



MINUTES

Mankato City Council
Regular Meeting
January 27, 2025 - 6 p.m.
IGC - Mankato Room

1. Call Meeting to Order

Roll Call

Members Present: Kevin Mettler, Mike Laven, Dennis Dieken, Michael McLaughlin, Jenn Melby-Kelley, Jessica Hatanpa, and Mayor Najwa Massad.

Staff Present: City Manager Susan Arntz, Administrative Services Director Parker Skophammer, Community Development Director Mark Konz, Interim Public Works Director Karl Keel, City Attorney Pam Whitmore, and City Clerk Renae Kopischke.

Pledge of Allegiance

2. Approval of Agenda

Ms. Hatanpa moved and Mr. Mettler seconded a motion to approve the agenda as written. The motion carried unanimously.

3. Approval of Minutes

Mr. Mettler moved and Ms. Hatanpa seconded a motion to approve the minutes of the Regular Meeting of January 13, 2025 as written. The motion carried unanimously.

4. Appearances, Recognition, and Proclamations

Recognition of employees who have reached a milestone of 20 or more years of service with the City of Mankato between July 1 and December 31, 2024.

5. **Public Open Forum (15 Minutes)**

No one spoke.

6. **Consent Calendar**

NOTE: All items listed under the Consent Calendar will be enacted by one motion. There will be no separate discussion of these items. If a Council Member wishes to discuss any of these items, they may ask that the item be removed from the Consent Calendar. Removed item(s) will be discussed and acted upon by separate motion.

Ms. Hatanpa moved and Mr. McLaughlin seconded a motion to approve the Consent Calendar as written. With all members voting in favor, the motion carried.

- A. Motion approving Proclamation designating February 7-14, 2025 as Congenital Heart Defect Awareness Week in the City of Mankato.
- B. Resolution approving application to conduct off-site gambling on February 21, 2025, for Community Charities of Minnesota at Kato Ballroom, 200 Chestnut Street.
- C. Resolution adopting negotiated changes to the 2025-2026 IAFF (Captains) Labor Agreement.
- D. Resolution adopting negotiated changes to 2025-2026 IAFF (Firefighters) Labor Agreement.
- E. Resolution accepting a State of Minnesota Hazardous Materials grant.
- F. Resolution authorizing the City Manager to advance the replacement of a Class 400 Bus from 2026 to 2025.
- G. Resolution accepting and authorizing the City Manager to execute a Contamination Cleanup Grant Agreement for 101 East Main Street, 121 East Main Street and 118 South 2nd Street (Hotel Mankato).
- H. Resolution amending the Cooperative Construction Agreement with Blue Earth County for the reconstruction of Victory Drive (CSAH 82) between Hoffman Road and Fair Street.

- I. Set February 10, 2025, as the date of public hearing for consideration of Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) applications to the Minnesota Department of Employment and Economic Development on behalf of Rolls-Royce Solutions America Inc.
- J. Set February 10, 2025, as date of hearing for Capital Improvement Project 11125: 2025 Petition Alley Improvements and 11131: 2025 Resurfacing, Miscellaneous Sidewalks & Alley Improvements.

7. **Public Hearing**

- A. Ms. Arntz reported that on February 13, 2023, the Council held the required hearing and a preliminary assessment hearing on Capital Improvement Project 10988; Fourth Street, and there were no objections; the project was ordered, and the preliminary assessment roll was adopted. She reviewed that, per practice, the city conducted a second assessment hearing, known as the final assessment hearing on November 12, 2024. She noted that this hearing amended the amounts proposed to be assessed using the actual costs of the project. She indicated that the Council held the final special assessment hearing on Tuesday, November 12, 2024, and received an objection from Grace Lutheran Church to the proposed assessments for their seven parcels. She stated that as a result of the hearing, the Council adopted the proposed assessments for all the parcels except for the excluded parcels owned by Grace Lutheran Church. She added that the Council then continued the hearing on the Grace Lutheran Church parcels to tonight, Monday, January 27 at 6:00 p.m.

Ms. Arntz stated that since the continued hearing, staff engaged an appraiser to conduct the benefit analysis that was discussed. She explained that staff reviewed the report with the City Attorney and recommends the Council consider assessing the lower amount between the Appraiser's analysis and the amount previously shown in the assessment notices. She suggested that the special assessment policy be reviewed and modified to include this process moving forward.

Mayor Massad opened the continued hearing from November 12, 2024, on Capital Improvement Project 10988 4th Street assessment for Grace Lutheran Church.

Sheenah Jewison, 1303 South 3rd Street, St. Peter, stated that the church members supported Rev. John Odegard's statements made at the November 12, 2024, Council meeting. She commented on the law about how special assessments cannot exceed the extent to which the property benefits from the improvements. She noted that they believed that the assessment far exceeds the amount of benefit to Grace Lutheran Church. She mentioned a crack in the building and the reduction in the sidewalks and how the work didn't add any value to the church.

