

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 July 2, 2018. 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: Council Members Whitlock, Steiner, Norland and Freyberg, Mayor Dehen, City Administrator Harrenstein, Finance Director McCann, Attorney Kennedy, City Engineer Sarff and Deputy City Clerk Anderson. Absent; Community Development Director Fischer.

Approval of Agenda

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

Approval of Council Work Session Minutes

Council Member Norland moved, seconded by Council Member Steiner to approve the minutes of the Council Work Session of June 18, 2018. Vote on the motion: Whitlock, Steiner, Norland and Dehen aye; Freyberg abstain. Motion carried.

Approval of Minutes

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of June 18, 2018. Vote on the motion: Whitlock, Steiner, and Dehen, aye; Norland and Freyberg abstain. Motion carried.

Public Hearing, 7 p.m. – Consider Purchase Agreement for Outlot E, Nature View Subdivision No. 2.

Mayor Dehen opened the meeting to the public for comment. With no one appearing before council, Mayor Dehen closed the Public Hearing.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Resolution No. 55-18 Approving Donations/Contributions/Grants.
- C. Approved Large Group and Audio Permit for Mankato Bike Polo Event, Spring Lake Park Hockey Rinks, July 13-15, 2018, with Audio from 9:00 a.m. to 10:00 p.m.
- D. Approved Parade Permit for SCC Live Your Best Life 5K, September 20, 2018, starting at 5:00 p.m.
- E. Approved Park Permit and Audio Permit for SCC Live Your Best Life 5K, Spring Lake Park Shelter #1, September 20, 2018, from 2:00 p.m. to 8:00 p.m.
- F. Resolution No. 56-18 Declaring Costs to be Assessed - 409 Sherman Street.
- G. Resolution No. 57-18 Declaring Costs to be Assessed - 613 Lyndale Street.
- H. Resolution No. 58-18 Consent Assessment Agreement - 521 Nicollet Avenue.
- I. Approved Audio Permit for Meyer/Fischer Wedding, Spring Lake Park, July 20, 2018, from 4:30-5:30 p.m.
- J. Approved Shady Oak Drive Block Party on July 13, 2018, from 5:00 p.m. to 10:00 p.m.

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

Public Comments Concerning Business Items on the Agenda

Barb Church, 102 E Wheeler Avenue, appeared before Council inquiring on the average number of days the pool was used in the last 2-3 years and requested clarification of the change orders to the pool and that Council take time to consider them.

Phil Henry, 1300 Noretta Drive, appeared before Council and stated he echo's Barb Church's comments and requested the City stick with the original pool plan with no additions.

Tom Hagen, 927 Lake Street, appeared before Council and congratulated the City in considering a solar garden. Mr. Hagen noted the City could build its own solar ray with the money to be used to upgrade the swimming pool.

Lucy Lowry, 2263 North Ridge Drive, appeared before Council with questions about the change orders to the pool and recommended the council wait for more public input. Mayor Dehen indicated her questions would be discussed later in the meeting.

Business Items**Consider Accepting the 2017 Comprehensive Annual Financial Report (CAFR).**

City Administrator Harrenstein reported staff has requested this item be moved to the July 16, 2018, Council Meeting.

Consider Adopting Resolution No. 59-18, Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code. Finance Director McCann reported this Resolution authorizes the City to approve reimbursements through bond proceeds for infrastructure/engineering costs relating to projects. **Council Member Freyberg moved, seconded by Council Member Norland to approve Adopt Resolution No. 59-18, Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code. Vote on the motion: Whitlock, Steiner, Norland, Freyberg, and Dehen, aye; no nays. Motion carried.**

Consider Adopting Resolution No. 60-18, Authorizing the Sale of Real Estate and Dispensing with Requirements Under Minnesota Statute 462.356 Subdivision 2. Outlot E, Nature View Subdivision No. 2. Administrator Harrenstein reported the developer of the subdivision approached the City after the Council issued a license agreement for Outlot E given the cost and size of the proposed monument sign. The developer has requested ownership of the Outlot due to the amount of money that will be invested in the sign and the requirement that the City be able to direct either the removal or replacement of the sign at any time. Engineer Sarff has prepared a price of \$5,675 based on the assessments that went into the property with the improvements and staff recommends approval. **Council Member Norland moved, seconded by Council Member Whitlock to Adopt Resolution No. 60-18, Authorizing the Sale of Real Estate and Dispensing with Requirements Under Minnesota Statute 462.356 Subdivision 2. Outlot E, Nature View Subdivision No. 2. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen, aye: no nays. Motion carried.**

Discuss Potential Solar Garden Subscription Agreement

Finance Director McCann reported that under the 2017 Strategic Planning Initiative the Council identified potential to explore renewable energy and energy conservation efforts. As part of that, a committee was formed which included Council Member Whitlock and Council Member Norland along with City staff to look at potential opportunities for the City, and at solar garden subscriptions, as a

way to save money on energy usage. The City of Mankato and the Mankato School District have become subscribers along with other cities in the State. With the agreement, the City is guaranteed to save at least .01 cent per kilowatt hour. Most agreements are a 25-year commitment; the City has negotiated a five year agreement with a decision point of either continuing for the remaining 25 years or opting out with another five years to market our subscription to another entity. Finance Director McCann introduced Rick Masloski, Novell Energy Solutions, who presented a PowerPoint presentation discussing the Minnesota Community Solar Garden Program. In 2013 the State of Minnesota directed Xcel Energy to create the program, and it is regulated by the Minnesota Public Utility Commission. The gardens are built next to Xcel substations and pump energy into the grid; cities can obtain subscriptions for the solar gardens in or adjacent to their county. The City of North Mankato would be subscribing to the solar garden near Gibbon in Sibley County which has 10% left and then will be sold out. The City of Mankato and the City of Eagle Lake are subscribed to the program. Xcel will remain our service provider, and we will receive bill credits for the subscribed amount. There are no costs to the City, and the savings would be approximately \$162,000 over 25 years. There are other programs in the system but not as lucrative as this one. The City would be guaranteed the .01 cent per kilowatt hours regardless of the Xcel energy rates.

Council Member Whitlock asked for clarification on the option to terminate the agreement in year 5 with a five year replacement period. Mr. Masloski reported that the five year replacement period allows Novell Energy Solutions to find another area subscriber. Administrator Harrenstein clarified that our obligation would be ten years if a replacement subscriber is not found in the five year replacement period.

Attorney Kennedy indicated the City is involved with Xcel in a transmission issue and asked if Novell is involved with the Xcel transmission lines. Mr. Masloski indicated Novell's responsibility with Xcel is to get energy into their grid; they do not deal with Xcel's transmission lines. Mr. Masloski indicated the garden we would be subscribing to is in Sibley County. Attorney Kennedy inquired if this is a competitive market and if all companies pay the same. Mr. Masloski reported there are different providers and each program is fairly similar, but with different savings schemes, most have an escalator, but very few have the guaranteed .01 cent savings.

Administrator Harrenstein indicated this is the first time this topic has been discussed with the Council and staff is looking for direction on whether to bring the subscription back for consideration or provide more information at a work session. Council Member Norland indicated she's studied the topic for years and would like to move on it but and understands it's new for others. Mayor Dehen asked if the Council doesn't act on this is the City still able to subscribe later. Mr. Masloski reported there are only two more subscriptions left in this garden and time is of the essence. Council Member Norland indicated she'd like to see discussion at a work session. **Council Member Steiner moved, seconded by Council Member Norland, to Schedule a Council Work Session before the Council Meeting on July 16, 2018. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen, aye: no nays. Motion carried.**

Receive Preliminary Engineering Report for Project No. 18-04ABCDEF, North Port Industrial Park Expansion West Improvements

City Engineer Sarff presented a PowerPoint presentation providing an overview of the preliminary engineering report to consider expansion of the North Port Industrial Park expansion to the west. The project is the westerly extension of Carlson Drive west of CSAH 41 that was constructed in 2015. Council authorized the preparation of the preliminary report in April of 2018 to evaluate the need, determine necessary improvements, provide estimated costs and determine feasibility. The project would consist of extending Carlson Drive approximately 3,500 feet and constructing approximately 1,610 feet of Unnamed Road. The proposed project will include construction of sanitary sewer, watermain, storm sewer, stormwater pond, bituminous pavement with curb and gutter and concrete

sidewalk and bituminous trail. Engineer Sarff noted there had been some construction in this area with the Mayo Clinic addition and the Harrison Truck Subdivision. There are other industrial lots available in North Mankato; however the City is at a stopping point with the current infrastructure west of the Harrison Truck property, and there is some major investment in infrastructure required in this area, namely a sanitary sewer lift station and a regional stormwater pond. Improvements the City is considering are a sanitary sewer and lift station, water main and looping, regional stormwater pond and street surface improvements. The report addresses 155 acres, and the design can be expanded to areas beyond. The current land use is primarily agriculture with three private property owners, and the Comprehensive Plan has it guided for Commercial Industrial mixed and Heavy Industrial. The project would continue the existing Carlson Drive street design throughout the remainder of the subdivision. Engineer Sarff reported the City is at the western limits of the drainage area provided for by the City's existing regional pond and wetland bank area located at the southwest corner of CSAH41 and Timm Road; therefore, there is a need to develop a new regional pond for the Industrial Park expansion. The City and MnDOT have a shared use agreement allowing the City to utilize MnDOT's existing stormwater located east of Hwy 14. The City would have to expand the ponds and change them from dry to wet. The City can limit the discharge from the industrial lots as they develop; which will require the developers to have stormwater treatment on site which has been done previously in other developments. There is a considerable amount of agricultural drainage from the North, and the City is planning on large storm sewer pipe to maintain the drainage and eventually adding another regional pond on the north side of Timm Road which would help limit the flow. For the lift station service areas, The City has a large sanitary sewer with capacity but not the depth. A 30-foot sanitary sewer lift station to plan for the future which could provide 50 years of growth. The ultimate service area would be 971 acres, but the City would only be designing the initial lift station for about 230 acres.

Engineer Sarff reported the project has been divided into two potential phases and Phase One can be further subdivided into smaller phases. Phase One would include the sanitary sewer lift station, regional stormwater pond, street and infrastructure on the Carlson Drive extension and the storm sewer construction that picks up the agricultural drainage north of Timm Road. Phase Two would include the north and south Unnamed Street infrastructure and the sanitary sewer crossing under Hwy 14. Scheduling on the phasing would be based on the industrial development activity and availability of grant funding. Estimated project costs for Phase One is about \$5.4M, and Phase Two is about \$1.3M for a total of about \$6.7M. Phase One could be further subdivided by building the lift station and regional pond and waiting on the street, sanitary sewer and water main construction out until those lots fill in and before extending out in the future. Financing would be special assessments on property to be annexed into the City with interest at the discretion of the council.

Engineer Sarff indicated one main reason for the report is to pursue a grant similar to what the City is looking at for Northport 11 and 15. Money is available in the program up to 50% of eligible costs. The purpose is to quantify the cost and develop a planning tool to pursue funding sources.

Administrator Harrenstein asked about the timing of the recommended stormwater pond agreement execution. Engineer Sarff noted the agreement is in place and terms negotiated. The one element is the city would take over maintenance of the pond, and that would happen as soon as the agreement is executed. Administrator Harrenstein noted the development activity is close to consuming the gravity line and we need to examine this area because we anticipate future growth and need to identify the costs and piece together how it can be developed in the most cost-effective manner.

Engineer Sarff indicated to secure the grant we need an easement or right of way secured for the infrastructure. Administrator Harrenstein indicated the City would be discussing that process with the property owners.

Mayor Dehen asked the timeline for submitting the grant. Engineer Sarff reported it is a continuous application process but it's a competitive grant program and we should expedite.

Council Member Freyberg inquired that as the City has no Orderly Annexation Agreement with Belgrade Township are their ongoing discussions before this. Administrator Harrenstein replied that Nicollet County is currently working on a Comprehensive Land Use Plan and Community Development Director Fischer is part of that task force, and it is a topic of discussion on how annexation will be handled. Existing State Law allows the city to continue to annex property by statutory authority. **Council Member Norland moved, seconded by Council Member Steiner to Authorize Staff to Move Forward with the Infrastructure Grant Process. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen, aye: no nays. Motion carried.**

Consider Authorizing Staff to Execute Change Orders to Facilitate, Spring Lake Swim Facility Upgrades

Herman Dharmaraja of Bolton & Menk presented a PowerPoint of the Spring Lake Swim Facility upgrades. On March 19, council approved a bid for 2.2M in swimming pool upgrades. When the City received the bid, the pool consultant indicated the liner in the bid could be installed with no sand bar, and the advantage would be better water clarity rather than having a sand bottom. To do that the City had to establish if the Minnesota Department of Health (MDH) would still consider it a sand bottom as the MDH doesn't regulate the turnover rate on a sand bottom pool. Regular pools have a turnover rate of 4 hours versus an 18 hour turnover for the sand bottom. The MDH indicated the City would be able to retain the sand bottom pool classification. Normally the liner is installed on concrete, and to concrete, the entire pool would exceed \$400,000. The City proposed concrete only in the shallow areas where water is 2' or less and the clay would be stabilized with cement in the other areas. Mr. Dharmaraja indicated the bather load at the pool would be doubling, from 250 to 500, so safety will become paramount and the clarity of the water is the primary reason for considering the exposed liner. To concrete the shallow areas and put a 10-foot wide concrete area around the deck area so sand is not dragged into the pool and stabilize the clay bottom will cost \$163,000. An ADA ramp was considered in the earlier bid; now a zero depth entry option has been suggested as long as the concrete is installed, costing \$82,000. The slides were removed after the first bid in 2017, and now the City has an opportunity to add them back. The toddler slide costing \$95,000 and the open flume slide costing \$180,000. Administrator Harrenstein indicated bonding is allowed for these two items and will cost the City less right now. Mr. Dharmaraja noted the pool would be closed the first week of August and then construction starts, so the issue is time sensitive.

Administrator Harrenstein noted the benefits of a liner would modernize the pool with an enhancement to the clarity of the water and less maintenance on the filters. Administrator Harrenstein indicated the City is in a good financial position and the change orders will not compromise its financial integrity.

Jim Whitlock indicated his son used to be a lifeguard at Spring Lake pool and murky water from the sand in the diving area was always a big concern; especially in the diving area.

Billy Steiner noted lack of sand would be easier on the filter system.

Diane Norland stated she was a lifeguard at one time and lots of bodies in the water with unclear water is not safe.

Bob Freyberg indicated he was for the concrete pool from the beginning and noted you couldn't put a price on a child.

Mark Dehen noted he understands it's a large investment, but it has been 50 years since the initial investment and feels it would be shortsighted not to invest in the pool for another 30+ years. Mayor Dehen also noted it is a time-sensitive issue and work needs to begin soon. **Council Member Freyberg moved, seconded by Council Member Norland, to Authorize Staff to Execute Change Orders to Facilitate Spring Lake Swim Facility Upgrades. Vote on the motion: Whitlock, Steiner, Norland, Freyberg and Dehen, aye: no nays. Motion carried.**

Open Forum

Lucy Lowry, 2263 North Ridge Drive, appeared before council requesting a list of all amenities that would be included in the pool; the total annual City energy costs to Xcel and cost if the City did its own solar; and number of available commercial lots and their location in Northport.

City Administrator and Staff Comments

Administrator Harrenstein recognized Street Superintendent Kevin Ling along with the Street and Water Departments, Bryan Bode of Dirt Merchants and City Engineer Sarff for their leadership and individual roles in the quick response to the emergency sewer main collapse near N River Drive on June 27th. Emergency boring was completed to provide a new pipe under Hwy 169. The cause of the collapse was a smaller line that feeds the 21" main line. Two pumps are running 24 hours to divert water away from the river. Administrator Harrenstein noted the City inspects manholes on major trunk lines every six months and televises sanitary sewers on a periodic basis. Regular maintenance is performed, and the City does not suspect systemic issues with the infrastructure to be associated with this issue. Approximately 25 homes so far have reported backup, and most of the debris has been picked up.

Mayor and Council Comments

Council Member Norland noted that since the discussion was being held on alternative forms of energy, next month, she will be bringing forward her war against plastic.

Council Member Whitlock reported he would not be participating in the narration this year of the North Mankato Fun Days parade. Sandra Oachs, President of Business on Belgrade along with Lisa Cownie from KEYC will be narrating with the event aired on KTV.

Mayor Dehen reported there is a Rental Density Report available in the packet in response to questions asked regarding Rental Density issues.

Mayor Dehen noted residents would be receiving the North Mankato Drinking Water report card in the mail.

Mayor Dehen reviewed thank-you's from the Backpack Food Program for the City letting them use a stage and picnic tables for their Beer, Brats and Bourbon event; the YWCA for the City assisting them with their Girls on the Run 5K event; and the Administration for Children and Families for the City supporting funding for the Community Service Block Grants.

Mayor Dehen noted Fun Days is only a 3-day event this year with no Thursday events. Friday is the horseshoe tournament and Kiddie Parade, Saturday is the Grand Parade and new this year is a Pancake Breakfast on Sunday morning.

Mayor Dehen noted July 28th is Blues on Belgrade.

There being no further business, on a motion by Council Member Norland, seconded by Council Member Steiner, the meeting was adjourned at 8:23 p.m.

