

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 November 3, 2014. 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 the meeting: Mayor Dehen, Council Members Steiner, Norland, Freyberg and Spears; City Administrator Harrenstein, Finance Director Thorne, Attorney Kennedy, City Clerk Van Genderen, Planner Fischer, and Public Works Director Swanson.

Approval of Agenda

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

Approval of Minutes

Council Member Norland moved, seconded by Council Member Steiner, to approve the minutes of the Council meetings of October 6, 2014 and October 20, 2014. Vote on the motion: Steiner, Norland, Freyberg, Spears and Dehen aye; no nays. Motion carried.

Public Hearing, 7 p.m. – Proposed Issuance of Housing Facilities Revenue Refunding Notes in an Aggregate Principal Amount not to Exceed \$8,000,000 at the Request of Vista Prairie at Monarch Meadows, LLC.

The Mayor opened the public hearing to consider the Proposed Issuance of Housing Facilities Revenue Refunding Notes. Copies of the Notice of Public Hearing and Affidavit of Public Hearing were included in the packet. Administrator Harrenstein stated discussion about the details of the proposed Housing Facilities Refunding Notes should be reserved for the resolution in the business items. Phil Henry, 1300 Noretta Drive, appeared before the Council and asked for an explanation of the Housing Facilities Revenue Refunding Notes. Administrator Harrenstein stated details would be discussed during the business items. There being no one else appearing before the Council, the Mayor closed this portion of the meeting.

Consent Agenda

Council Member Spears moved, seconded by Council Member Norland, to approve the Consent Agenda which includes:

- A. Bills and Appropriations.
- B. Res. No. 74-14 Adopting Donations/Contributions/Grants.
- C. Res. No. 75-14 Adopting Resolution of the North Mankato City Council in the Matter of a Continuous Nuisance Located at 303 Belgrade Avenue, North Mankato on Property Owned and/or Controlled by Brian Douglas Mechler.
- D. Res. No. 76-14 Adopting Resolution to Set a Public Hearing for 7 p.m. on Monday, December 1, 2014 to Consider 2015 Budget and Five-Year Capital Improvement Plan, 2015-2019.
- E. Res. No. 77-14 Adopting Resolution Approving the Sale of Surplus Vehicles and Equipment.

Council Member Spears requested that Item C be removed for discussion and moved to approve the Consent Agenda without Item C. Vote on the motion: Steiner, Norland, Freyberg, Spears and Dehen, aye; no nays. Motion carried. Council Member Freyberg stated that in bills and appropriations there was a bill for \$1,000 for police and fire training. He stated the City had donated a

fire truck to South Central College with an agreement that the City would get credit against training for the value of the fire truck. Administrator Harrenstein stated he would check to see if the City had any credit left from the donation of the fire truck.

Res. No. 75-14 Adopting Resolution of the North Mankato City Council in the Matter of a Continuous Nuisance Located at 303 Belgrade Avenue, North Mankato on Property Owned and/or Controlled by Brian Douglas Mechler.

Council Member Spears stated that City Code 156.035 did not directly address the sign. He also asked if the City had a permit fee for signs and how many sign permits did the City generate every year. City Planner Fischer stated that the City's sign ordinance was a flat fee of \$30.00 and many sign-permits were generated every year. Attorney Kennedy stated the removal of signage was included in the resolution because it was a part of the continuous violation of the property. Council Member Spears stated the property owner would have 20-days to respond after the resolution was passed. Attorney Kennedy confirmed that Brian Mechler would have 20-days to remove materials from property and remove the signage. Attorney Kennedy stated if Mechler does not remove materials within 20-days the matter will move to the District Court of Waseca County. **Council Member Steiner moved seconded by Council Member Norland to approve Res. No. 75-14 Resolution of the North Mankato City Council in the Matter of a Continuous Nuisance Located at 303 Belgrade Avenue, North Mankato on Property Owned and/or Controlled by Brian Douglas Mechler. Vote on the Resolution Steiner, Norland, Freyberg, Spears and Dehen, aye; no nays. Motion carried.**

Public Comments

The Mayor opened the meeting to the public for the first time with no one appearing.

Business Items

Resolution Authorizing and Approving the Issuance and the Sale of Housing Facilities Revenue Refunding Notes (Vista Prairie at Monarch Meadows Project) Series 2014; Fixing their Forms and Specifications; Directing Their Issuance and Delivery; and Providing for Their Payment.

Finance Director Thorne stated the request from Vista Prairie at Monarch Meadows, LLC requested that the City of North Mankato issue its Housing Facilities Revenue Refunding Note Series 2014A, in the principal amount not to exceed \$7,155,000 and Taxable Housing Facilities Revenue Refunding Note Series 2014A-T in the principal amount not to exceed \$750,000. Finance Director Thorne introduced Gina Fiorini from Kennedy & Graven to answer questions and present a brief explanation. Fiorini stated the City previously issued Housing Revenue Bonds Series 2002A, in an aggregate principal amount of \$3,840,000 and a Housing Revenue Loan Participation Note Series 2005A in an aggregate principal amount of \$8,560,000, its Taxable Housing Revenue Loan Participation Note Series 2005B in an aggregate principal amount of \$300,000 and its Subordinate Housing Revenue Note Series 2005C in an aggregate principal amount of \$500,000. Vista Prairie used the funds to finance the acquisition of a 50-unit congregate care facility. If the City agrees to issue the Notes, the Borrower will use the proceeds of the Notes to refinance the Project. She stated the loans will not constitute a general or moral obligation of the City, will not be secured by or payable from any property or assets of the City, and will not be secured by any taxing power of the City. In addition, the Notes will not be subject to any debt limitation imposed on the City and the issuance of the Notes will not have any adverse impact on the credit rating of the City, even if the Borrower encounters financial difficulties. Mayor Dehen stated the Notes would be refinancing the original loan to a lower rate. Council Member Freyberg stated this was a form of business subsidy and asked if there was a Pro Forma. Administrator Harrenstein stated that according to the City's policies this is not considered a