Rev. John Odegard, 110 North 4th Street, representing Grace Lutheran Church, asked that the Council accept the full implications of the law relating to the assessments and reduce the amount assessed on the church properties. He referred to the evidence he had provided in relation to his objections. He stated that he felt dismissed by Councilmember Laven and not represented by the public official that he contacted. He mentioned an article in the newspaper, and referred to comments made online, and how he was publicly ridiculed. He noted how the city had hired an appraiser to assess the merits of his claims and now the recommendation is for a lower assessment amount that demonstrates that his objections were warranted on some measure. He felt that the Council owed the public a promise to treat those with concerns with more respect and to act with more transparency. He referred to an example that was provided for a roof replacement and how it is different as, in the current situation, none of the construction was within the church's control. He stated that he spoke with the appraiser hired by the city. He commended the city for taking the additional step and reviewing the process moving forward. He noted how the appraiser shared his methodology and how he was unaware of the reduction in the width of the sidewalks as well as how he typically does appraisals for new developments. He touched on comments made when his objection was first made and mentioned other churches and their assessments and explained how they were different.

Mayor Massad closed the public hearing.

Ms. Hatanpa asked the City Attorney to address her experience with similar assessments. Ms. Whitmore referenced the law and how it has been very well litigated.

She noted the presumption that when the city does make an improvement, the city is able to assess property owners for the cost of the improvements. She mentioned the measure of the benefit exceeding the assessment amount and explained the process. She referred to the policy recommendation and how it is used in many cities. She touched on the benefits of the properties.

Discussion centered on the law, the process, and the use of policies and procedures for a fair assessment as well as valuations of property and how they are increased.

Mr. Laven apologized for leaving the impression that he was not sincerely listening to Rev. Odegard during their conversation.

Brief discussion on the appraisal and how the amounts are distributed. Ms. Arntz provided a summary of the differences in the proposed assessments in relation to the previous recommendation.

Ms. Hatanpa moved and Mr. Laven seconded a motion to approve the Resolution considering Final Assessments for Grace Lutheran Church Properties, related to Capital Improvement Project No. 10988, 4th Street
The motion carried unanimously.

8. **City Manager's Report**

- A. Ms. Arntz stated that the city had received a request from the developer of the Silos apartments based on the obstruction fees that were charged for the project. She indicated that staff interpreted the fees differently than what the fee schedule provides; thus, there is a reduction in the fees already. She noted that the developer, Brennan Companies, of Silos Apartments, has requested to reduce the total amount by \$15,950; from \$40,800 to \$24,850.

Mr. Keel explained how the fees were calculated and how the bulk of the obstructions were for the sidewalk only; thus, staff had adjusted since it was only for the sidewalk and on a residential street.

Brief discussion on the obstructions associated with the project. It was noted that the reduction request is based on the fees charged for obstruction of Plum Street concurrent with the city's reconstruction of Riverfront Drive.

Ms. Hatanpa referred to the original agreement and the estimate of \$20,000 and wondered how the amount ended up being double. She asked if the amount of time that the project took was doubled and inquired as to who determined the length of time. Mr. Keel replied that the applicant submits a timeline, and the fees are estimated and then, during construction, staff inspect the obstruction and charge the actual amount.

Discussion on the location of the obstruction for the Silos project and the relation to the city's reconstruction of Riverfront Drive.

Joe Brennan, 201 North Riverfront Drive, Suite 210, thanked the Council and staff for their support and commented on the building being built in 8-1/2 months, which normally would have taken a year or more. He stated that guessing about road closure costs is more of an art than a science as there are several variable factors. He mentioned how the block of Plum was obstructed by Silos as well as by the reconstruction of Riverfront Drive.

Mr. Keel indicated that the Riverfront project was only visually affected as Plum Street, from 2nd Street, remained open and was an important public access point for the businesses on Plum Street and the connecting alley. He mentioned that Plum Street was the only access to 201 North Riverfront; however, it is likely that traffic volumes were significantly reduced on Plum Street due to the barricades at Riverfront Drive.

Comments on the fees and how they are in place to encourage the completion of projects in a timely manner and to avoid long-term obstructions.

Mr. Laven moved and Mr. Mettler seconded a motion to keep the fees at the amount of \$40,800. The motion carried unanimously.

9. **Reports of City Council Members**

None.

10. **Miscellaneous Business**

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Work Session, February 3, 2025, 6 p.m., Minnesota River Room

Regular Council Meeting, February 10, 2025, 6 p.m., Mankato Room (with EDA to follow if needed)

Regular Council Meeting, February 24, 2025, 6 p.m., Mankato Room (with Work Session to follow)

11. **Adjournment**

There being no further business before the Council, Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 6:59 p.m.

Minutes Approved.

Mayor Massad

ATTEST:

Renae Kopischke
City Clerk