Mayor

Deputy City Clerk



City of North Mankato, MN

Claims List - Regular

By Vendor Name

Date Range: 7-16-18

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
00009	A-1 KEY CITY LOCKSMITHS, INC	07/16/2018	Regular	0	67.00	89464
02432	ACTIVE911, INC.	07/16/2018	Regular	0	411.25	89465
00029	AG SPRAY EQUIPMENT	07/16/2018	Regular	0	26.72	89466
00047	ALLSTATE PETERBILT LLC	07/16/2018	Regular	0	11,906.91	89467
00059	AMERICAN LEGAL PUBLISHING CORP.	07/16/2018	Regular	0	1,187.00	89468
02827	AMERIPUMPS	07/16/2018	Regular	0	282.08	89469
00093	ARNOLD'S OF MANKATO, INC.	07/16/2018	Regular	0	40.19	89470
02826	ASC PSYCHOLOGICAL	07/16/2018	Regular	0	200.00	89471
02434	AUSTIN'S AUTO REPAIR CENTER, INC.	07/16/2018	Regular	0	32.40	89472
00113	BAKER & TAYLOR	07/16/2018	Regular	0	25.98	89473
00131	BEACON ATHLETICS	07/16/2018	Regular	0	607.00	89474
00189	BRAUN INTERTEC CORPORATION	07/16/2018	Regular	0	3,191.25	89475
02821	BRUNNER, TOM	07/16/2018	Regular	0	420.00	89476
00229	CASEY'S GENERAL STORES, INC.	07/16/2018	Regular	0	296.06	89477
02757	CINTAS	07/16/2018	Regular	0	186.50	89478
00255	CITY OF MANKATO	07/16/2018	Regular	0	147,542.51	89479
02749	COMMUNICATION STRATEGIES LLC	07/02/2018	Regular	0	2,000.00	89456
00304	CREATIVE AD SOLUTIONS, INC.	07/16/2018	Regular	0	18.30	89480
00305	CROP PRODUCTION SERVICES, INC.	07/16/2018	Regular	0	1,214.18	89481
02098	CUMMINS NPOWER	07/16/2018	Regular	0	11,177.81	89482
00322	DALCO	07/16/2018	Regular	0	97.40	89483
00344	DIAMOND VOGEL PAINT CENTER	07/16/2018	Regular	0	432.70	89484
00364	DRUMMER'S GARDEN CENTER & FLORAL	07/16/2018	Regular	0	488.79	89485
00401	EXPRESS SERVICES, INC.	07/16/2018	Regular	0	2,525.86	89486
00404	FASTENAL COMPANY	07/16/2018	Regular	0	33.59	89487
02828	FINK, PAM	07/16/2018	Regular	0	20.25	89488
00432	FLEETPRIDE	07/16/2018	Regular	0	22.42	89489
00447	FREE PRESS	07/16/2018	Regular	0	28.25	89490
00511	GREENCARE	07/16/2018	Regular	0	2,560.00	89491
02829	HELLEKSON HEATING & AIR CONDITIONING LL	07/16/2018	Regular	0	2,100.00	89492
00595	HY-VEE, INC.	07/16/2018	Regular	0	522.49	89493
00627	JACKSON-HIRSH, INC	07/16/2018	Regular	0	100.66	89494
00639	JOHN DEERE FINANCIAL	07/16/2018	Regular	0	27.96	89495
02643	KIWANIS CLUB OF MANKATO DOWNTOWN	07/16/2018	Regular	0	170.00	89496
02830	KOTAWA, JIM	07/16/2018	Regular	0	275.00	89497
00720	KWIK TRIP, INC.	07/16/2018	Regular	0	20,247.12	89498
02737	KWS, LLC	07/16/2018	Regular	0	34,003.46	89499
00724	LEAGUE OF MINNESOTA CITIES INSURANCE TR	07/16/2018	Regular	0	120,449.00	89500
00767	LIME VALLEY ADVERTISING, INC.	07/16/2018	Regular	0	100.00	89501
00769	LINDSAY WINDOW & DOOR, LLC	07/16/2018	Regular	0	8,843.00	89502
00723	LJP ENTERPRISES, INC	07/16/2018	Regular	0	35,755.92	89503
00797	MAC TOOLS DISTRIBUTOR	07/16/2018	Regular	0	155.17	89504
02644	MACQUEEN EMERGENCY GROUP	07/10/2018	Regular	0	42.50	89461
00805	MAGFA	07/03/2018	Regular	0	702.85	89457
00805	MAGFA	07/11/2018	Regular	0	286.11	89462
02831	MALDONADO, GILBERT	07/16/2018	Regular	0	787.50	89505
00818	MANKATO FAMILY YMCA	07/16/2018	Regular	0	15,929.06	89506
00819	MANKATO FORD, INC.	07/16/2018	Regular	0	47.81	89507
00847	MATHESON TRI-GAS, INC.	07/16/2018	Regular	0	129.85	89508
00963	MINNESOTA BUREAU OF CRIMINAL APPREHEN	07/16/2018	Regular	0	270.00	89509
00923	MINNESOTA DEPARTMENT OF LABOR & INDU	07/16/2018	Regular	0	70.00	89510
00966	MINNESOTA PUBLIC FACILITIES AUTHORITY	07/16/2018	Regular	0	154,169.80	89511
01020	NEENAH FOUNDRY COMPANY	07/16/2018	Regular	0	1,175.50	89512
02693	NEUTRAL GROUNDZ	07/16/2018	Regular	0	201.48	89513
01037	NICOLLET COUNTY	07/11/2018	Regular	0	18.73	89463
02060	NORTHERN COMFORT	07/16/2018	Regular	0	970.00	89514
01083	OVERDRIVE, INC.	07/16/2018	Regular	0	160.00	89515

01106	PETTY CASH	07/16/2018	Regular	0	99.19	89516
01106	PETTY CASH	07/16/2018	Regular	0	3,000.00	89517
01124	PONDEROSA LANDFILL OF BLUE EARTH CO, INC.	07/16/2018	Regular	0	405.76	89518
01133	POWERPLAN/RDO EQUIPMENT	07/16/2018	Regular	0	109.02	89519
02195	PUB 500	07/16/2018	Regular	0	1,137.45	89520
02822	RANGER CHEVROLET	07/03/2018	Regular	0	28,356.00	89458
01190	REINHART FOODSERVICE LLC	07/16/2018	Regular	0	845.43	89521
02671	RYAN PLUMBING AND HEATING	07/16/2018	Regular	0	500.42	89522
02834	SERVING ALCOHOL, INC.	07/16/2018	Regular	0	25.41	89523
01308	SOUTHERN MINNESOTA INSPECTION CO.	07/16/2018	Regular	0	82.59	89524
01321	SPRINGSTED, INC.	07/16/2018	Regular	0	500.00	89525
02832	THOMAS, TINA	07/16/2018	Regular	0	1,096.32	89526
01402	TIRE ASSOCIATES	07/16/2018	Regular	0	1,790.39	89527
01441	UNITED RENTALS, INC.	07/16/2018	Regular	0	236.40	89528
01449	UNIVERSITY OF MINNESOTA	07/16/2018	Regular	0	190.00	89529
02833	VALLEY ASPHALT PRODUCTS, INC.	07/16/2018	Regular	0	400.10	89530
02636	VAN GENDEREN, RANDY	07/16/2018	Regular	0	449.17	89531
02282	WARD EINESS STRATEGIES	07/16/2018	Regular	0	2,000.00	89532
01515	WELLS FARGO BANK, N.A.	07/16/2018	Regular	0	750.00	89533
01523	WENZEL AUTO ELECTRIC CO	07/16/2018	Regular	0	129.00	89534
01524	WERNER ELECTRIC SUPPLY	07/16/2018	Regular	0	89.01	89535
01525	WEST CENTRAL SANITATION, INC.	07/16/2018	Regular	0	49,117.57	89536
00062	AMERICAN PAYMENT CENTERS	07/01/2018	Bank Draft	0	93.00	DFT0002217
00241	CHARTER COMMUNICATIONS	07/11/2018	Bank Draft	0	496.84	DFT0002237
02058	CONSOLIDATED COMMUNICATIONS	07/11/2018	Bank Draft	0	42.94	DFT0002238
02058	CONSOLIDATED COMMUNICATIONS	07/11/2018	Bank Draft	0	30.72	DFT0002239
02058	CONSOLIDATED COMMUNICATIONS	07/11/2018	Bank Draft	0	40.00	DFT0002240
02058	CONSOLIDATED COMMUNICATIONS	07/11/2018	Bank Draft	0	40.73	DFT0002241
02058	CONSOLIDATED COMMUNICATIONS	07/11/2018	Bank Draft	0	259.19	DFT0002242
02058	CONSOLIDATED COMMUNICATIONS	07/11/2018	Bank Draft	0	30.72	DFT0002243
02058	CONSOLIDATED COMMUNICATIONS	07/11/2018	Bank Draft	0	3,182.83	DFT0002244
00311	CULLIGAN WATER CONDITIONING	07/02/2018	Bank Draft	0	81.51	DFT0002219
00311	CULLIGAN WATER CONDITIONING	07/02/2018	Bank Draft	0	54.51	DFT0002220
00337	DEMCO, INC.	06/19/2018	Bank Draft	0	801.86	DFT0002214
02782	KISSINGER & FELLMAN, P.C.	07/11/2018	Bank Draft	0	1,088.50	DFT0002236
00733	LAKES GAS CO #10	07/11/2018	Bank Draft	0	81.50	DFT0002235
00875	METRO SALES, INC.	07/03/2018	Bank Draft	0	40.00	DFT0002222
00875	METRO SALES, INC.	07/03/2018	Bank Draft	0	202.00	DFT0002223
00875	METRO SALES, INC.	07/11/2018	Bank Draft	0	40.00	DFT0002233
00936	MINNESOTA POLLUTION CONTROL AGENCY	06/28/2018	Bank Draft	0	562.50	DFT0002215
01117	PLUNKETT'S PEST CONTROL, INC.	07/11/2018	Bank Draft	0	118.14	DFT0002234
02823	SIGMA CONTROLS, INC.	07/02/2018	Bank Draft	0	507.29	DFT0002218
01320	SPRING TOUCH LAWN SPECIALIST	06/28/2018	Bank Draft	0	265.00	DFT0002216
02261	VENMILL INDUSTRIES	06/20/2018	Bank Draft	0	81.79	DFT0002213
02178	WASTE MANAGEMENT OF WI-MN	07/02/2018	Bank Draft	0	280.74	DFT0002221
02254	ALBRIGHT LAWNS	07/18/2018	EFT	0	380.00	987
00039	ALL AMERICAN TOWING	07/18/2018	EFT	0	65.00	988
00058	AMERICAN ENGINEERING TESTING, INC.	07/18/2018	EFT	0	15,809.04	989
00105	AUTO VALUE MANKATO	07/18/2018	EFT	0	588.04	990
00174	BOLTON & MENK, INC.	07/18/2018	EFT	0	56,374.50	991
00216	C & S SUPPLY CO, INC.	07/18/2018	EFT	0	526.36	992
02706	CORE & MAIN LP	07/18/2018	EFT	0	2,297.08	993
00310	CRYSTEEL TRUCK EQUIPMENT, INC	07/18/2018	EFT	0	85.50	994
02294	D & K POWDER COATING	07/18/2018	EFT	0	17,429.74	995
00343	DH ATHLETICS LLC	07/18/2018	EFT	0	377.00	996
00463	G & L AUTO SUPPLY, LLC	07/18/2018	EFT	0	172.79	997
01098	GILLETTE GROUP/PEPSI-COLA	07/18/2018	EFT	0	1,284.10	998
00482	GMS INDUSTRIAL SUPPLIES, INC.	07/18/2018	EFT	0	370.98	999
00494	GOPHER STATE ONE-CALL	07/18/2018	EFT	0	336.15	1000
02476	HARRISON TRUCK CENTERS	07/18/2018	EFT	0	1,813.66	1001
00538	HAWKINS, INC.	07/18/2018	EFT	0	4,614.23	1002
02114	HYDRO KLEAN	07/18/2018	EFT	0	172.81	1003
00680	J.J. KELLER & ASSOCIATES, INC.	07/18/2018	EFT	0	1,033.16	1004
01274	JADD SEPPMANN & SONS, INC.	07/18/2018	EFT	0	202.58	1005
00691	KENNEDY & KENNEDY LAW OFFICE	07/18/2018	EFT	0	9,019.77	1006
00776	LLOYD LUMBER CO.	07/18/2018	EFT	0	576.00	1007
02575	LOCHER BROS, INC.	07/18/2018	EFT	0	3,127.90	1008

00825	MANKATO MOTOR COMPANY	07/18/2018	EFT	0	150.27	1009
00874	MENARDS-MANKATO	07/18/2018	EFT	0	396.37	1010
00889	MIDWEST TAPE/HOOPLA	07/18/2018	EFT	0	1,011.72	1011
00910	MINNESOTA VALLEY TESTING LAB, INC.	07/18/2018	EFT	0	59.50	1012
00956	MINNESOTA WASTE PROCESSING CO.	07/18/2018	EFT	0	25,400.95	1013
00997	MTI DISTRIBUTING CO	07/18/2018	EFT	0	1,532.15	1014
01052	NORTH CENTRAL INTERNATIONAL	07/18/2018	EFT	0	1,172.15	1015
01064	NORTHERN STATES SUPPLY, INC.	07/18/2018	EFT	0	36.98	1016
02005	PANTHEON COMPUTERS	07/18/2018	EFT	0	270.00	1017
01099	PET EXPO DISTRIBUTORS	07/18/2018	EFT	0	62.50	1018
01160	QUALITY OVERHEAD DOOR CO, INC	07/18/2018	EFT	0	80.00	1019
01179	RED FEATHER PAPER CO.	07/18/2018	EFT	0	1,051.19	1020
01211	RIVER BEND BUSINESS PRODUCTS	07/18/2018	EFT	0	1,492.14	1021
01079	SMC-SOUTHERN MINNESOTA CONSTRUCTION	07/18/2018	EFT	0	527.40	1022
01323	SPS COMPANIES, INC.	07/18/2018	EFT	0	38.91	1023
01552	WW BLACKTOPPING, INC	07/18/2018	EFT	0	7,443.25	1024
01568	ZIEGLER, INC.	07/18/2018	EFT	0	38,046.36	1025
01568	ZIEGLER, INC.	07/18/2018	EFT	0	59.33	1026
00137	BENCO ELECTRIC COOPERATIVE	07/03/2018	Bank Draft	0	29,853.91	DFT0002195
00234	CENTER POINT ENERGY	07/03/2018	Bank Draft	0	1,137.34	DFT0002196
02181	ETS CORPORATION	07/02/2018	Bank Draft	0	1,029.83	DFT0002209
02181	ETS CORPORATION	07/03/2018	Bank Draft	0	300.00	DFT0002210
00614	INTERNAL REVENUE SERVICE	07/05/2018	Bank Draft	0	4,564.68	DFT0002203
00614	INTERNAL REVENUE SERVICE	07/05/2018	Bank Draft	0	12,847.33	DFT0002205
00614	INTERNAL REVENUE SERVICE	07/05/2018	Bank Draft	0	14,731.68	DFT0002206
00614	INTERNAL REVENUE SERVICE	07/06/2018	Bank Draft	0	480.39	DFT0002228
00923	MINNESOTA DEPARTMENT OF LABOR & INDU	07/05/2018	Bank Draft	0	4,170.12	DFT0002212
02003	MINNESOTA DEPT OF REVENUE	07/05/2018	Bank Draft	0	6,472.17	DFT0002204
02003	MINNESOTA DEPT OF REVENUE	07/03/2018	Bank Draft	0	389.03	DFT0002211
02766	SPROUT SOCIAL	07/09/2018	Bank Draft	0	99.00	DFT0002227
01477	VIKING ELECTRIC SUPPLY, INC.	07/05/2018	Bank Draft	0	399.02	DFT0002207
01477	VIKING ELECTRIC SUPPLY, INC.	07/06/2018	Bank Draft	0	63.11	DFT0002224
01477	VIKING ELECTRIC SUPPLY, INC.	07/11/2018	Bank Draft	0	33.77	DFT0002231
01557	XCEL ENERGY	07/03/2018	Bank Draft	0	23,836.73	DFT0002197
					<u>980,380.58</u>	<u>158</u>

Authorization Signatures

All Council

The above manual and regular claims lists for 7-16-18 are approved by:

MARK DEHEN- MAYOR

DIANE NORLAND- COUNCIL MEMBER

WILLIAM STEINER- COUNCIL MEMBER

ROBERT FREYBERG- COUNCIL MEMBER

JAMES WHITLOCK- COUNCIL MEMBER

RESOLUTION APPROVING DONATIONS/CONTRIBUTIONS/GRANTS

WHEREAS, the Minnesota Statute 465.03 and 465.04 allows the governing body of any city, county, school district or town to accept gifts for the benefit of its citizens in accordance with terms prescribed by the donor;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following donations/contributions/grants are approved as follows:

[illegible]

Adopted by the City Council this 16th day of July 2018.

Mayor

City Clerk

Permit #: _____ -2018

Date: 8/18/18

Start time: 8am

Stop time: 1am (closing)

Location: Circle Inn parking lot

Event Name: The Greater North Kato Cook-off

Name: Jeni Bobholz

Address: Circle Inn 232 Belgrade Ave.

Phone: 507-382-6001

of People: 300ish

Use of Tents (or anything requiring staking) ☐ No ☒ Yes * If Yes, Please contact **Gopher State One Call** 800-252-1166 one week prior to event.

Notes: tent will be in the pavement of the circle parking lot

PLEASE INCLUDE A MAP OF THE AREA.

Audio (requires audio permit)

☐ No ☐ Yes

* If Yes, Please fill out Audio Permit.

not sure yet

X

I, the undersigned, have received the Audio Permit Instructions and understand that failure to comply with the audio instructions may terminate the event and prevent future ability to obtain an audio permit.

SIGNED:

Jeni Bobholz
Applicant

6/22/18
Date

☐ APPROVED ☐ DENIED

☐ REFER TO COUNCIL

City Clerk

Date

Receipt # _____ Book _____ Online _____ Park _____ Police _____ Staff Initials _____

D. Form
#707

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #7E	Department: Finance	Council Meeting Date: 7/16/18										
TITLE OF ISSUE: Consider Adopting Resolution Rescinding Resolution No. 60-17 and Calling for a Public Hearing on Proposed Property Tax Abatements for the Spring Lake Park Improvements Project.												
BACKGROUND AND SUPPLEMENTAL INFORMATION: Please review the memo provided by Tammy Omdal from Northland Securities.												
<i>If additional space is required, attach a separate sheet</i>												
REQUESTED COUNCIL ACTION: Adopt Resolution Rescinding Resolution No. 60-17 and Calling for a Public Hearing on Proposed Property Tax Abatements for the Spring Lake Park Improvements Project.												
Motion By: _____ Second By: _____ Vote Record: Aye Nay _____ Steiner _____ Norland _____ Freyberg _____ Whitlock _____ Dehen	<div style="text-align: center;">SUPPORTING DOCUMENTS ATTACHED</div> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Resolution</td> <td style="text-align: center;">Ordinance</td> <td style="text-align: center;">Contract</td> <td style="text-align: center;">Minutes</td> <td style="text-align: center;">Map</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> Other (specify) <u>Memo</u> _____ _____ _____ _____		Resolution	Ordinance	Contract	Minutes	Map	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution	Ordinance	Contract	Minutes	Map								
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
<input type="checkbox"/> Workshop <input checked="" type="checkbox"/> Regular Meeting <input type="checkbox"/> Special Meeting	<input type="checkbox"/> Refer to: _____ <input type="checkbox"/> Table until: _____ <input type="checkbox"/> Other: _____											



MEMORANDUM

To: Kevin McCann, City of North Mankato
From: Tammy Omdal
Date: July 11, 2018
Re: Property Tax Abatement

The City is planning to use property tax abatement authority in connection with the financing of the Spring Lake Park Improvements Project (the "Project"). This memorandum briefly describes the use of tax abatement authority for this purpose and the process for approval.