business subsidy and there was not a Pro Forma. Freyberg stated that it is like a business subsidy because Monarch Meadows gets an advantage and nationally there is a 3% risk. Administrator Harrenstein stated the City will receive \$70,000 to \$80,000 and the potential loss is \$20,000, so the City staff recommends the Conduit debt. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Res. No. 78-14 Authorizing and Approving the Issuance and the Sale of Housing Facilities Revenue Refunding Notes (Vista Prairie at Monarch Meadows Project) Series 2014; Fixing their Forms and Specifications; Directing Their Issuance and Delivery; and Providing for Their Payment. Vote on the Resolution: Steiner, Norland, Spears and Dehen aye; Freyberg nay. Motion carried.**

Res. No. 79-14 Awarding Bid for Project No. 08-07B, Well No. 9.

City Engineer Dan Sarff appeared before the Council and stated that on Wednesday, October 29, 2014 at 10:00 a.m. bids were opened for the construction of Municipal Well No. 9. Sarff stated the bid tabulation included two methods of construction and two completion dates. The two methods were the Cable Tool Method or the Dual Rotary Method. The completion dates were either 150 Calendar Days or 240 Calendar days. He stated they were recommending the bid by Mark J. Traut Wells for the Dual Rotary Method with a 150 Calendar Days completion for \$450,898.00. This bid was \$10,500 more than the Mark J. Traut Wells bid for the Dual Rotary Method with a 240 Calendar Days completion. Council Member Spears questioned the urgency. Sarff stated the construction would possibly disrupt recreational events at Caswell Park. **Council Member Steiner moved seconded by Council Member Norland, to adopt Res. No. 79-14 Awarding Bid for Project No. 08-07B, Well No. 9. Vote on the Resolution: Steiner, Norland, Freyberg and Dehen aye; Spears nay. Motion carried.**

Discussion of Proposed Five-Year Capital Improvement Plan, 2015-2019

City Administrator Harrenstein stated he would be presenting an overview of the CIP and a work session would be planned for November 17, 2014 at 6:00 p.m. Harrenstein stated the 2015 planned expenditures are estimated to be \$1.2 million dollars greater than submitted last year. \$1.1 million dollars of the changes are the result of using \$780,000 in Municipal State Aid funding for the Lookout Drive Highway 14 reconstruction project, and \$350,000 in General Obligation borrowing needed for the City's match for the trail from LorRay Drive to Lake Street. New spending for streets is programmed at \$200,000 per year in an attempt to complete projects identified in the pavement management plan. Another large change is the shifting of the reconstruction of Roe Crest Drive (Lee Blvd to Marie Lane) from 2015 to 2016 in place of that project the City is set to complete a Carlson Drive extension pursuant to the annexation resolution adopted earlier in 2014. At \$11.1 million, the total value of projects in the 2015-2019 CIP is larger than the 2014-2018 CIP by approximately \$2.8 million dollars, but less than the 2013-2017 CIP by \$9.4 million dollars. As such, the proposed CIP represents the realization of on-going capital needs required of a growing City committed to its strategic priorities. The increased spending for the 2015-2019 CIP can be attributed to two items: added G.O. borrowing of \$1.5 million for 2018 & 2019, and increased funding for pavement management system of \$200,000 per year. Specific projects for 2017 through 2019 have not been specified in the five year forecast, projects previously identified as a priority of the City are listed on Exhibit B of this Memo. Administrator Harrenstein stated proposed CIP spending is greater than last year. Council Member Spears asked about the City credit rating. Administrator Harrenstein stated the indebtedness meets the adopted policies of the City Council. Administrator Harrenstein stated the CIP would be discussed in detail at the work session.

City Administrator and Staff Comments

Public Works Director Swanson stated paving of Old Belgrade Hill, weather permitting, would occur Tuesday, November 4, 2014. He stated it would be two or three weeks before completion of the project.

City Engineer Sarff invited the public to an informational meeting Thursday, November 6, 2014 on the Lookout Drive Reconstruction and Roundabout Project.

Mayor and Council Comments

Mayor Dehen stated he received a letter from the City Center Partnership informing the City that the “Veterans Memorial Place” had been selected for the *City Design Award of Excellence* in the category of “New Construction Under \$2,000,000.”

Mayor Dehen stated Coffee with the Council would be held Saturday, November 15 from 8:00 a.m. to 9:00 a.m. at the Verizon Store at 1750 Commerce Drive.

Mayor Dehen stated Habitat for Humanity would like to be considered for the Charitable Gambling Fund.

Mayor Dehen stated Pedal Past Poverty will be from 9:00 a.m. to 2:00 p.m. on Saturday, February 28, 2015.

Mayor Dehen stated elections would be November 4, 2014 and encouraged everyone to get out and vote.

Public Comments

Phil Henry, 1300 Noretta Drive, appeared before the Council and stated the bill for leasing the soccer field lights is \$18,000. Administrator Harrenstein stated the lights were paid for by the Soccer Association.

There being no further business, on a motion by Council Member Spears, seconded by Council Member Norland, the meeting adjourned at 7:51 p.m.

Mayor

City Clerk