and the audit shows the City is financially strong even throughout the COVID pandemic. He reported the City increased its net position by \$2.63 million in 2020, compared to \$4.97 million in the previous year. This difference is directly attributable to the COVID-19 pandemic. Finance Director McCann introduced Tom Olinger from Abdo, Eick & Meyers, who completed the audit. Mr. Olinger reported the auditor's test-specific risk areas, which change every year. The purpose of the audit is to determine if the City is following State Statute. He noted there are fewer adjustments needed every year, the City is improving its processes.

Mr. Olinger reviewed the General Fund Balances. The General Fund Balance for the end of 2020 was \$3,583,511 and is at 52.4%, within the City's fund balance policy guidelines of at least 50% of Budgeted Property Taxes, LGA, and MSA. Mr. Olinger reviewed the General Fund Budget to Actual Budget. There was a shortfall in revenues of \$900,664, and expenditures were under budget by \$1,416,338, but overall there was an increase in the fund balance of approximately 1 million dollars.

Mr. Olinger reviewed the Capital Projects Fund Balances, which had a decrease of approximately \$662,853 related to the spending of bond proceeds. The City has created an MSA Fund to help monitor the Municipal State-Aid Road funding allocations out of the Fund. The City could close several old construction funds because it is easier to follow the money and determine when the funds have been received. He noted the fund balance shows a deficit of \$2.6 million, but the City advances the cash and does not show when cash will be allocated. City Administrator Harrenstein commented that the City does not owe the \$2.6 million; rather, the City has taken advantage of advancing the MSA funds from future year allocations.

Mr. Olinger reported the Special Revenue Fund Balances did not have a lot of change. He did note the cash balance is approximately \$1.1 million. Two million dollars of the balance is in the value of the land held by the Port Authority and in loan receivables.

Mr. Olinger reported the Debt Service Fund, which is paid back by tax levy or special assessments, currently is at \$20 million debt. He noted the Fund is stable, and if you look at the Fund's forecast, it shows the City pays off debt and takes on more obligation, but in all likelihood remain flat due to the addition of new debt every year and the old debt getting paid off.

Mr. Olinger reviewed the Water Fund, which shows the Fund balance at \$955,621. The Sewer Fund has a fund balance of \$1,362,249 as the City is building reserves for future projects or for stabilizing the rates. The Storm Water Fund showed a drop in cash which was tied to ravine work in 2020. City Administrator Harrenstein commented that the City has received FEMA Funds in 2021 from storm damage in 2019. These funds will help with the cash balance moving forward. Mr. Olinger commented that the Recycling Fund remains stable even with the end of the County dollars toward the building. The Solid Waste Fund cash balance remains consistent as the Fund does not need to maintain a large balance due to the service being contracted.

Mr. Olinger reported North Mankato's tax rate remains comparable to Class 3 Cities and Cities in Nicollet County. The tax rate is 51% compared to 51.2% for Class 3 Cities and 47.5% for Cities in Nicollet County. Long Term Debt Per Capita remains steady at \$1,917 in 2020 compared to \$1,892 in 2019.

Mr. Olinger stated the audit shows the City is moving in the right direction. Mayor Dehen requested clarification on any funds the City should pay particular attention to in the future. Mr. Olinger stated everything was looking good, and the City should continue a balanced approach and continue to plan for the future.

Council Member Steiner moved, seconded by Council Member Norland, to adopt the North Mankato's 2020 Financial Statement Audit. Vote on the motion: Norland, Oachs, Whitlock, Steiner, and Dehen aye; no nays. Motion carried.

Webster Avenue Area Plan.

City Administrator Harrenstein reported the plan was developed with a steering committee and was presented to and approved by the Planning Commission before the City Council reviewed the draft. It was sent out for additional public review. City Planner Lassonde presented the public comments concerning the plan at the last City Council Work Session and made adjustments based on Council direction.

City Planner Lassonde reviewed the changes to the plan. He reported an update was made to page three to explain the open house information. Page eight was updated to include a statement that the best use of the area consists of the continued use of the site as light industrial and commercial rather than converting the entire street to residential. The light industrial and commercial use provides an additional tax base for the City. An update was made to page 14 of the plan to include the Draft Trails System Plan from the Comprehensive Plan in the appendix, showing the City's plans for area pedestrian and bicycle connections. Page 15 contains a statement in response to those who do not want change to the area that "do nothing" is not in the community's best interest. Mr. Lassonde reported that the City added language on page 19 concerning enhancing connections between North Mankato and Mankato recreational amenities. Mr. Lassonde reported changes to page 20, which included the City's commitment to continue to utilize the Public Works Yard and not convert to multi-family housing. He noted the plan also addresses that multi-family housing would be an R-3 or R-4 use and would not be subject to the rental density restrictions. He stressed the rental density ordinance was created to ensure

housing opportunities for all residents, as does the recommendation for possible multi-family dwellings along the corridor. On page 22, changes included comments that while the revitalization of existing buildings is a priority, the City is not forcing businesses' relocation or rehabilitation; the City is considering a Commercial Grant and Loan Fund to assist with revitalization. The City would also consider adopting design guidelines that guide the design of new development and façade improvements. City Planner Lassonde state page 23 includes updated information regarding the City's position on the Norwood Inn site that it will be revitalized in one of three ways: the hotel facility will be revived and refranchised for hospitality use, the buildings are razed, and a new hospitality use approved by the Port Authority is constructed onsite, or the buildings are razed, and other commercial/retail services supported by the Port Authority are built onsite. Additions also included an update to the transportation section of the report to include pedestrian and bicycle facility improvements. The plan updates also included screening the Public Works Yard, reviewing parking needs for Spring Lake Park and the Webster Ballfield, and potentially adding an off-street trail facility along Webster Avenue and Range Street. City Planner Lassonde noted those were the final updates following the public open houses and Council recommendations.

City Attorney Kennedy requested clarification on the 169 Webster Avenue intersection. City Planner Lassonde responded the City has made it clear they require full access at Webster Avenue. Mayor Dehen commented that he attended the last MAPO open house, and both of the remaining options maintained full access at Webster Avenue.

Open Forum

None.

City Administrator and Staff Comments

City Administrator Harrenstein reported in the past few weeks, the City hosted the Pollinator Garden planting event in front of City Hall, an adult night at Spring Lake Park Swim Facility, ArtSplash was a success, and Caswell held several tournaments.

Public Works Director Host reported the Harrison Avenue wear course has been poured and Cliff Court is in the process of being rebuilt, and the project is about a month out from being completed.

Finance Director McCann reported with the audit conducted, the 2022 budget process has begun.

Mayor and Council Comments

Mayor Dehen invited everyone to Fun Days which will run from July 7- 11, 2021. He also invited everyone out for the July 4th fireworks, which could be watched on the Veterans' Memorial Bridge.

At 7:59 pm, on a motion by Council Member Norland, seconded by Council Member Oachs, the Council Meeting was adjourned.

Mayor

City Clerk