Background

The name "tax abatement" is misleading. The enabling statute (Minnesota Statutes, Sections 469.1812 to 469.1815) does not authorize the actual "abatement of taxes". Instead, the City has the ability to levy a property tax (an abatement levy) that is equivalent to taxes that could be abated. The City plans to certify an abatement levy to pay the debt service on the proposed general obligation bonds to be issued to finance the Project.

Findings

The statute requires a finding that the use of tax abatement is in the public interest. The statute defines the reasons. Reasons specific to the proposed Project include to increase or preserve tax base and to finance or provide public infrastructure.

Process

In anticipation of financing improvements in connection with the Project, on September 5, 2017 the City Council held a public hearing and passed Resolution No. 60-17, approving a tax abatement (the "Abatement") and the issuance of General Obligation Tax Abatement Bonds (the "Bonds") in an amount not to exceed \$3,300,000. The maximum term of the Bonds and Abatement was set at 15 years and applied to taxes payable in the years 2018 through 2032. The Resolution approved 281 tax parcels for the Abatement area.

The City did not proceed to issue the Bonds in 2017. Further study and planning for the Project was undertaken. The City has completed this work and is now preparing to undertake the Project and the issuance of the Bonds in December 2018. The cost of the Project and Bonds to be issued is estimated in an amount not to exceed \$4,200,000, which includes construction costs plus the cost of issuance of the Bonds.

As the Project costs to be financed and the timing of issuance of the Bonds has changed, in order to have the authority to issue the Bonds, the City will need to do the following:

- Act to rescind Resolution 60-17.
- Call for and hold a public hearing for the consideration of the Abatement and issuance of the Bonds.
- Approve a new Abatement resolution, with new terms, following the hearing.

The proposed new Abatement resolution will set the maximum amount not to exceed at \$4,200,000, identify the parcels for the Abatement area (to include 523 tax abatement parcels), and set the maximum term for the Bonds and the Abatement at 15 years, applied to taxes payable in the years 2019 through 2033.

Abatement Levy

The total amount of the annual taxes to be abated by the City on the parcels within the Abatement area must at a minimum be equal to the principal amount of the Bonds, collected over a 15-year term. The new term for the abatement levy is anticipated to be set at years 2019 through 2033. The City may certify a debt service levy to pay interest on the Bonds. The proposed Abatement resolution includes a not to exceed amount for the abatement. The not to exceed amount in the Abatement resolution is proposed to be set at an amount that will provide the City with flexibility as final decisions are made.

It is important to note that the annual tax abatement levy, collected over a maximum term of 15 years, will be spread over the City's entire general tax base (net tax capacity) the same as the general fund levy. Property within the Abatement area will pay the same amount of City taxes as property outside of the Abatement area. There is no difference between the tax statements (or City taxes payable) for property within the Abatement area compared to other property within the City as a whole.

CITY OF NORTH MANKATO, MINNESOTA
GENERAL OBLIGATION BONDS, SERIES 2018A
PROPOSED SCHEDULE OF EVENTS

The following checklist of items denotes each milestone activity as well as the members of the finance team who will have the responsibility to complete it. *Please note this proposed timetable assumes regularly scheduled City Council meetings.*

July 2018						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August 2018						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September 2018						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October 2018						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Date	Action	Responsible Party
July 16	City Council rescinds Resolution No. 60-17 approving property tax abatements City Council calls for public hearing for property tax abatement and TEFRA	City Council Action
July 23	Deadline for publication of notice of property tax abatement public hearing (must publish at least 14-days prior to hearing date)	City
July 30	Tax Abatement Resolution sent to City for Council Packets Set Sale Resolution for 2018A Bonds Sent to City for Council Packets Finance Plan for 2018A Bonds Sent to the City	Northland, Bond Counsel
August 6	Tax abatement and TEFRA public hearing City Council approves Tax Abatement Resolution City Council approves Set Sale Resolution for 2018A Bonds	City Council Action, Northland, Bond Counsel

City of North Mankato, Minnesota
General Obligation Bonds, Series 2018A
Proposed Schedule of Events
Page 2 of 2

Date	Action	Responsible Party
October 24	Preliminary Official Statement Sent to City for Sign Off and to Rating Agency (S&P)	Northland, City
Week of November 5	Rating Conference Call	Northland, City, Rating Agency
November 21	Rating Received	Rating Agency, City, Northland
December 3	Bond Sale - 10:30 a.m. Authorizing Resolution Adopted - 7:00 p.m.	City Council Action, Northland, Bond Counsel
December 20	Closing on the Bonds (Proceeds available)	Northland, City Staff, Bond Counsel

CITY OF NORTH MANKATO
COUNTY OF NICOLLET
STATE OF MINNESOTA

RESOLUTION NO. _____

RESOLUTION RESCINDING RESOLUTION NO. 60-17 AND
CALLING FOR A PUBLIC HEARING ON PROPOSED
PROPERTY TAX ABATEMENTS FOR THE SPRING LAKE PARK
IMPROVEMENTS PROJECT

BE IT RESOLVED by the City Council (the "Council") of the City of North Mankato, Minnesota (the "City"), as follows:

1. Recitals as to Rescission of Resolution No. 60-17.

(a) At the regular meeting of the Council, held on September 5, 2017, the Council adopted Resolution No. 60-17 entitled "Resolution Approving Property Tax Abatements" (the "Resolution"), wherein the "Terms of the Abatement" were set forth and a proposal made for the City to issue General Obligation Tax Abatement Bonds (the "2017 Bonds") to finance improvements to Spring Lake Park located at 641 Webster Avenue in the City (the "Project").

(b) The 2017 Bonds, as approved by the Resolution, were not issued and it has been determined that certain provisions pertaining to the properties to be abated, the proposed abatement years and the abatement amount need to be modified.

2. Rescission of Resolution No. 60-17. The Resolution is hereby rescinded in its entirety and the Council will call for another public hearing on the question of abatement for the Project.

3. Recitals as to Calling of Public Hearing

(a) Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, both inclusive (the "Act"), authorizes the City, upon satisfaction of certain conditions, to grant an abatement of all or a part of the taxes levied by the City on real property within its boundaries.

(b) It is a legal requirement that the City hold a public hearing prior to adoption of a resolution granting any property tax abatements.

(c) The City has been advised that a public hearing and City Council approval of the issuance of the proposed issuance of general obligation bonds (the "2018 Bonds") for the financing of the proposed Project is required under Section 147(f) of the Internal Revenue Code (the "Code"); because a portion of the Project, known as the Spring Lake Park Swim Facility, is owned by the City and managed by the Mankato Family YMCA, a 501(c)(3) non-profit organization, the 2018 Bonds must be issued as "qualified 501(c)(3) bonds" under the Code.

4. Hearing.

(a) In accordance with the Act and the Code, the City Council hereby calls for a public hearing on Monday, August 6, 2018, at 7:00 PM, to consider the proposed Abatement for the purposes described herein and the proposed issuance of the 2018 Bonds. The City Clerk is authorized and directed to publish a notice of public hearing in substantially the form set forth in Exhibit A attached hereto in the official newspaper of the City more than 14 but less than 30 days before the date of the public hearing.

(b) City staff and consultants are authorized to take all other actions needed to bring the proposed Abatement and issuance of the 2018 Bonds before the City Council.

Councilmember _____ moved for the adoption of the foregoing resolution, and said motion was duly seconded by Councilmember _____, and upon a vote being taken thereon after full discussion thereof, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Adopted on July 16, 2018, by the North Mankato City Council.

Mayor

Attest:

City Administrator

CITY ADMINISTRATOR'S CERTIFICATE

I, the undersigned, being the duly qualified and acting Administrator of the City of North Mankato, Minnesota (the "City"), DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of the City, duly called and held on the date therein indicated, insofar as such minutes relate to the rescission of Resolution No. 60-17 and the calling of a public hearing on a proposed property tax abatement.

WITNESS my hand this ____ day of July, 2018.

City Administrator
North Mankato, Minnesota

EXHIBIT A

CITY OF NORTH MANKATO

NOTICE OF PUBLIC HEARING REGARDING PROPOSED PROPERTY TAX ABATEMENTS FOR THE SPRING LAKE PARK IMPROVEMENTS PROJECT

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will hold a public hearing at a meeting of the Council beginning at 7:00 p.m., on Monday, August 6, 2018, to be held at the North Mankato City Hall, 1001 Belgrade Avenue, North Mankato, Minnesota, on the proposal that the City abate property taxes levied by the City on the following property identified as tax parcel identification numbers (the "Property"):

18.766.0010	18.557.0690	18.872.0030	18.775.0010
18.557.1090	18.413.0120	18.557.1110	18.247.0020
18.872.0010	18.684.0030	18.424.0040	18.551.0050
18.557.2470	18.798.0040	18.557.0220	18.557.1150
18.557.0480	18.413.0010	18.557.0810	18.557.2580
18.557.0490	18.542.0060	18.708.0030	18.557.0420
18.542.0070	18.812.0030	18.557.0990	18.873.0020
18.557.0950	18.542.0040	18.872.0070	18.557.1000
18.001.0200	18.798.0020	18.557.0960	18.620.0020
18.798.0080	18.798.0140	18.413.0090	18.557.1030
18.798.0090	18.798.0150	18.557.1070	18.798.0130
18.425.0040	18.557.0740	18.557.0140	18.424.0080
18.557.0880	18.557.2750	18.413.0140	18.557.2870
18.557.0920	18.557.0550	18.557.0240	18.557.0440
18.557.2680	18.620.0030	18.799.0010	18.557.2520
18.557.2610	18.557.0360	18.413.0080	18.708.0010
18.001.0400	18.413.0180	18.557.2630	18.413.0050
18.799.0080	18.557.0395	18.557.0840	18.557.0500
18.871.0030	18.542.0050	18.812.0045	18.799.0050
18.557.0450	18.557.1020	18.798.0160	18.542.0100
18.871.0040	18.557.1050	18.413.0070	18.551.0040
18.557.0770	18.873.0030	18.798.0100	18.799.0030
18.557.2980	18.557.2370	18.557.1040	18.564.0030
18.557.0850	18.557.2640	18.812.0040	18.425.0060

18.812.0010	18.871.0010	18.557.2390	18.557.2740
18.557.0900	18.592.0050	18.557.2590	18.342.0010
18.557.2700	18.424.0060	18.557.2340	18.001.0075
18.425.0110	18.557.0790	18.798.0030	18.872.0050
18.557.0400	18.557.2380	18.001.0100	18.557.2710
18.557.2330	18.001.0500	18.413.0060	18.592.0020
18.557.0610	18.542.0150	18.557.2410	18.551.0010
18.557.0620	18.542.0160	18.557.0870	18.557.0560
18.557.0530	18.557.0380	18.872.0060	18.557.0940
18.557.2510	18.557.1140	18.798.0070	18.684.0010
18.871.0020	18.557.1160	18.592.0060	18.413.0030
18.564.0025	18.873.0040	18.557.2660	18.557.2530
18.425.0010	18.557.2440	18.872.0020	18.557.2570
18.557.0700	18.557.0630	18.799.0020	18.557.0820
18.425.0120	18.413.0170	18.708.0052	18.542.0140
18.557.0520	18.799.0060	18.708.0053	18.557.0970
18.557.0580	18.001.0300	18.557.2550	18.425.0050
18.799.0040	18.798.0110	18.557.0350	18.557.0110
18.424.0070	18.798.0120	18.542.0030	18.798.0010
18.557.0710	18.542.0120	18.557.0910	18.557.2450
18.413.0020	18.557.0860	18.557.2600	18.342.0020
18.557.0510	18.557.0930	18.557.2490	18.564.0015
18.557.0130	18.557.0750	18.557.2560	18.413.0190
18.413.0150	18.557.2420	18.799.0070	18.557.0760
18.413.0100	18.592.0040	18.425.0080	18.551.0020
18.557.2670	18.557.2690	18.557.2350	18.456.0010
18.557.0340	18.557.0980	18.557.2400	18.557.2770
18.542.0090	18.798.0050	18.557.1120	18.557.2780
18.557.2760	18.798.0060	18.557.1130	18.557.0800
18.557.2480	18.542.0110	18.557.0070	18.812.0020
18.872.0080	18.551.0030	18.542.0010	18.557.0250
18.557.0590	18.620.0040	18.708.0050	18.557.0600
18.557.0720	18.557.0890	18.557.2540	18.557.0460
18.425.0100	18.542.0130	18.708.0020	18.557.0470
18.424.0050	18.557.0410	18.798.0170	18.413.0160
18.425.0020	18.557.0123	18.798.0180	18.413.0040
18.425.0090	18.557.0230	18.798.0190	18.592.0080
18.557.2500	18.592.0030	18.592.0010	18.592.0070
18.708.0051	18.684.0020	18.557.0370	18.557.0540
18.478.0050	18.872.0040	18.557.0680	18.424.0030

18.424.0020	18.612.0060	18.531.0040	18.552.0030
18.424.0010	18.594.0020	18.531.0050	18.552.0010
18.873.0010	18.557.2100	18.531.0060	18.531.0020
18.557.2730	18.453.0040	18.423.0590	18.557.1200
18.542.0080	18.423.0450	18.552.0090	18.412.0040
18.413.0130	18.423.0440	18.557.2120	18.412.0050
18.557.2430	18.557.2190	18.612.0090	18.612.0270
18.557.2650	18.557.1970	18.531.0030	18.703.0010
18.557.0390	18.557.1190	18.703.0090	18.594.0040
18.557.0430	18.423.0560	18.703.0080	18.423.0320
18.557.0670	18.423.0250	18.557.1230	18.557.2070
18.557.2460	18.831.0010	18.703.0070	18.552.0100
18.425.0070	18.422.0040	18.423.0470	18.880.0150
18.557.1010	18.423.0380	18.557.1290	18.557.0030
18.557.2720	18.531.0240	18.557.1300	18.012.2200
18.542.0020	18.531.0220	18.612.0190	18.612.0195
18.557.1080	18.423.0550	18.423.0520	18.557.1220
18.557.0780	18.412.0030	18.423.0530	18.557.1170
18.557.0570	18.423.0500	18.423.0360	18.557.1180
18.620.0010	18.612.0170	18.423.0370	18.557.2260
18.557.0830	18.423.0410	18.612.0010	18.422.0120
18.873.0050	18.612.0260	18.531.0160	18.422.0080
18.425.0030	18.531.0170	18.412.0020	18.422.0090
18.557.2620	18.531.0180	18.794.0010	18.423.0400
18.001.0060	18.423.0480	18.703.0100	18.453.0010
18.531.0100	18.794.0020	18.880.0010	18.423.0340
18.422.0050	18.703.0030	18.012.1700	18.423.0350
18.531.0090	18.423.0630	18.422.0110	18.012.2300
18.531.0080	18.557.1310	18.594.0030	18.412.0010
18.531.0070	18.612.0250	18.423.0280	18.557.1960
18.612.0020	18.048.0010	18.557.2250	18.552.0050
18.831.0030	18.557.1320	18.557.1860	18.552.0060
18.412.0060	18.612.0050	18.531.0210	18.612.0200
18.612.0120	18.880.0020	18.612.0110	18.531.0010
18.612.0280	18.831.0020	18.423.0540	18.012.1900
18.531.0110	18.612.0160	18.552.0070	18.531.0230
18.423.0650	18.612.0150	18.557.1250	18.423.0510
18.557.2320	18.612.0140	18.012.1800	18.557.0020
18.880.0140	18.423.0660	18.423.0330	18.703.0040
18.423.0260	18.612.0030	18.423.0270	18.703.0050

18.557.1940	18.557.1270	18.880.0070	18.612.0310
18.557.1950	18.423.0460	18.612.0130	18.423.0600
18.612.0040	18.423.0670	18.880.0060	18.422.0130
18.423.0580	18.422.0060	18.880.0050	18.422.0140
18.557.1240	18.880.0040	18.453.0050	18.422.0150
18.880.0120	18.557.1210	18.012.1400	18.423.0680
18.880.0100	18.531.0140	18.423.0490	18.612.0180
18.423.0310	18.531.0150	18.557.2060	18.612.0300
18.557.2090	18.012.1600	18.557.2280	18.612.0290
18.557.2180	18.557.2140	18.557.2290	18.552.0080
18.557.2110	18.557.2315	18.557.2300	18.423.0690
18.423.0390	18.557.2160	18.552.0020	18.880.0110
18.012.2000	18.557.2030	18.557.2240	18.612.0070
18.423.0290	18.880.0030	18.557.2040	18.703.0020
18.423.0300	18.612.0080	18.557.2080	18.423.0620
18.423.0420	18.557.1980	18.557.2050	18.423.0610
18.831.0040	18.557.1990	18.531.0130	18.552.0040
18.012.1300	18.557.1280	18.422.0100	18.557.2220
18.423.0570	18.557.2200	18.453.0020	18.012.2100
18.531.0200	18.557.1920	18.423.0430	18.422.0030
18.531.0190	18.557.1930	18.557.1260	18.422.0070
18.557.2010	18.422.0020	18.453.0030	18.557.1870
18.612.0330	18.612.0220	18.557.2270	18.557.2210
18.557.2130	18.612.0230	18.557.2230	18.557.2020
18.703.0060	18.612.0240	18.557.1890	18.880.0130
18.423.0240	18.012.1500	18.612.0100	18.557.1880
18.594.0010	18.880.0090	18.612.0320	

The total amount of the taxes proposed to be abated by the City on the Property for up to a 15 year period is estimated to be not more than \$4,200,000. The City Council will consider the property tax abatement to finance improvements to Spring Lake Park located at 641 Webster Avenue in the City. Spring Lake Park contains the Spring Lake Park Swim Facility which is owned by the City and managed by the Mankato Family YMCA, a 501(c)(3) non-profit organization. The public hearing is also being held pursuant to Section 147(f) of the Internal Revenue Code (the "Code") because the proposed bonds will be issued as "qualified 501(c)(3) bonds" under the Code.

The City proposes to issue General Obligation Tax Abatement Bonds in the amount not to exceed \$4,200,000 to finance the Spring Lake Park improvements project.

All interested persons may appear at the August 6, 2018 public hearing and present their views orally or in writing.

Permit #: 75 -2018 Start time: 8a Fee: \$
Date: 8/16/18 Stop time: 10p

Shelter: ☒ Spring Lake Shelter #1 ☐ Spring Lake Shelter #2 ☐ Wheeler Park Indoor Shelter

Event Name: Civic + Commerce Picnic

Name: Lynette Peterson

Address: _____

Phone: _____

of People: _____

Use of Tents (or anything requiring staking) ☒ No ☐ Yes * If Yes, Please contact **Gopher State One Call**
*Bounce House requires waiver **800-252-1166** one week prior to event.

Notes: _____

Alcoholic Beverages (wine & beer only) ☐ No ☒ Yes * \$300 refundable deposit and \$30 keg permit
Please specify: Cans Keg Catering* (must contact City Hall)

Audio (requires audio permit) ☐ No ☐ Yes * If Yes, Please fill out Audio Permit.

Allowed

- Personal grills
- Keg beer provided a permit is obtained
- Fishing/ice fishing on Ladybug Lake and Spring Lake only
- Pets in Benson Park, Bluff Park and Spring Lake Park provided they are on a 6' leash
- Canoes and kayaks on Ladybug Lake and Spring Lake (children under 12 must be accompanied by an adult and wear a life preserver)
- Hog roasts provided they are on a hard-surfaced lot

Prohibited

- Vehicles are not allowed to be parked or driven on the grass for any reason unless permission is given from the Parks Department.
- Pets (allowed in Benson Park and Bluff Park only)
- Glass containers
- Campfires / Bonfires / Fire Rings
- Snowmobiles, ATVs, golfing, swimming, boating and motorized flotation devices
- Dunk Tanks
- Audio equipment may not be played so loud as to interfere with the reasonable use of the park by others. All audio devices must end at 10 PM

- ☐ I, the undersigned, understand that the park shelter reservation fee is non-refundable. If prior approval is not obtained for the installation of additional tents or stakes and causes disruption of utility services, I agree to be held liable for any repairs to service lines.
- ☐ I, the undersigned, have received the Audio Permit Instructions and understand that failure to comply with the audio instructions may terminate the event and prevent future ability to obtain an audio permit.

SIGNED: by email _____
Applicant Date

- ☐ APPROVED ☐ DENIED
☐ REFER TO COUNCIL

April VanGendren by vs
City Clerk

7
Date



1001 Belgrade Avenue
North Mankato, MN 56003
507-625-4141 Fax: 507-625-4151
www.northmankato.com

Audio Permit 75a - 2018
Park Permit 15 - 2018

Audio Permit

About:

An audio permit is required for anyone operating outdoor amplified sound (i.e., a loudspeaker, public address system, or sound amplifying equipment). All Audio Permits must be approved by the Council. The sound system cannot be operated before 7:00 am or after 10:00 pm. There is a \$25 fee.

Audio Permit Responsibilities:

- An onsite event coordinator must be available by mobile during the event.
- An applicant will provide a schedule of any music or entertainment proposed to occur during the event.
- A beginning and end time must be supplied on the application, and the event coordinator must ensure compliance.
- Applicants must comply with City Code Ordinance 90.045 and Minnesota Rules Chapter 7030 which limits noise.
- Noise levels cannot exceed 60 dBA more than 50 percent of the time.

What happens if there is a noise complaint?

- A North Mankato Patrol Officer will meet with the complainant and evaluate and measure the noise using a decibel reader at the location of the complainant.
- If the noise is found out of compliance, the Patrol Officer will contact the onsite event coordinator, and the amplified sound must be turned down.
- If the onsite event coordinator does not comply, the event will be immediately terminated, and the group will be disbursed.
- Failure to comply will affect future ability to obtain an audio permit.

AMPLIFIED SOUND: ☐ LIVE MUSIC/BAND DATE OF EVENT: 8-16-18
☐ DJ/KARAOKE MACHINE BEGIN TIME: 3 p
☒ OTHER: microphone END TIME: 9 p
+ speaker

LOCATION / SHELTER: SLP

EVENT NAME: Civic + Commerce Picnic

ONSITE COORDINATOR: PRINT NAME: Lynette Peterson

MOBILE NUMBER: _____

☐ I, THE UNDERSIGNED, HAVE RECEIVED THE AUDIO PERMIT AND UNDERSTAND THAT FAILURE TO COMPLY WITH THE AUDIO POLICY MAY TERMINATE THE EVENT AND PREVENT FUTURE ABILITY TO OBTAIN AN AUDIO PERMIT.

SIGNATURE: by email DATE: _____

POLICE CHIEF: _____

CITY CLERK: _____

☐ DENIED ☐ APPROVED

☐ BOOK ☐ POLICE ☐ ONLINE ☐ \$25.00 FEE

STAFF INITIALS _____



1001 Belgrade Avenue
North Mankato, MN 56003
507-625-4141 Fax: 507-625-4151
www.northmankato.com

Audio Permit _____ 2018
Park Permit _____ 2018

Audio Permit

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- If the onsite event coordinator does not comply, the event will be immediately terminated, and the group will be disbursed.
- Failure to comply will affect future ability to obtain an audio permit.

AMPLIFIED SOUND:



LIVE MUSIC/BAND
DJ/KARAOKE MACHINE
OTHER: _____

DATE OF EVENT: 7-28-18

BEGIN TIME: NOON

END TIME: 11 pm

LOCATION / SHELTER: Street

EVENT NAME: Blues on Belgrade

ONSITE COORDINATOR: PRINT NAME: Jim Whitlock

MOBILE NUMBER: 507-469-0415

☐ I, THE UNDERSIGNED, HAVE RECEIVED THE AUDIO PERMIT AND UNDERSTAND THAT FAILURE TO COMPLY WITH THE AUDIO POLICY MAY TERMINATE THE EVENT AND PREVENT FUTURE ABILITY TO OBTAIN AN AUDIO PERMIT.

SIGNATURE: [Signature] DATE: 7-12-18

POLICE CHIEF: _____

CITY CLERK: _____

☐ DENIED ☐ APPROVED

☐ BOOK ☐ POLICE ☐ ONLINE ☐ \$25.00 FEE

STAFF INITIALS _____

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #9A	Department: Finance	Council Meeting Date: 7/16/18																																																
TITLE OF ISSUE: Consider Accepting the 2017 Comprehensive Annual Financial Report (CAFR).																																																		
BACKGROUND AND SUPPLEMENTAL INFORMATION: Attached are highlights of the 2017 Annual Audit followed by Abdo, Eick and Meyer management letter. Mr. Layne Kockelman, of Abdo, Eick & Meyers, will present the Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017.																																																		
<i>If additional space is required, attach a separate sheet</i>																																																		
REQUESTED COUNCIL ACTION: Accept Report and Place it on File.																																																		
Motion By: _____ Second By: _____ Vote Record: <table style="margin-left: 40px; border: none;"> <tr> <td style="text-align: center;">Aye</td> <td style="text-align: center;">Nay</td> <td></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Steiner</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Norland</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Freyberg</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Whitlock</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Dehen</td> </tr> </table>	Aye	Nay		_____	_____	Steiner	_____	_____	Norland	_____	_____	Freyberg	_____	_____	Whitlock	_____	_____	Dehen	<div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 10px;"> SUPPORTING DOCUMENTS ATTACHED </div> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Resolution</td> <td style="text-align: center;">Ordinance</td> <td style="text-align: center;">Contract</td> <td style="text-align: center;">Minutes</td> <td style="text-align: center;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td colspan="5">Other (specify) <u>2017 Management Letter</u></td> </tr> <tr><td colspan="5">_____</td></tr> <tr><td colspan="5">_____</td></tr> <tr><td colspan="5">_____</td></tr> </table>		Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other (specify) <u>2017 Management Letter</u>					_____					_____					_____				
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<input type="checkbox"/> Workshop <input checked="" type="checkbox"/> Regular Meeting <input type="checkbox"/> Special Meeting	<input type="checkbox"/> Refer to: _____ <input type="checkbox"/> Table until: _____ <input type="checkbox"/> Other: _____																																																	



Management Letter

City of North Mankato

North Mankato, Minnesota

For the Year Ended
December 31, 2017

June 19, 2018

Management, Honorable Mayor and City Council
City of North Mankato, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of North Mankato (the City) for the year ended December 31, 2017 and have issued our report thereon dated June 19, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 16, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of financial statements does not relieve you or your management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described on the following pages, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described on the following pages as item 2017-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described on the following pages as item 2017-001 to be a significant deficiency.

2017-001**Preparation of Financial Statements***Condition:*

As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Auditing standards require auditors to communicate this situation to the Council as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. However, based on auditing standards, it is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.

Criteria:

Internal controls should be in place to ensure adequate internal control over the reliability of financial records and reporting.

Cause:

From a practical standpoint, we prepare the statements and determine the fairness of the presentation at the same time in connection with our audit. This is not unusual for us to do with organizations of your size.

Effect:

The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors. As in prior years, we have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosures in your statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.

Recommendation:

Under these circumstances, the most effective controls lie in management's knowledge of the Organization's financial operations. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations. Regarding the specific situations listed above, we would offer the following specific recommendation: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your accounting information from your accounting software to the amounts reported in the financial statements.

Management Response:

For now, the City's management accepts the degree of risk associated with this condition and thoroughly reviews a draft of the financial statements.

2017-002**Material Audit Adjustments***Condition:*

During our audit, adjustments were needed to record a number of accounting and audit adjustments, including the following material entries:

- To adjust various capital asset activity.
- To adjust the coding of transfers and to record additional transfers.

Criteria:

The financial statements are the responsibility of the City's management.

Cause:

City staff has not prepared a year-end trial balance reflecting all necessary accounting entries.

Effect:

This indicates that it would be likely that a misstatement may occur and not be detected by the City's system of internal control. The audit firm cannot serve as a compensating control over this deficiency.

Recommendation:

We recommend that management review each journal entry, obtain an understanding of why the entry was necessary and modify current procedures to ensure that future corrections are not needed.

Management Response:

Management will continue to review and gain an understanding of the audit adjustments in order to reduce the number of entries necessary for future audits.

People
+ Process.
Going
Beyond the
Numbers

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with Government Auditing Standards or Minnesota statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2017. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period with the exception of those noted in Note 9.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant estimates affecting the financial statements include the capital asset basis, the depreciation on capital assets, allowance for doubtful accounts and the liabilities for the City's Other Post-employment Benefits (OPEB) and City's pensions.

- Capital asset basis is based on estimated historical cost of the capital assets.
- Depreciation is based on the estimated useful lives of capital assets.
- Management's estimate of the allowance is based on past uncollectible accounts.
- OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rate.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During our audit material adjustments were needed to adjust various capital asset activity, to adjust the coding of transfers and to record additional transfers. Management has corrected all such misstatements. We also assisted in preparing a number of year end accounting entries. These were necessary to adjust the City's records at year end to correct ending balances. The City should establish more detailed processes and procedures to reduce the total number of entries in each category. The City will receive better and timelier information if the preparation of year-end entries is completed internally.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedules of Employer's Contributions and the Schedule of Funding Progress for Other Post-Employment Benefits Plan), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on them.

Financial Position and Results of Operations

Our principal observations and recommendations are summarized below. These recommendations resulted from our observations made in connection with our audit of the City's financial statements for the year ended December 31, 2017.

General Fund

All general governmental functions of the City which are not accounted for in separate funds are included in the General fund.

Minnesota municipalities must maintain substantial amounts of fund balance in order to meet their liquidity and working capital needs as an operating entity. That is because a substantial portion of your revenue sources (taxes and intergovernmental revenues) are received in the last two months of each six-month cycle.

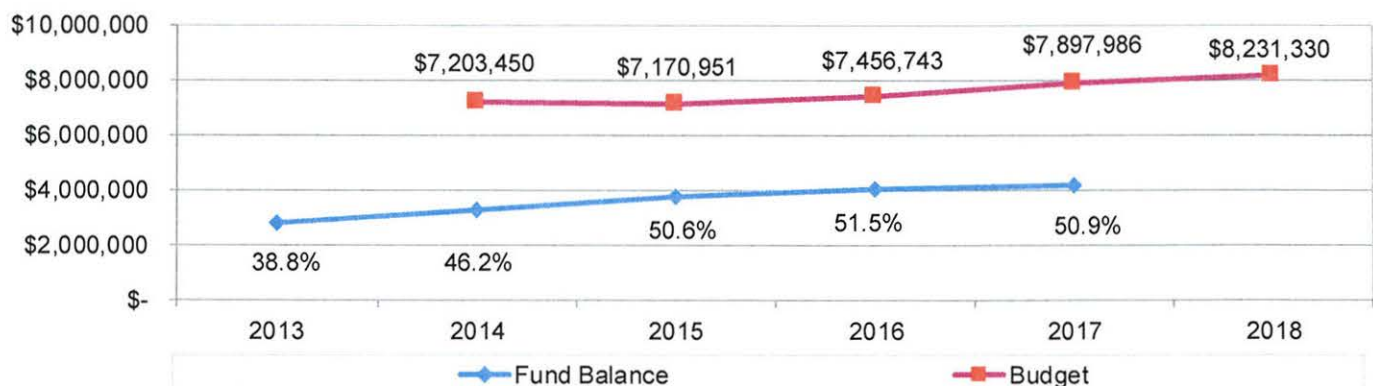
As you can see from the following information, it is necessary to maintain fund balance in order to keep pace with the increasing operating budget. *This information is also presented in graphic form below.*

Year	Fund Balance December 31	Budget Year	General Fund Budget	Percent of Fund Balance to Budget
2013	\$ 2,794,394	2014	\$ 7,203,450 *	38.8 %
2014	3,315,595	2015	7,170,951	46.2
2015	3,776,206	2016	7,456,743	50.6
2016	4,064,351	2017	7,897,986	51.5
2017	4,187,674	2018	8,231,330	50.9

* Starting in 2014, certain special revenue funds were closed and budgeted into the General fund causing the percent of fund balance to budget for 2013 to decrease. Also, the General fund balance includes interfund receivable offset that is nonspendable.

The following is an analysis of the General fund's balance for the past five years compared to the following year's budget:

Fund Balance/Budget Comparison



The General fund balance increased by \$123,323 in 2017. The total fund balance of \$4,187,674 represents 50.9 percent of the 2018 budget. Many other organizations, including the Office of the State Auditor (the OSA) and League of Minnesota Cities (LMC) recommend that unassigned fund balance be anywhere from 35 to 50 percent of planned expenditures. We concur with those recommendations.

Although there is no legislation regulating fund balance, it is a good policy to assign intended use of fund balance. This helps address citizen concerns as to the use of fund balance and tax levels. The City should consider documenting assignments for intended use of fund balance at and above the fifty percent level. This documentation could be accomplished by an annual resolution to identify intended use of available fund balance. We recommend a minimum unassigned fund balance be approximately 40 percent to 50 percent of planned disbursements. So at the current level, the fund balance is considered about what is recommended.

The purposes and benefits of a fund balance are as follows:

- Expenditures are incurred somewhat evenly throughout the year. However, property tax and state aid revenues are not received until the second half of the year. An adequate fund balance will provide the cash flow required to finance the governmental fund expenditures.
- The City is vulnerable to legislative actions at the State and Federal level. The State continually adjusts the local government aid formulas. We also have seen the State mandate levy limits for cities over 2,500 in population. An adequate fund balance will provide a temporary buffer against those aid adjustments or levy limits.
- Expenditures not anticipated at the time the annual budget was adopted may need immediate Council action. These would include capital outlay, replacement, lawsuits and other items. An adequate fund balance will provide the financing needed for such expenditures.
- A strong fund balance will assist the City in maintaining, improving or obtaining its bond rating. The result will be better interest rates in future bond sales.

The 2017 General fund operations are summarized as follows:

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 7,760,018	\$ 8,055,647	\$ 295,629
Expenditures	7,897,986	7,987,052	(89,066)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,968)	68,595	206,563
Other Financing Sources (Uses)			
Sale of capital assets	500	18,000	17,500
Transfers in	275,202	271,750	(3,452)
Transfers out	(175,000)	(235,022)	(60,022)
Total other financing sources (uses)	100,702	54,728	(45,974)
Net Change in Fund Balances	\$ (37,266)	123,323	\$ 160,589
Fund Balances, January 1		4,064,351	
Fund Balances, December 31		<u>\$ 4,187,674</u>	

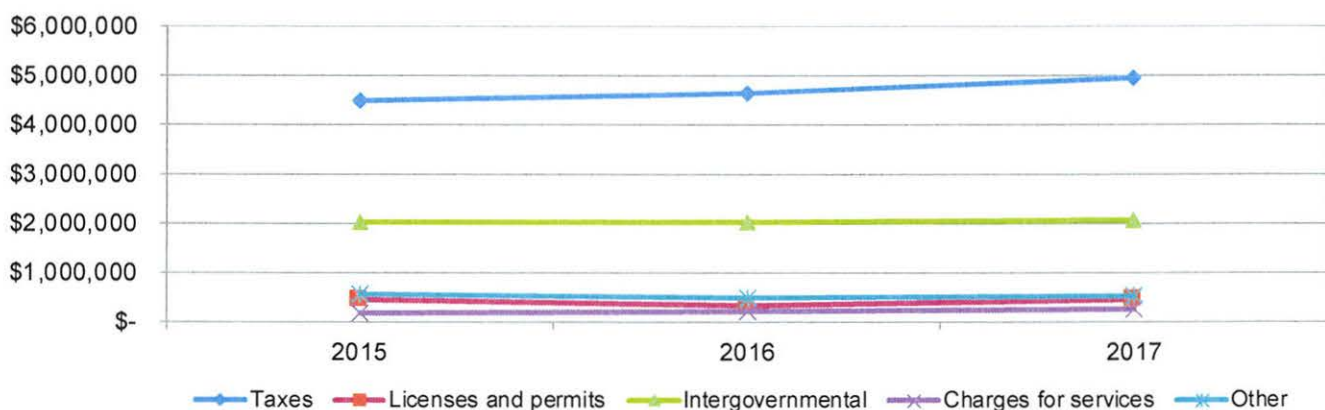
Some of the larger variance items are as follows:

- Tax revenue was over budget by \$41,468 due to the under budgeting of franchise fees and other taxes.
- Licenses and permits revenue was \$102,614 over budget due to increased rental housing license rates and more building permits issued than prior years with valuation increases of \$11,176,802.
- Intergovernmental revenue was over budget by \$45,130 mainly due to increases in police and fire aids.
- Charges for services revenue was over budget by \$57,316 mainly attributable to sales and advertising revenue at Caswell Park.
- Miscellaneous revenue was over budget by \$57,413 due to various donations including contributions for vehicle replacements.
- Public works expenditures were under budget by \$71,101 mainly due to less street maintenance than anticipated.
- Culture and recreation expenditures were over budget by \$102,497 attributable to increased activity at the library, Caswell Park and other parks which was partially offset with additional revenue.
- Transfers out were over budget \$60,022 due to contributions to the 2016 Construction fund to finance the municipal building improvement cost overruns.

A comparison of General fund revenues and transfers for the last three years is presented below:

Source	2015	2016	2017	Percent of Total	Per Capita
Taxes	\$ 4,521,694	\$ 4,664,566	\$ 4,962,604	59.5 %	\$ 359
Special Assessments	29,140	26,985	6,796	0.1	-
Licenses and Permits	448,871	360,412	470,642	5.7	34
Intergovernmental	2,036,034	2,056,525	2,065,472	24.8	150
Charges for Services	199,242	242,214	278,806	3.3	20
Fines and Forfeits	27,578	31,247	28,220	0.3	2
Investment Earnings	3,926	3,978	5,322	0.1	-
Miscellaneous	259,152	171,591	237,785	2.9	17
Transfers In	271,750	279,350	271,750	3.3	20
Total Revenues and Transfers	\$ 7,797,387	\$ 7,836,868	\$ 8,327,397	100.0 %	\$ 602

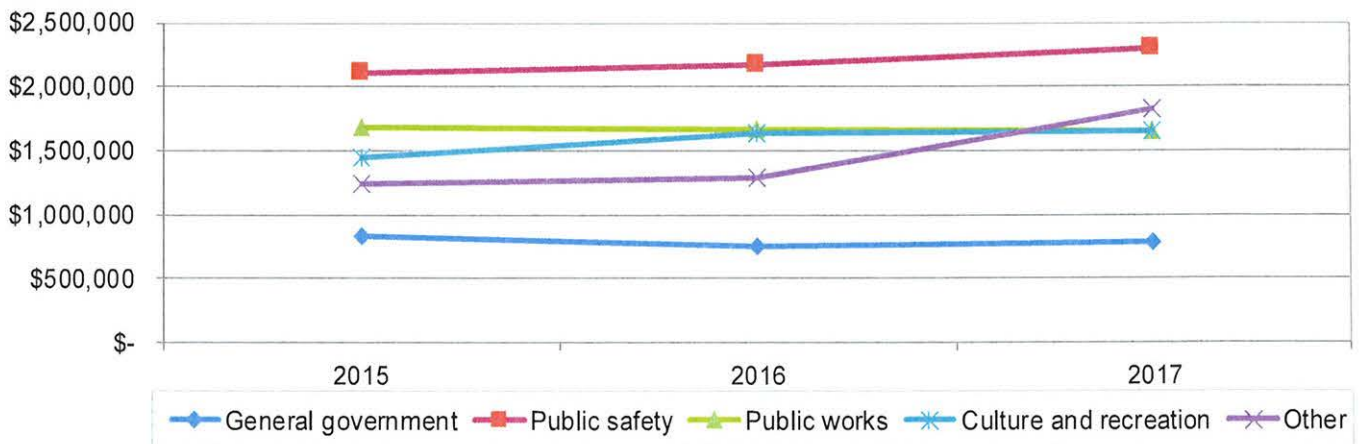
General Fund Revenues by Source



A comparison of General fund expenditures and transfers for the last three years is presented below:

Program	2015	2016	2017	Percent of Total	Per Capita	Peer Group Per Capita
Current						
General government	839,835	\$ 752,144	\$ 782,884	9.5 %	\$ 57	\$ 109
Public safety	2,120,907	2,183,726	2,304,769	28.1	167	229
Public works	1,693,925	1,675,017	1,661,692	20.2	120	109
Culture and recreation	1,444,506	1,647,680	1,647,812	20.0	119	63
Housing and economic development	555,517	500,854	519,788	6.3	38	8
Miscellaneous	358,907	288,787	302,532	3.7	22	15
Total Current	7,013,597	7,048,208	7,219,477	87.8	523	533
Capital Outlay	243,875	314,486	767,575	9.3	56	19
Debt Service	79,513	-	-	-	-	-
Transfers Out	-	186,029	235,022	2.9	17	-
Total Expenditures and Transfers	\$ 7,336,985	\$ 7,548,723	\$ 8,222,074	100.0 %	\$ 596	\$ 552

General Fund Expenditures by Program



Special Revenue Funds

Special revenue funds have revenue from specific sources to be used for specific purpose. Listed below are the special revenue funds of the City along with the fund balances for 2017 and 2016 and the net change:

Fund	Fund Balances December 31,		Increase (Decrease)
	2017	2016	
Nonmajor			
Library Endowment	\$ 48,644	\$ 50,000	\$ (1,356)
Community Development Block Grant	15,296	12,849	2,447
Local Option Sales Tax	105,200	140,734	(35,534)
Park Development	5,866	5,866	-
Port Authority	168,507	211,734	(43,227)
Federal Revolving Loan	1,744,639	1,715,558	29,081
Local Revolving Loan	230,450	228,395	2,055
Joint Economic Development	1,166,288	361,337	804,951
Marigold TIF #8	(380,606)	(397,107)	16,501
Webster Redevelopment TIF #14	70,073	54,901	15,172
National Dentex TIF #17	6,360	-	6,360
Webster Avenue TIF #2	1,016	1,015	1
LJP Enterprises TIF #18	-	-	-
Ziegler Caterpillar TIF #20	-	-	-
422 Belgrade TIF #19	21,885	12,562	9,323
Lindsay TIF #22	-	-	-
Allstate Peterbuilt TIF #21	-	-	-
D & K Powdercoating TIF #23	-	-	-
Total	<u>\$ 3,203,618</u>	<u>\$ 2,397,844</u>	<u>\$ 805,774</u>

Debt Service Funds

Debt Service funds are a type of governmental fund to account for the accumulation of resources for the payment of interest and principal on debt (other than enterprise fund debt).

Debt Service funds may have one or a combination of the following revenue sources pledged to retire debt as follows:

- Property taxes - Primarily for general City benefit projects such as parks and municipal buildings. Property taxes may also be used to fund special assessment bonds which are not fully assessed.
- Tax increments - Pledged exclusively for tax increment/economic development districts.
- Capitalized interest portion of bond proceeds - After the sale of bonds, the project may not produce revenue (tax increments or special assessments) for a period of one to two years. Bonds are issued with this timing difference considered in the form of capitalized interest.
- Special assessments - Charges to benefited properties for various improvements.

In addition to the above pledged assets, other funding sources may be received by Debt Service funds as follows:

- Residual project proceeds from the related capital projects fund
- Investment earnings
- State or Federal grants
- Transfers from other funds

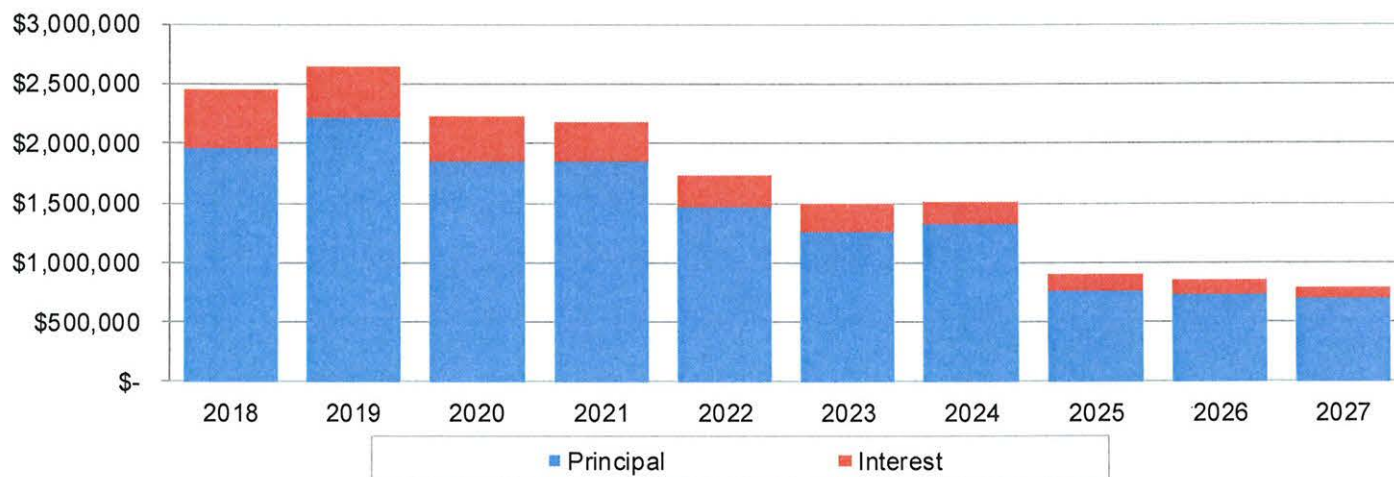
People
+ Process
Going
Beyond the
Numbers

The following is a summary of Debt Service fund assets and outstanding debt as of December 31, 2017:

Debt Description	Total Cash and Temporary Investments	Total Assets	Outstanding Debt	Maturity Date
General Obligation Bonds				
Bond Reserve	\$ 817,726	\$ 1,426,642	\$ -	N/A
G.O. Capital Improvements - 2008C	-	-	370,000	02/01/19
General Obligations - 2011A	-	-	2,820,000	02/01/34
G.O. Capital Improvements - 2012A	-	-	260,000	02/01/20
General Obligations - 2014A	96,108	113,890	765,000	12/01/29
General Obligations - 2015A	-	-	515,000	12/01/30
General Obligations - 2016A	-	-	465,000	02/01/26
Total G.O. Bonds	<u>913,834</u>	<u>1,540,532</u>	<u>5,195,000</u>	
Tax Increment Bonds				
Taxable G.O. Tax Increment Bonds of 2010D	31,814	31,814	700,000	02/01/37
Taxable G.O. Tax Increment Revenue Bonds of 2011B	31,883	31,883	415,000	02/01/35
Total Tax Increment Bonds	<u>63,697</u>	<u>63,697</u>	<u>1,115,000</u>	
G.O. Special Assessment Bonds				
2005D G.O. Improvement Bonds	259,673	737,732	-	Matured
2007A G.O. Improvement Bonds	388,332	693,792	115,000	02/01/18
2008A G.O. Improvement Bonds	100	27,052	350,000	02/01/19
2009D G.O. Improvement Bonds	-	1,870,699	-	04/01/17
2010A G.O. Improvement Bonds	-	714,678	1,710,000	12/01/27
2010C G.O. Refunding Bonds	428,028	989,223	2,295,000	02/01/22
2015A G.O. Improvement Bonds (West Carlson)	-	348,286	-	
2015A G.O. Improvement Bonds	24,578	24,578	1,320,000	12/01/30
2015B G.O. Crossover Refunding Bonds	-	-	1,630,000	12/01/28
2010A G.O. Improvement Bonds	70,870	219,793	915,000	02/01/32
Total G.O. Special Assessment Bonds	<u>1,171,581</u>	<u>5,625,833</u>	<u>8,335,000</u>	
G.O. Revenue Bonds				
G.O. Port Authority Taxable Refunding Bonds of 2009A	-	-	345,000	02/01/19
2009C G.O. Sales Tax Revenue Bonds	-	-	1,400,000	12/01/24
2010B G.O. Sales Tax Revenue Bonds	-	-	450,000	12/01/25
Total G.O. Revenue Bonds	<u>-</u>	<u>-</u>	<u>2,195,000</u>	
Total All Debt Service Funds	<u>\$ 2,149,112</u>	<u>\$ 7,230,062</u>	<u>\$ 16,840,000</u>	
Future Interest on Debt			<u>\$ 3,077,534</u>	

The City's outstanding debt is required to be funded by various resources such as special assessments, tax increments, property taxes, transfers from enterprise funds, etc. Special assessments and tax increments are usually certified once to the County for collection, but tax levies need to be certified annually. We recommend management pay particular attention to annual tax levies and transfers listed in each bond issue book to ensure proper funding of debt service. We recommend the City continue to monitor these deficits and future funding of debt service payments.

The annual debt service requirements for the next 10 years for the debt (excluding refunded bonds) detailed above are as follows:



Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The table below compares 2017 fund balances with 2016:

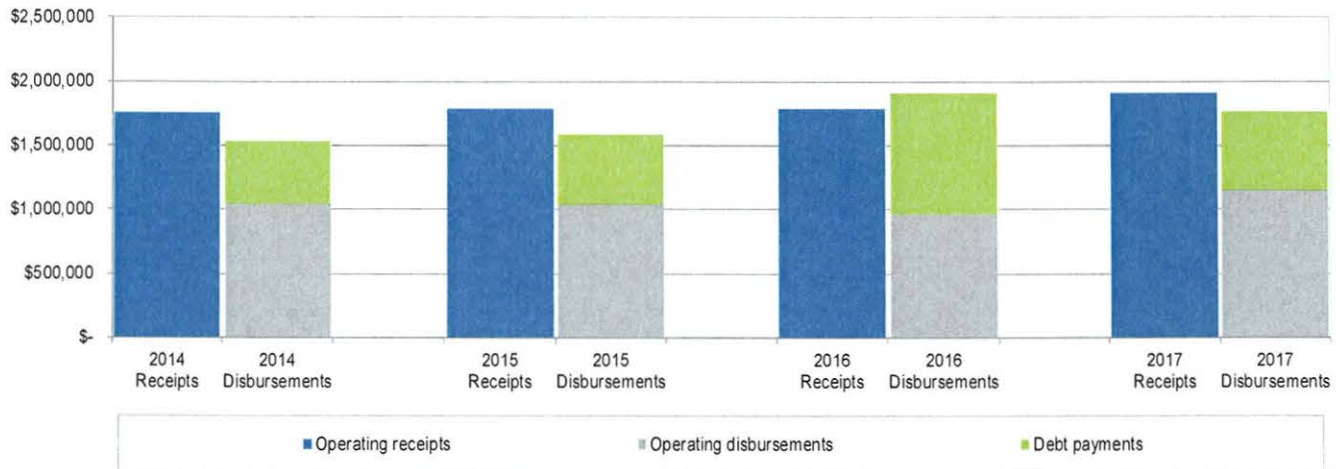
Fund	Fund Balances December 31,		Increase (Decrease)
	2017	2016	
Major			
2014 Construction	\$ -	\$ 175,174	\$ (175,174)
2015 Construction	(516,017)	(1,482,589)	966,572
2016 Construction	389,771	258,050	131,721
Nonmajor			
Capital Facilities and Equipment Replacement - General	200,707	65,107	135,600
2011 Construction	-	(10,581)	10,581
2017 Construction	(145,755)	-	(145,755)
2018 Construction	(32,048)	-	(32,048)
Total	<u>\$ (103,342)</u>	<u>\$ (994,839)</u>	<u>\$ 891,497</u>

The City should analyze project's status each year and close those that are completed. The 2015 Construction fund deficit was caused by the State advancing Municipal State Aid Funds for Streets that were received in cash by the City in 2015 and 2016 but will not be recognized as revenue until available in future years.

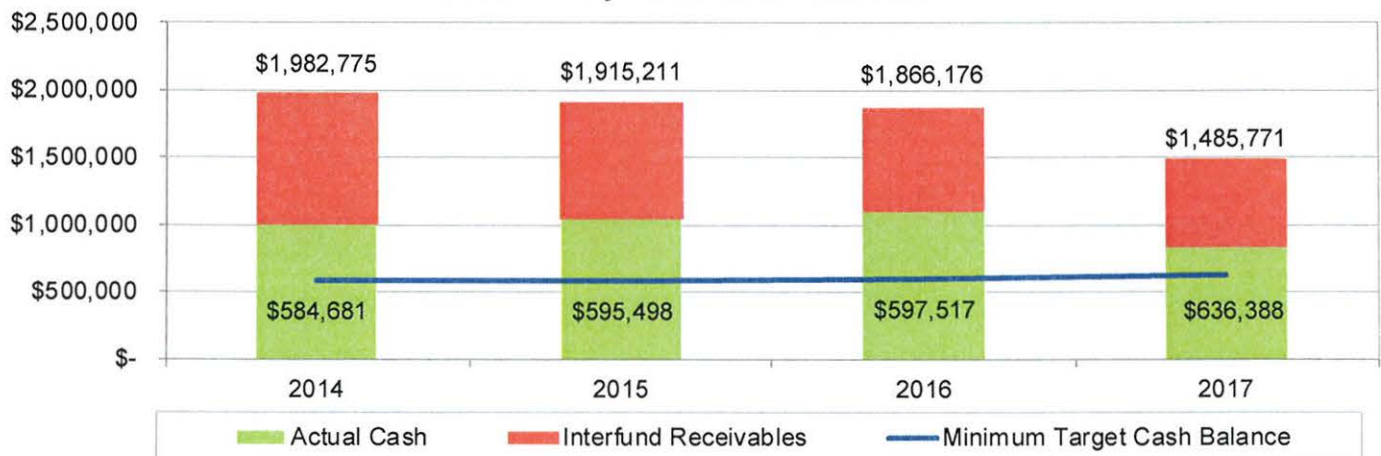
Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. A comparison of enterprise fund cash flows and cash balances for the past four years is as follows:

Water Utility Fund Cash Flows



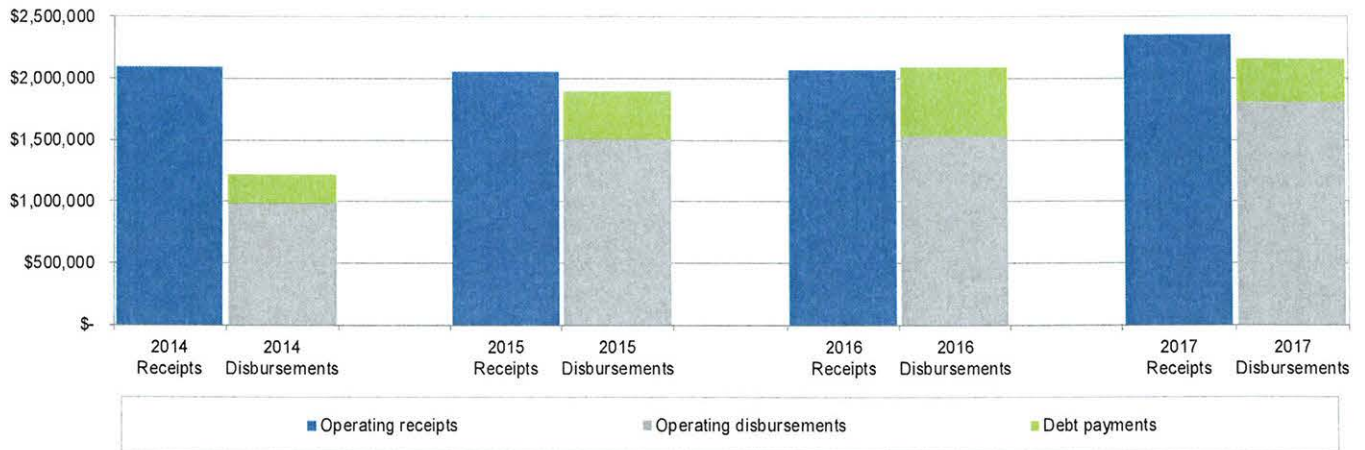
Water Utility Fund Cash Balances



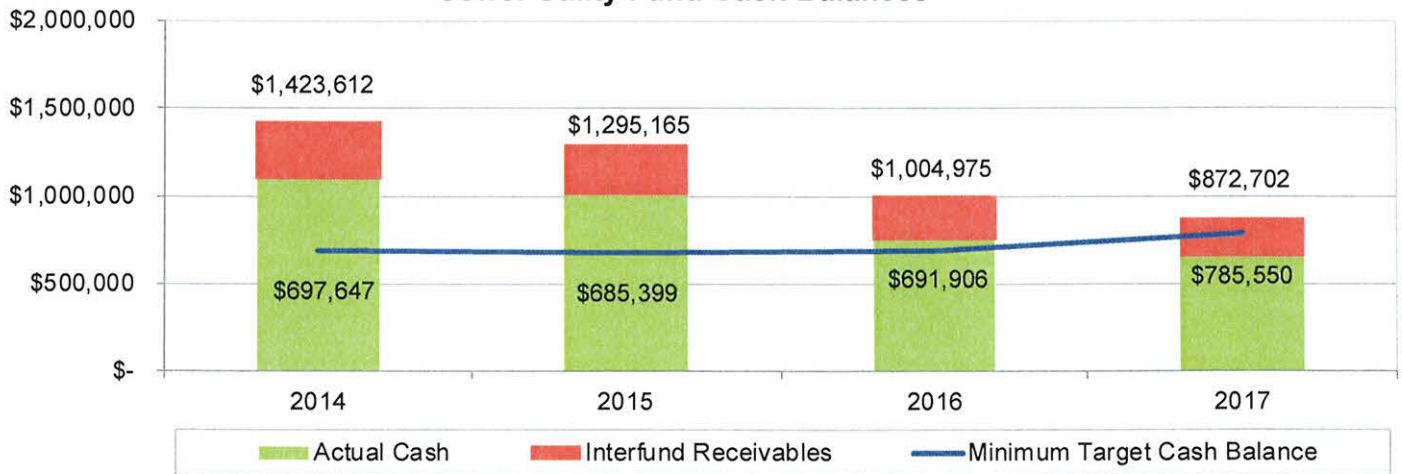
The minimum target cash balance is based off 33 percent of operating costs to reflect the City's budget reserve policy.

	2014	2015	2016	2017
Bonds Payable	<u>\$ 3,758,750</u>	<u>\$ 7,048,815</u>	<u>\$ 6,496,523</u>	<u>\$ 6,260,050</u>

Sewer Utility Fund Cash Flows



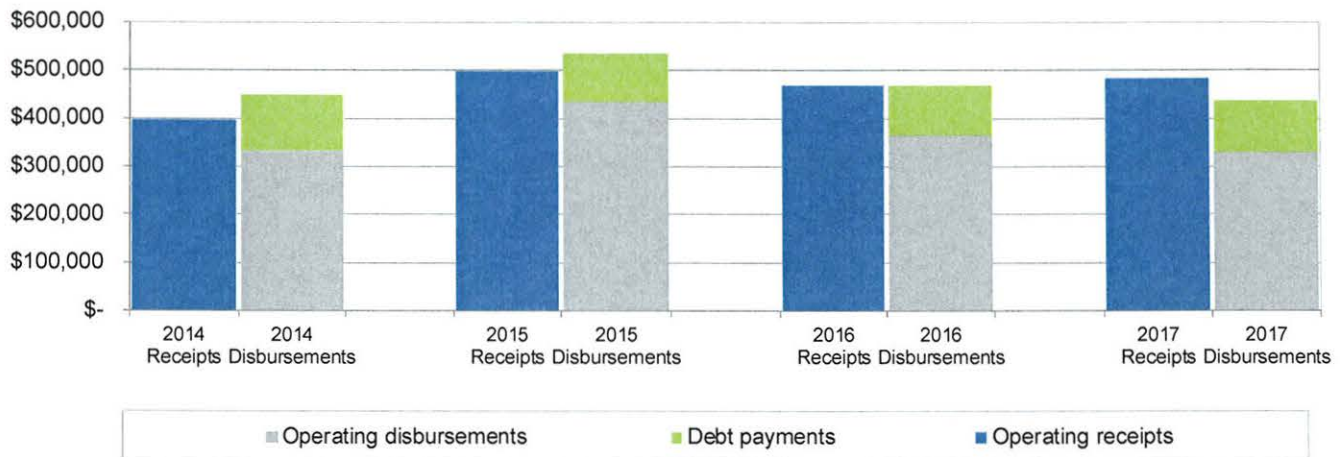
Sewer Utility Fund Cash Balances



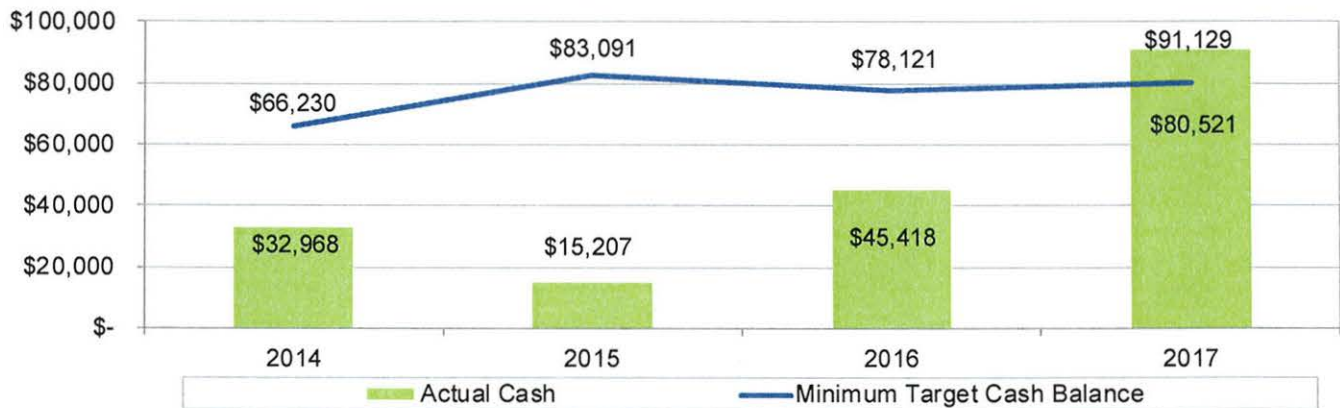
The minimum target cash balance is based off 33 percent of operating costs to reflect the City's budget reserve policy.

	2014	2015	2016	2017
Bonds Payable	<u>\$ 1,268,847</u>	<u>\$ 2,762,216</u>	<u>\$ 2,280,458</u>	<u>\$ 2,181,752</u>

Recycling Fund Cash Flows



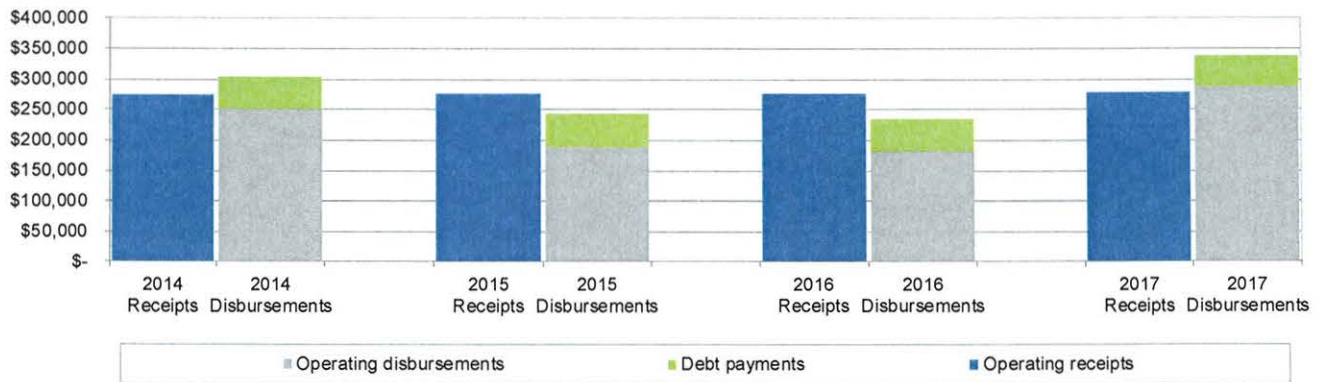
Recycling Fund Cash Balances



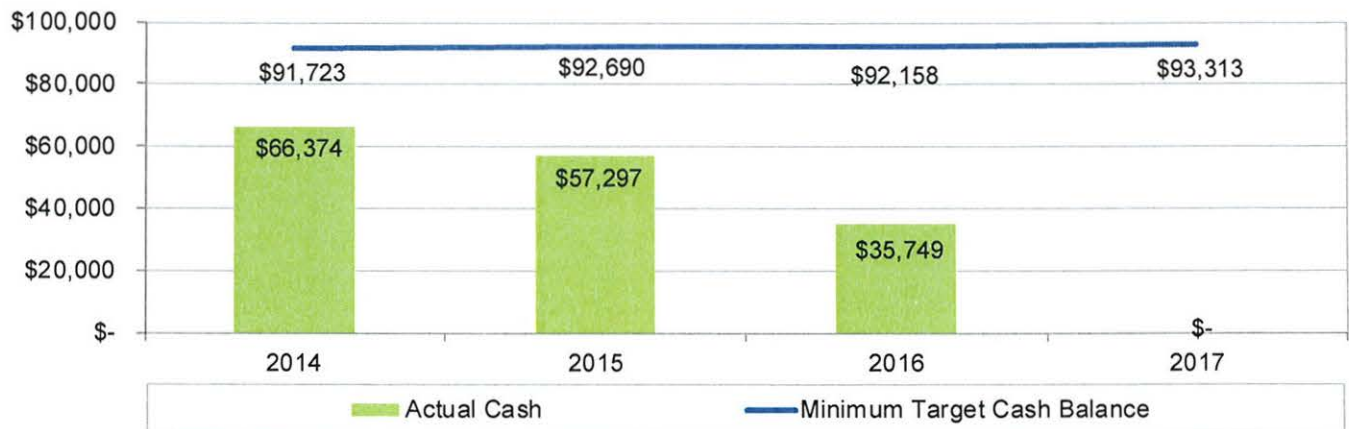
The minimum target cash balance is based off 16.7 percent of operating costs due to the fund's operating nature. The City does not have a budget reserve policy for this fund.

	2014	2015	2016	2017
Bonds Payable	<u>\$ 1,865,000</u>	<u>\$ 935,000</u>	<u>\$ 850,000</u>	<u>\$ 760,000</u>

Storm Water Fund Cash Flows



Storm Water Fund Cash Balances

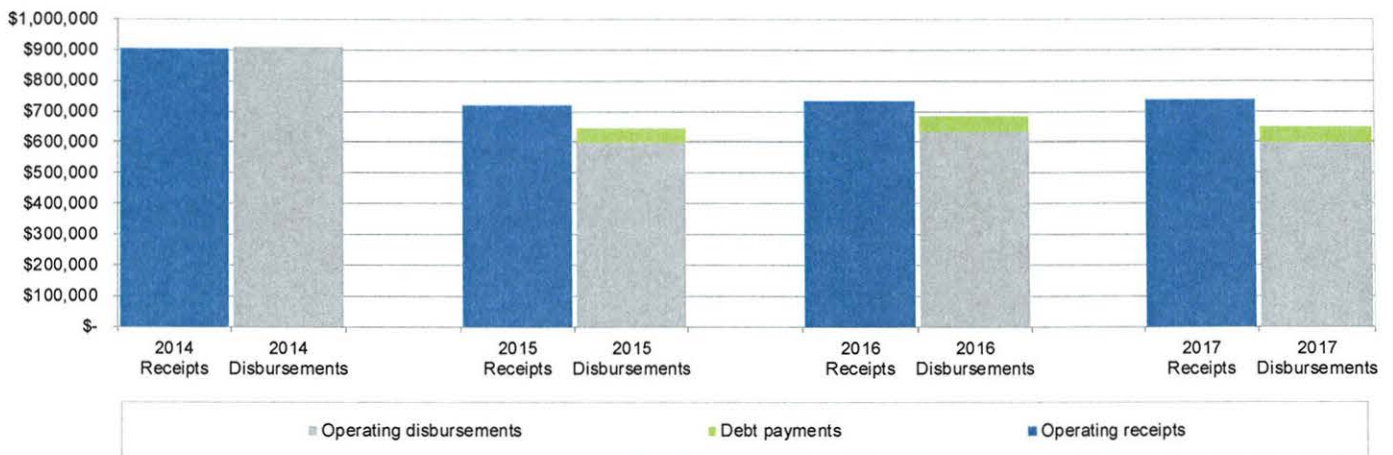


The minimum target cash balance is based off 33 percent of operating costs. The City does not have a budget reserve policy for this fund.

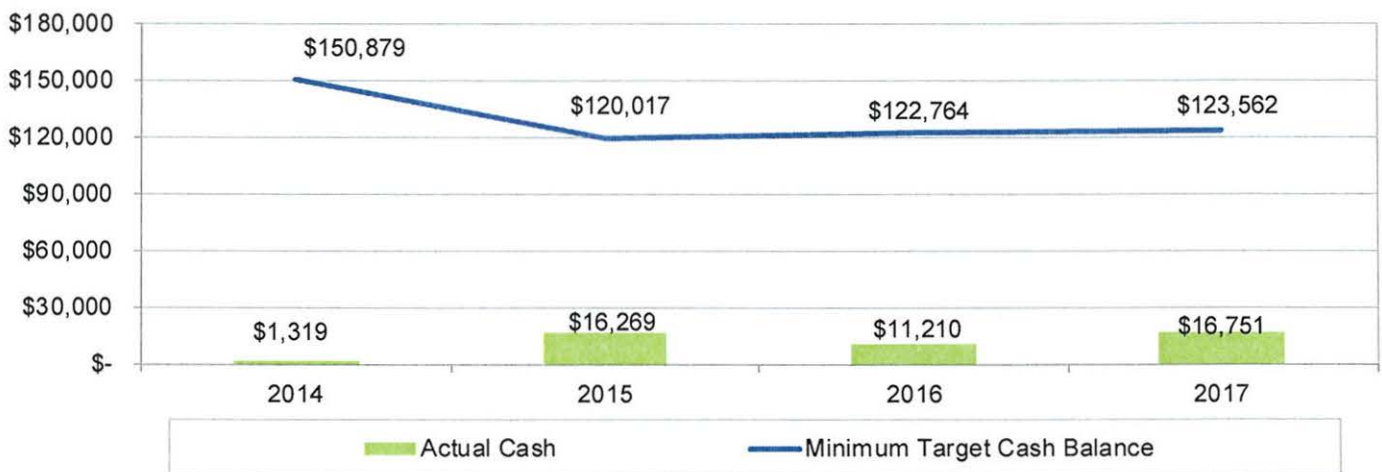
Bonds Payable

2014	2015	2016	2017
\$ 420,000	\$ 435,000	\$ 396,000	\$ 357,000

Solid Waste Fund Cash Flows



Solid Waste Fund Cash Balances



The minimum target cash balance is based off 16.7 percent of operating costs due to the fund's operating nature. The City does not have a budget reserve policy for this fund.

	2014	2015	2016	2017
Bonds Payable	\$ -	\$ 360,000	\$ 320,000	\$ 280,000

We recommend the City continue to review rates annually and determine if increases are required to:

- Fund continuing operating expenses.
- Maintain contingency requirements for unexpected repairs.
- Provide for capital replacement requirements.

Ratio Analysis

The following captures a few ratios from the City's financial statements that give some additional information for trend and peer group analysis. The peer group average is derived from information available from the Office of the State Auditor for cities of the 3rd class (10,000 to 20,000). The majority of these ratios facilitate the use of economic resources focus and accrual basis of accounting at the government-wide level. A combination of liquidity (ability to pay its most immediate obligations), solvency (ability to pay its long-term obligations), funding (comparison of financial amounts and economic indicators to measure changes in financial capacity over time) and common-size (comparison of financial data with other cities regardless of size) ratios are shown below.

Ratio	Calculation	Source	Year			
			2014	2015	2016	2017
Debt to assets	Total liabilities/total assets	Government-wide	40%	43%	45%	37%
			31%	34%	36%	N/A
Debt service coverage	Net cash provided by operations/ enterprise fund debt payments	Enterprise funds	2.1	1.3	0.7	0.9
			1.4	1.2	1.9	N/A
Debt per capita	Bonded debt/population	Government-wide	\$ 2,576	\$ 2,821	\$ 2,708	\$ 2,298
			\$ 2,369	\$ 2,400	\$ 1,932	N/A
Taxes per capita	Tax revenues/population	Government-wide	\$ 496	\$ 514	\$ 528	\$ 543
			\$ 492	\$ 504	\$ 514	N/A
Current expenditures per capita	Governmental fund current expenditures / population	Governmental funds	\$ 584	\$ 569	\$ 571	\$ 586
			\$ 650	\$ 633	\$ 668	N/A
Capital expenditures per capita	Governmental fund capital expenditures / population	Governmental funds	\$ 288	\$ 666	\$ 234	\$ 103
			\$ 260	\$ 374	\$ 338	N/A
Capital assets % left to depreciate - Governmental	Net capital assets/ gross capital assets	Government-wide	53%	55%	53%	51%
			58%	58%	59%	N/A
Capital assets % left to depreciate - Business-type	Net capital assets/ gross capital assets	Government-wide	66%	68%	67%	66%
			60%	60%	60%	N/A

Represents City of North Mankato

Represents Peer Group Ratio

Debt-to-Assets Leverage Ratio (Solvency Ratio)

The debt-to-assets leverage ratio is a comparison of a city's total liabilities to its total assets or the percentage of total assets that are provided by creditors. It indicates the degree to which the City's assets are financed through borrowings and other long-term obligations (i.e. a ratio of 50 percent would indicate half of the assets are financing with outstanding debt).

Debt Service Coverage Ratio (Solvency Ratio)

The debt coverage ratio is a comparison of cash generated by operations to total debt service payments (principal and interest) of enterprise funds. This ratio indicates if there are sufficient cash flows from operations to meet debt service obligations. Except in cases where other nonoperating revenues (i.e. taxes, assessments, transfers from other funds, etc.) are used to fund debt service payments, an acceptable ratio would be above 1.

Bonded Debt per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total bonded debt by the population of the city and represents the amount of bonded debt obligation for each citizen of the city at the end of the year. The higher the amount, the more resources are needed in the future to retire these obligations through taxes, assessments or user fees.

Taxes per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total tax revenues by the population of the city and represents the amount of taxes for each citizen of the city for the year. The higher this amount is, the more reliant the city is on taxes to fund its operations.

Current Expenditures per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total current governmental expenditures by the population of the City and represents the amount of governmental expenditure for each citizen of the City during the year. Since this is generally based on ongoing expenditures, we would expect consistent annual per capita results.

Capital Expenditures per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total governmental capital outlay expenditures by the population of the City and represents the amount of capital expenditure for each citizen of the City during the year. Since projects are not always recurring, the per capita amount will fluctuate from year to year.

Capital Assets Percentage (Common-size Ratio)

This percentage represents the percent of governmental or business-type capital assets that are left to be depreciated. The lower this percentage, the older the city's capital assets are and may need major repairs or replacements in the near future. A higher percentage may indicate newer assets being constructed or purchased and may coincide with higher debt ratios or bonded debt per capita.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: ⁽¹⁾

GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension*

Summary

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

Effective Date

This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information, as follows:

- More robust disclosures of assumptions will allow for better informed assessments of the reasonableness of OPEB measurements.
- Explanations of how and why the OPEB liability changed from year to year will improve transparency.

Future Accounting Standard Changes (Continued)

- The summary OPEB liability information, including ratios, will offer an indication of the extent to which the total OPEB liability is covered by resources held by the OPEB plan, if any.
- For employers that provide benefits through OPEB plans that are administered through trusts that meet the specified criteria, the contribution schedules will provide measures to evaluate decisions related to contributions.

The consistency, comparability, and transparency of the information reported by employers and governmental nonemployer contributing entities about OPEB transactions will be improved by requiring:

- The use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources, rather than utilizing only the long-term expected rate of return regardless of whether the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and is expected to be invested using a strategy to achieve that return.
- A single method of attributing the actuarial present value of projected benefit payments to periods of employee service, rather than allowing a choice among six methods with additional variations.
- Immediate recognition in OPEB expense, rather than a choice of recognition periods, of the effects of changes of benefit terms.
- Recognition of OPEB expense that incorporates deferred outflows of resources and deferred inflows of resources related to OPEB over a defined, closed period, rather than a choice between an open or closed period.

GASB Statement No. 83 - Certain Asset Retirement Obligations

Summary

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement.

This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. In addition, it requires a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. A government should remeasure an ARO only when the result of the evaluation indicates there is a significant change in the estimated outlays. The deferred outflows of resources should be reduced and recognized as outflows of resources (for example, as an expense) in a systematic and rational manner over the estimated useful life of the tangible capital asset.

People
+ Process
Going
Beyond the
Numbers

Future Accounting Standard Changes (Continued)

A government may have a minority share (less than 50 percent) of ownership interest in a jointly owned tangible capital asset in which a nongovernmental entity is the majority owner and reports its ARO in accordance with the guidance of another recognized accounting standards setter. Additionally, a government may have a minority share of ownership interest in a jointly owned tangible capital asset in which no joint owner has a majority ownership, and a nongovernmental joint owner that has operational responsibility for the jointly owned tangible capital asset reports the associated ARO in accordance with the guidance of another recognized accounting standards setter. In both situations, the government's minority share of an ARO should be reported using the measurement produced by the nongovernmental majority owner or the nongovernmental minority owner that has operational responsibility, without adjustment to conform to the liability measurement and recognition requirements of this Statement.

In some cases, governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities. This Statement requires disclosure of how those funding and assurance requirements are being met by a government, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements.

This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

GASB Statement No. 84 - *Fiduciary Activities*

Summary

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

Future Accounting Standard Changes (Continued)

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

GASB Statement No. 85 - Omnibus 2017

Summary

The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements.

Future Accounting Standard Changes (Continued)

GASB Statement No. 86 - *Certain Debt Extinguishment Issues*

Summary

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing that debt were acquired. The requirements of this Statement also will enhance consistency in financial reporting of prepaid insurance related to debt that has been extinguished. In addition, this Statement will enhance the decision-usefulness of information in notes to financial statements regarding debt that has been defeased in substance.

GASB Statement No. 87 - *Leases*

Summary

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Effective Date and Transition

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

Future Accounting Standard Changes (Continued)

How the Changes in This Statement Will Improve Accounting and Financial Reporting

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

⁽¹⁾ Note. From GASB Pronouncements Summaries. Copyright 2017 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

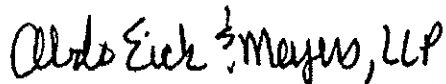
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Restriction on Use

This communication is intended solely for the information and use of the City Council, management and the Minnesota Office of the State Auditor and is not intended and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



ABDO, EICK & MEYERS, LLP
Mankato, Minnesota
June 19, 2018

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #9B	Department: Community Dev.	Council Meeting Date: 7/16/18																												
TITLE OF ISSUE: Consider Request to Amend City Code Chapter 156 and Accept the Planning Commission's Recommendations.																														
BACKGROUND AND SUPPLEMENTAL INFORMATION: The Planning Commission reviewed a request from Bryan Sowers to amend City Code Chapter 156 pertaining to fencing for in-ground swimming pools. If Council decides to accept the request to amend City Code Chapter 156 a Public Hearing must be set. Please review the Planning Commission Report.																														
<i>If additional space is required, attach a separate sheet</i>																														
REQUESTED COUNCIL ACTION: Consider Request to Amend City Code Chapter 156 and Accept the Planning Commission's Recommendations.																														
Motion By: _____ Second By: _____ Vote Record: <table style="margin-left: 40px; border: none;"> <tr> <td style="text-align: center;">Aye</td> <td style="text-align: center;">Nay</td> <td></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Steiner</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Norland</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Freyberg</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Whitlock</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Dehen</td> </tr> </table>	Aye	Nay		_____	_____	Steiner	_____	_____	Norland	_____	_____	Freyberg	_____	_____	Whitlock	_____	_____	Dehen	<div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 10px;"> SUPPORTING DOCUMENTS ATTACHED </div> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Resolution</td> <td style="text-align: center;">Ordinance</td> <td style="text-align: center;">Contract</td> <td style="text-align: center;">Minutes</td> <td style="text-align: center;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> Other (specify) <u>Memo</u> _____ _____ _____ _____		Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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REQUEST TO AMEND CITY CODE CHAPTER 156

A REQUEST FROM BRYAN SOWERS

THE CITY OF NORTH MANKATO

SUBJECT: Request to amend City Code Chapter 156
APPLICANT: Bryan Sowers
LOCATION: 23 Kelly Court
EXISTING ZONING: R- 1, One-Family Dwelling
DATE OF HEARING: July 12, 2018
DATE OF REPORT: June 29, 2018
REPORTED BY: Mike Fischer, Community Development Director

APPLICATION SUBMITTED

Request to amend City Code Chapter 156 pertaining to fencing for in-ground swimming pools

COMMENT

According to the City Code, in all residential zoning districts, in-ground swimming pools are a permitted accessory use provided the pool is surrounded by a 6 foot high fence. The specific code language states:

“In-ground private swimming pool or similar recreational facilities when completely enclosed within a suitable fence at least 6 feet in height”

Staff can track the City Code requirement to have a fence around swimming pools back until at least 1975. Currently, the fence regulation pertains to in-ground pools not above-ground pools which have become increasingly popular.

Attached as Exhibit A is a request from Bryan Sowers at 23 Kelly Court to amend this City Code regulation as follows:

In-ground private swimming pool or similar recreational facilities when completely enclosed within a suitable fence at least 6 feet in height or, to have an ASTM certified automatic pool cover installed over the entire surface of the in-ground pool

Within Exhibit A, the applicant states reasons why the City should consider a code amendment whereby American Society of Testing & Materials (ASTM) certified automatic pool covers are an alternative to a 6 foot high fence to

safeguard in-ground swimming pools. The applicant also provides additional written material from various sources to support the proposed amendment.

As in-ground swimming pools are permitted within R-A, R-1, R1-S, R-2, R-3, R3-A and R-4 zoning districts, any amendment would require changes to all residential zoning districts.

RECOMMENDATION

It appears that other Minnesota cities have amended their regulations which allow ASTM certified pools covers versus fences. Staff recommends the Planning Commission consider the safety aspects of not having a fence around in-ground swimming pools.

Mike and John,

Thanks for the conversation to consider the advancements in pool cover technology and the impact to improved safety. There are many counties and cities in MN that are upgrading their ordinances/codes to improve safety by incorporating ASTM certified automatic pool covers as an alternative to a full enclosure with a 6' fence.

With that said, I would like to ask you and the City to consider a change to Code 156.037 (E) (1) (b) for Accessory Uses. The proposed change is to amend the use for "in-ground pools to be completely enclosed by a suitable fence at least 6 feet in height", OR, to have an ASTM certified automatic pool cover installed over the entire surface of the in-ground pool.

Information and support for this proposed change includes:

1. Atlantis Pools has provided the attached automatic pool cover information. They are an experienced pool designer and installer based out of the Twin Cities metro and have installed over 1200 pools. This information has been the basis for other Cities to review prior to amending their code.
2. As I was brought up to speed on the difference in safety, automatic pool covers are superior to a fence primarily due to the ease of fully enclosing the pool surface with the push of a button. With the pool cover closed, it is also cleaner and retains heat, so in addition to safety, owners have other incentives to cover the pool.
3. The minimum ASTM certification for weight supported on the surface of an automatic pool cover is 485 pounds. This is a minimum requirement, while most support weight much higher than the minimum. For example, the Coverstar automatic cover I have researched and discussed with Atlantis Pools, supports up to 2000 pounds, i.e. more than adequate to support two adults and two children as ASTM minimums consider.
4. A fence may still provide privacy in addition to installing an automatic pool cover, but it also takes away from the neighborhood feel in many cases. Reference to ongoing social efforts with National Neighbors night out to instill a deeper sense of community. Having an alternative to a fence enclosure provides flexibility with resale of the residence as well.
5. The attachments are the information on the cover or fence option. The first is a letter from us that introduces Coverstar/Swimwise and the ASTM safety requirement. The second attachment contains the requirements, and the third one is a copy from their product brochure showing that Coverstar/Swimwise meets or exceeds the standards.
6. In recent years with the technology improvements to automatic pool covers, many cities, counties and states have made the pool enclosure with a fence optional. Some of these include: the states of Michigan and Indiana made the change state wide, and in Minnesota the option of the cover or a fence includes City of Sartell, Grant Township, Stillwater Township, North Branch, Buffalo, Corcoran, Deephaven, Greenfield, Lesuer County, Orono, Maplewood, Scott County, Credit River Township, Rogers, Medina, Wright County, Monticello Township, Cannon Falls, Miesville, and the City of Blaine.
7. Regarding safety, when the automatic pool cover is closed, the pool is not accessible and can't be opened without the key and most covers fully open and close within 60 seconds. Alternatively, a fence enclosure can be climbed and typically is easy to enter through an unlocked gate, thus it is logical to see why this proposed change is being widely adopted as a better safety alternative. Keep in mind it does not apply to pool covers that are not automatic and may need to be manually stretched and attached to cover the pool.

In summary, the proposed revision would improve safety for in-ground pool installations, allow a continued residential neighborhood feel and allow more flexibility with home sales...all providing a benefit for home owners in North Mankato.

It's recognized there may be other considerations for the City to review and I'm willing to assist if needed. Thank you again for your leadership and consideration for this proposed change.

Bryan G. Sowers

Market President

U.S. Bank Community Banking

Atlantis Pool & Spa

10200 73rd Ave N., Suite 100, Maple Grove, Mn 55369
763-560-0103 info@atlantispoolsinc.com

3/14/18

To whom it may concern.

The Coverstars automatic safety cover system is a specialty cover designed in accordance with ASTM standards for swimming pool safety to help prevent accidental and non-authorized entry into a swimming pool by children, adults, pets, or animals. The Swimwise cover is a fully ASTM certified safety cover and as such meets all national standards as a safety barrier when used appropriately and according to the manufacturers standards. (please review the attached ASTM safety requirements for pool covers) The system utilizes an electric motor drive attached to fully reinforced ultra guard, safety fabric. As per the ASTM requirement, the cover will withstand a static load of 485lb. It is thus capable of securing multiple individuals at the same time. ASTM defines this as 2 adults and 1 child. The cover has a locking key switch to open the cover system and will retract or cover the pool in approximately 45 seconds. Once closed, the cover cannot be removed or accessed without the key, securing the pool. The safety cover acts as a supplemental barrier across the pool itself. Helping to secure the pool whether an individual is coming from outside the yard or inside the house. In order to access the pool surface a key is required and an operator must unlock the secured switch cover, as well as holding the operating switch in the open position until the cover is rolled back. The covers are designed to be utilized at all times when a homeowner is not swimming in the pool and must be covering the pool in accordance with the manufactures instruction.

Sincerely,

Atlantis pools
763-560-0103



Standard Performance Specification for Safety Covers and Labeling Requirements for All Covers for Swimming Pools, Spas and Hot Tubs¹

This standard is issued under the fixed designation F 1346; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ϵ) indicates an editorial change since the last revision or reapproval.

1. Scope

1.1 This specification establishes requirements for safety covers for swimming pools, spas, hot tubs, and wading pools (hereinafter referred to as pools, unless otherwise specified). When correctly installed and used in accordance with the manufacturer's instructions, this specification is intended to reduce the risk of drowning by inhibiting the access of children under five years of age to the water.

1.2 This specification includes performance tests to demonstrate the compliance or noncompliance to requirements herein stated for safety covers. It also includes marking requirements for all covers.

1.3 The values stated in inch-pound units are to be regarded as the standard. The values in parentheses are given for information only.

1.4 The following safety hazards caveat pertains only to the test methods section, Section 9, of this specification: *This standard does not purport to address all of the safety concerns, if any, associated with its use. It is the responsibility of the user of this standard to establish appropriate safety and health practices and determine the applicability of regulatory limitations prior to use.*

2. Referenced Documents

2.1 NFPA Document:

National Electrical Code, Article 680-26²

3. Terminology

3.1 Definitions of Terms Specific to This Standard:

3.1.1 *appurtenances*—subordinate parts or adjunct accessories components to the cover such as hardware including buckles, straps, ties, springs, anchors, tracks, rollers, lifting arms, and the like.

3.1.2 *automatic cover*—a cover which can be placed over the water area and removed with a motorized mechanism actuated by a suitable control mechanism. See also *power safety cover (PSC)*, *other cover (OC)*.

3.1.3 *barrier*—something that restrains or obstructs access to the body of water.

3.1.4 *blanket*—a material used for thermal insulation. See also *solar energy blanket*.

3.1.5 *cover*—something that covers, protects or shelters, or a combination thereof, a swimming pool, spa, or hot tub.

3.1.6 *debris cover*—a cover with attendant appurtenances positioned over the pool area which permits the cover to prevent debris, such as foliage, dirt, windblown trash, and the like from entering the pool. It is intended to be completely removed before the entry of bathers. See also *other covers (OC)*.

3.1.7 *decks*—those areas abutting a pool, spa, or hot tub that are specifically constructed or installed (for example, of wood, concrete, brick, stone, and the like) for use by bathers for sitting, standing or walking and may also act as a base for supports for covers.

3.1.8 *dome*—a semipermanent enclosure supported by trusses, or positive air pressure erected over the pool area to provide temperature and atmospheric control over the pool environment.

3.1.9 *energy conservation*—the reduction of heat loss from pool water through air convection or evaporative cooling, or both.

3.1.10 *hot tub*—a spa constructed of wood with sides and bottoms formed separately; and the whole shape joined together by pressure from surrounding hoops, bands or rods; as distinct from spa units formed of plastic, concrete, metal, or other materials.

3.1.11 *inaccessible locations*—a location at least 5 ft (1.5 m) above the ground with no other access such as hand or footholds which would permit a child to reach the location.

3.1.12 *manual cover*—a cover which requires it to be placed over the water area by hand. See also *manual safety cover (MSC)*, and *other covers (OC)*.

¹ This specification is under the jurisdiction of ASTM Committee F15 on Consumer Products and is the direct responsibility of Subcommittee F15.28 on Covers for Pools, Spas, and Hot Tubs.

Current edition approved Feb. 10, 2003. Published May 2003. Originally approved in 1991. Last previous edition approved in 1996 as F 1346–91 (1996).

² Available from National Fire Protection Assoc., Batterymarch Park, Quincy, MA 02269.

3.1.13 *markings*—the application of numbers, letters, labels, tags, symbols or colors to provide identification and safety information and to expedite handling during shipment and storage.

3.1.14 *manual safety cover (MSC)*—a barrier which requires it to be placed over the water manually. Provides a high level of safety for children under the age of five by inhibiting their access to the water.

3.1.15 *other covers (OC)*—includes any cover type not incorporated in the other two classifications; PSC, MSC. They are not intended to serve as a barrier for children under the age of five.

3.1.16 *power safety cover (PSC)*—a barrier which can be placed over the water area and removed with a motorized mechanism actuated by a suitable control mechanism. Provides a high level of safety for children under the age of five by inhibiting their access to the water.

3.1.17 *safety cover*—a barrier (intended to be completely removed before entry of bathers), for swimming pools, spas, hot tubs or wading pools, attendant appurtenances and/or anchoring mechanisms which reduces—when properly labeled, installed, used and maintained in accordance with the manufacturers' published instructions—the risk of drowning of children under five years of age, by inhibiting their access to the contained body of water, and by providing for the removal of any substantially hazardous level of collected surface water. See also *power safety cover (PSC)*, and *manual safety cover (MSC)*.

3.1.18 *solar energy blankets*—a cover which is a floating translucent (not transparent) heat insulating sheet incorporating, for example, encapsulated air bubbles or similar low heat transfer (floating) sheet material whose purpose is to inhibit heat dissipation from the pool water surface through air convection or evaporative cooling. The sheet material, customarily translucent (not transparent) to permit the transfer of solar radiation energy directly to the pool water at all depths and intended for day and night use, is cut to the shape of the pool and is not affixed to the pool structure. It is intended to be completely removed before the entry of bathers.

3.1.19 *energy conservation blanket*—a cover which is a floating heat insulating sheet material incorporating, for example, a cellular foam or similar low-heat transfer material whose purpose is to inhibit heat loss from the covered water, through air convection or evaporative cooling, or both. Such materials are customarily cut to the shape of the pool and are intended for a night covering. The blanket is not affixed to the pool structure. It is intended to be completely removed before the entry of bathers.

3.1.20 *wading pool*—a shallow pool intended for wading, not swimming.

3.1.21 *waterline*—the waterline shall be defined in one of the following ways:

3.1.22 *skimmer system*—the water line shall be at the mid-point of the operating range of the skimmers.

3.1.23 *overflow system*—the waterline shall be at the top of the overflow outlet.

4. Cover Classifications and Minimum Qualification Criteria

4.1 *Power Safety Cover (PSC)*—Provides a high level of safety for children under the age of five by inhibiting their access to the water.

4.1.1 Must satisfy 5.1-5.3, 6.1-6.5, 7.1-7.4, 8.1, 8.2, 8.4-8.12, 9.1-9.4, 10.1-10.4, and all subsections.

4.2 *Manual Safety Cover (MSC)*—Provides a high level of safety for children under the age of five by inhibiting their access to the water. May require a longer period of time to be fully secured.

4.2.1 Must satisfy 5.1-5.3, 6.1-6.5, 7.1-7.4, 8.1, 8.2, 8.4-8.12, 9.1-9.4, and all subsections.

4.3 *Other Covers (OC)*—Includes any cover type not incorporated in the other two categories MSC, PSC. They are not intended to serve as a barrier for children under the age of five. Design characteristics may be hazardous when used in the presence of children under the age of five.

4.3.1 Shall satisfy 5.1-5.3, 8.1-8.3, 8.5-8.12, and all subsections.

5. Materials and Manufacture

5.1 Only materials not known to be harmful to health, within the intended application, shall be used.

5.2 All materials and components shall be durable and satisfactory for the intended purpose under the conditions normally prevailing at the site.

5.3 The cover shall be manufactured or fabricated, or both, in accordance with generally accepted, good manufacturing practices.

6. General Requirements for Safety Covers

6.1 *Installation/Use of safety covers*—Unless installed by the manufacturer, or responsible parties, or both, detailed instructions for installation shall be given in a form included in the packaging or a label, or both, attached to the cover.

6.2 Labels attached to the cover shall meet the general requirements described in 8.5.1 and 8.8-8.8.2.

6.3 *Markings for safety covers shall include:*

6.3.1 the manufacturer's name,

6.3.2 date manufactured or installed, and

6.3.3 instructions to consumers to inspect the cover for premature wear or deterioration.

6.3.4 Labels attached to covers shall meet the general requirements described in 8.4.1, 8.7-8.8.1, and 8.9.

6.4 *Fastening mechanisms or devices*—Ties, attachment points, anchors, anchorage, and controls for automatic covers or other means of fastening a cover shall include provisions such as keys, combination locks, special tools, devices, or inaccessible locations, and the like, to inhibit children under five years of age from removing or operating the cover. When subjected to the load and perimeter deflection tests described in 9.1 and 9.2, all fastening devices shall remain in their intended, secured or closed, or both, position. After the test, the intended performance of the device should not be impaired.

6.5 *Openings*—The cover shall be designed in such a way that, when it is tested by the test method described in 9.4, any opening in the major component or between the edge of the

cover and the deck surface or coping wall, or both, and the top surface of the spa or pool does not allow the test object to pass through. The test object shall not gain access to the water, or be subject to entrapment.

6.6 Seams, ties or welds in the cover shall show no signs of damage, which will impair intended performance of the device when the cover is tested by the methods described in 9.1-9.4.

7. Performance Requirements for Safety Covers

7.1 *Static Load*—In the case of a pool with a width or diameter greater than 8 ft (2.4 m) from the periphery, the cover shall be able to hold a weight of 485 lb (220.0 kg) (2 adults and 1 child) to permit a rescue operation.

7.1.1 In the case of a pool with a width or diameter not greater than 8 ft (2.4 m) the cover shall withstand the weight of 275 lb (125 kg) (weight of a child and an adult). Compliance shall be determined by the test method described in 9.1.

7.2 *Perimeter Deflection*—The cover shall be designed in such a way that, when it is tested by the test method described in 9.2, deflection of the cover does not allow the test object to pass between the cover and the side of the pool, or to gain access to the water.

7.3 *Surface Drainage*—The cover shall be so constructed, or incorporate a system, or have an auxiliary system provided, that when used in accordance with the manufacturer's instructions, shall drain substantially all standing water from the cover within a period of 30 min after cessation of normal rainfall. Compliance shall be determined by the test in 9.3.

7.4 *Opening Tests*—The tests shall be conducted by the test method described in 9.4 to demonstrate that any opening in the major component or between the edge of the cover and the deck surface or coping wall, or both, and the top surface of the pool or the top surface of the spa is sufficiently small and strong to prevent the opening from being forced to a size that will allow the test object to pass through.

8. Minimum Label Requirements for All Covers for Swimming Pools, Spas, and Hot Tubs

8.1 *Product Label*—All covers shall be labeled/marked to identify manufacturers or other responsible parties (such as

private label distributors), or both. Labels attached to covers shall meet the general requirements described in 8.5.1 and 8.8-8.8.2.

8.2 *Warning Labels*—All covers shall be required to have attached the following warning label:

8.2.1 *Signal Word*—**WARNING.**

8.2.2 *Safety Alert Symbol*—Preceding the signal word there shall be triangle with an exclamation point inside the triangle.

8.2.2.1 *Word Message*—The standard word message shall be AVOID DROWNING RISK which shall be the first message to appear directly under the signal word.

8.2.2.2 *Additional Word Message Statement*—Covers with any of the outlined hazards in Fig. 1 shall list all applicable warning statements on the label.

8.3 *Color*—Non-safety cover warning label.

8.3.1 *Signal Word*—Black letters with orange background.

8.3.2 *Safety Alert Symbol*—Black triangle with orange exclamation point.

8.3.3 *Word Message*—Black lettering on white background or white letters on black background.

8.4 *Color*—Safety cover warning label.

8.4.1 Colors assigned to the signal word panel may also be used for the message word panel provided the panel colors contrast with the lettering of the label. This is applicable to covers conforming with the PSC and MSC classifications only.

8.5 *Warning Label*—Letter size.

8.5.1 Lettering shall be of a size that enables a person with normal vision, including corrected vision, to read the safety sign or label at a safe viewing distance from the hazard. Considerations should be given to environmental variables that will affect readability.

8.5.2 *Signal Word*—Letter height shall be at least 50 % greater than the selected height of the message panel wording.

8.5.3 *Safety Alert Symbol*—Safety alert symbol, when used with the signal word shall precede the signal word. The base of the safety alert symbol shall be on the same horizontal line as the base of the letters of the signal word. The height of the safety alert symbol shall equal or exceed the signal word letter height.

"HAZARD/WARNING STATEMENT CHART"	
If This Hazard Exists:	Add This Warning Statement:
*Will not support weight (as defined in this specification) Nonsecured or improperly secured covers	*Stay off cover—will not support weight.
*Concealment by slipping under cover	*Keep children away. Children or objects cannot be seen under cover.
*Drowning on top of cover in accumulated surface water (as defined in this specification)	*Remove Standing Water—child can drown on top of cover.
*Concealment, Entrapment—Drowning under cover	*Remove cover(s) completely before entry of bathers—entrapment possible.
*General requirement for all covers	*Non-secured or improperly secured covers are a hazard.
*Option to above for Safety Covers	*Failure to follow all instructions may result in injury or drowning.
*Cover does not meet all requirements of this specification for PSC, MSC.	*This is not a Safety Cover.

FIG. 1 Hazard/Warning Statement Chart

8.5.4 Word message letter height shall be as defined in Table 1.

8.6 *Letter style:*

8.6.1 Signal Word shall be in sans serif letters in upper case only.

8.6.2 Message Panel shall be in sans serif letters. Letters may be in upper case only.

8.6.3 Examples of acceptable lettering styles are: medium or bold helvetica, or news gothic bold.

8.7 *Placement*—Location shall be such that the message will:

8.7.1 Be readily visible to the intended viewer, taking into consideration all possible viewing angles, and

8.7.2 Alert the viewer to the potential hazard in time to take appropriate action.

8.7.3 Label must be located so as not to be removed in the fitting process.

8.8 *Life Expectancy*—The label shall have a reasonable expected life with good color stability and word message legibility when viewed as stated in 8.5.1. Reasonable expectancy shall be taken into consideration in accordance with the expected life of the product.

8.8.1 *Protection*—When possible, placement of label should provide protection from foreseeable damage, fading, or visual obstruction caused by abrasion, ultraviolet light or substances such as chemicals or dirt.

8.8.2 *Attachment*—The label shall be attached permanently to the product or so that it cannot be easily removed.

8.9 *Replacement*—Product/Warning labels should be replaced by the product user when they no longer meet legibility requirements for safe viewing distance described in 8.5.1 and 8.9.1. In cases where products have an extensive expected life or where exposed to extreme conditions, the product user should be able to obtain replacement labels from the manufacturer or responsible party.

8.10 *Instruction/Use Label*—Any product instructions or use label not attached to the product, intended to be viewed by the consumer/user shall contain in its contents the same applicable warning label as set forth in 8.2-8.6.3.

8.10.1 When special circumstances limit use of label colors to two colors, the colors assigned to the message word panel may also be used for the signal word panel provided that the panel colors contrast with background color of instruction/use label.

8.11 *Packaging Label*—If packaging is intended for product display to the consumer/user, applicable warning label as

described in 8.2-8.6.3 shall be placed on the printed side of the package intended for display and/or consumer information. The label shall be printed on or affixed to the package and not easily removable.

8.11.1 When special circumstances limit use of label colors to two colors, the colors assigned to the signal word panel may also be used for the message word panel provided that the panel colors contrast with background color of packaging.

8.12 *Compliance Labeling*—All labels shall note the specific cover classification.

9. Test Methods For Safety Covers

9.1 *Static Load Test:*

9.1.1 This test shall be conducted to demonstrate that the cover is capable of supporting a weight of (a) 485 lbs (composed of one 210-lb, one 225-lb or one 50-lb weight) for pools or spas within a width or diameter greater than 8 ft or (b) 275 lbs (composed of one 225-lb and one 50-lb weight) for a pool or a spa with a width or diameter equal to or less than 8 ft distributed over 1 ft² each, all of which are within a 3-ft radius without the test objects causing damage which would allow any of the test objects to pass through the cover. During this test there shall be no requirement for the absence of water appearing on the surface of the cover.

9.1.2 *Procedure*—The pool shall be filled to its waterline and the cover fitted in accordance with the cover manufacturer's instructions. The test objects shall be placed on the surface of the cover at the following critical points:

9.1.2.1 The center point of the cover.

9.1.2.2 Between attachment points and a distance of at least 4 ft (1.2 m) but not to exceed 6 ft from the side of the pool.

9.1.2.3 The test objects shall remain in each test position for a period of 5 min.

9.2 *Perimeter Deflection Test:*

9.2.1 This test shall be conducted to demonstrate the following: if a child under the age of five were to fall onto the cover neither that child nor another child could slip through any openings that may occur between the cover and the side of the pool.

9.2.2 *Perimeter Deflection Test Object*—Test object shall be 3.7 in. (0.09 m) by 5.7 in. (0.14 m) by a minimum 12 in. length and a weight of 36.6 lbs in an ellipsoidal shape. See Fig. 2.

9.2.3 *Procedure*—With 50 lbs (22.7 kg) on the cover at a distance of at least 4 ft, but not exceeding 6 ft from the side of the pool, the same cover shall not deflect to allow a perimeter test object to pass through, gain access to the water or be subject to entrapment between the cover and the side of the pool.

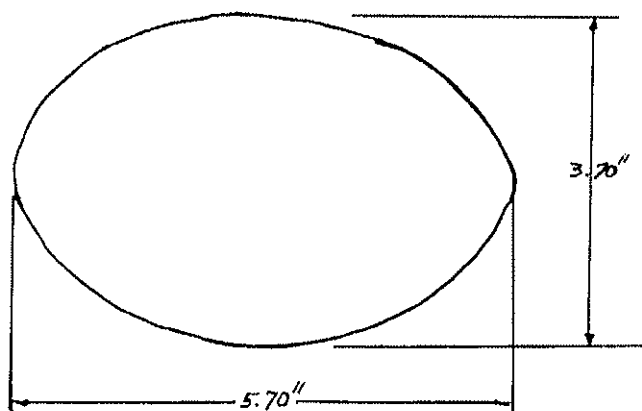
9.3 *Surface Drainage Test:*

9.3.1 *Surface Drainage Test Object*—Timmy³ or equivalent (32 in. length by 9 in. width by 5 in. deep by 36.6 lbs torso-shaped object) shall be placed on the pool cover in a supine position, faceup, within two to three feet of and parallel with the pool's edge. Three minutes later there shall not be an unsafe amount of water. An unsafe amount of water is defined

TABLE 1 Word Message Letter Height Sizes

Safe Viewing Distance	Minimum Letter Height for FAVORABLE Reading Conditions	Minimum Letter Height for UNFAVORABLE Reading Conditions
less than 24 in.	Height (in.) = $\frac{\text{View Distance}}{150}$	Height (in.) = $\frac{\text{View Dist.}}{75}$
24 to 96 in.	Height (in.) = $\frac{\text{View Distance}}{300}$	Height (in.) = $\frac{\text{View Dist.}}{150}$
greater than 96 in.	Height (in.) = $\frac{\text{View Distance}}{400}$	Height (in.) = $\frac{\text{View Dist.}}{300}$

³ "Timmy" is a CPR mannequin, three year old boy; available from Simulaid Inc., P.O. Box 807, Dixon Avenue, Woodstock, NY 12489.



NOTE 1—Area = 16.6 in.²

NOTE 2—Perimeter = 15.0 in.

FIG. 2 Template for Swimming Pool Cover Standard

as any quantity of water which completely covers the torso of the surface drainage test object.

9.3.2 *Procedure*—Test the cover by spraying water evenly over the area at an application rate of 10 gal/min per 1000 ft² (9.29 m²) of pool area for a period of 30 min. During this test, all equipment shall operate in accordance with cover manufacturer's instructions. Thirty minutes after completion of this procedure, the cover shall pass the test method in 9.3. At all times during the procedure, maintain the pool level at the waterline.

9.4 *Openings Test:*

9.4.1 These tests shall be conducted to demonstrate that any openings remain small enough to prevent a small child's head from gaining access to the water.

9.4.2 *Openings test object*—A solid faced sphere test object with a maximum breadth of 4.5 in.

9.4.3 *Procedure*—The cover shall be fitted in accordance with the cover manufacturer's instructions. The test object shall be placed at or into any existing opening and apply a force of 40 lbs (plus or minus 1 pound) steadily to ensure the test object cannot pass through at the following critical openings:

9.4.3.1 Any opening between the edge of the cover and the deck surface and coping wall, or both, or the top surface of the spa or pool.

9.4.3.2 Any opening in the major component of the cover.

10. Operating Controls, Safety Covers

10.1 The open-close switch shall be spring-loaded or of the momentary contact type, so that when released, the cover stops operation immediately at any point in the open or closed cycle period.

10.2 The cover shall be reversible in direction from a full stop at any point in its travel without having to complete the full open or closed cycle.

10.3 Electrically operated control switches and motors shall be installed in accordance with the National Electrical Code Article 680-26.

10.4 The type of pool covering operating controls shall be such that:

10.4.1 Its fixed location is in the line of sight of the complete pool cover, or by its operating process. This ensures that the operator shall be in complete view of the cover at all times during the closing or pool covering process.

10.4.2 Switching devices shall be key-operated or locked away or able to be de-activated or otherwise located in an inaccessible location. An inaccessible location shall be at a height of at least five feet above the deck.

ANNEX

(Mandatory Information)

A1. RATIONALE

A1.1 Scope

A1.1.1 Although the majority of child-drowning and near-drowning which were reported did not involve safety covers, those who purport to provide a level of safety should be held to a higher level of reliability. Injury reports made available from CPSC indicate that male children, one and two years of age, living in a home with an in-ground pool are at the highest risk of being involved in a submersion incident that requires medical care.

A1.2 Referenced Documents

A1.2.1 Allows document reviewers the necessary information to validate the text of the standard.

A1.3 Terminology

A1.3.1 Consumers and new manufacturers may not be familiar with the technological language used within the text. This section also provides definitions for new terms created for this standard.

A1.4 Cover Classifications and Minimum Qualification Criteria

A1.4.1 By defining both the level of safety afforded and standard requirements to be satisfied, manufacturer and consumer will be able to define their needs and properly interpret

the standard. This section also allows manufacturers to research and develop new technology which when applied could change their designation.

A1.5 Materials and Manufacture

A1.5.1 Varying lead times for material availability restrict or delay immediate compliance with this standard.

A1.6 Performance Requirements For Safety Covers

A1.6.1 Specified load factors represent the 95th percentile for a child under the age of five as well as one male adult and one female adult.

A1.6.2 If one child should gain access to the surface of the cover, another child in the area of the pool should not face increased risk.

A1.6.3 Recognizing that some residual water will remain after the surface water is removed, the test has been devised to ensure that the level can be maintained below that deemed substantially hazardous to a child of three based on data received from the Consumer Product Safety Commission.

A1.6.4 Openings in the major component or horizontal openings between the cover and solid structure of the pool area should remain small enough to prevent the head of a small child from gaining entrance. The head breadth for a 5th percentile of a 7 month old is about 4.5 in. The smallest mobile child would be about 7 months old since at this age 50 % of children can creep on hands and knees.

A1.7 Minimum Label Requirements For All Covers For Swimming Pools, Spas, and Hot Tubs

A1.7.1 Labeling on the product allows for transfer of the information to second owners and temporary users.

A1.7.2 The combination of Signal Word, Safety Alert Symbol and Word Message provides a higher level of warning than any single effort.

A1.7.3 An effort is being made nationally to make consistent the colors used to alert consumers to potential hazards.

A1.7.4 Contrast of colors between letter colors and labels are necessary in order to attract users' attention to label and enable readability.

A1.7.5 Letter size is an important factor in warning legibility so the consumer can recognize and avoid the hazard.

A1.7.6 Style of lettering affects the readability of the warning message.

A1.7.7 Warning labels can be more effective if they allow for reaction time on the part of the consumer.

A1.7.8 Damaged labels would not provide as strong a message as necessary.

A1.7.9 Due to extended life expectancy of cover products, labels cannot be expected to maintain their original appearance.

A1.7.10 Labeling messages and format should be consistent from point of purchase to use and/or application of cover.

A1.7.11 Packaging is, at times, the consumers first exposure to product information. Information contained on the warning label is necessary for making informed choices.

A1.7.12 All labels shall note that the product meets the requirements described in Specification F 1346.

A1.8 General Requirements For Safety Covers

A1.8.1 Installation can be a key factor in the effectiveness of a safety cover whether it is manually or power installed.

A1.8.2 Manufacturer's markings are necessary to allow a continuity for second owners and consumer/manufacturer contact.

A1.8.3 The mechanisms which secure the cover are an integral component that help to defeat a child's entry to the water.

A1.8.4 Openings shall not be so large that the purpose of the cover is defeated.

A1.8.5 Structural integrity is necessary to provide safety.

A1.9 Test Methods For Safety Covers

A1.9.1 The rescue operation may require two adults and the cover shall support the total combined weight to avoid possible injury to those in the rescue attempt. The 95th percentile is represented by the 225-lb male, 210-lb female and 50-lb child.

A1.9.2 This test was devised to avoid an opening large enough for one child or another child to fall between the edge of the cover and the edge of the pool when one child of 50 lb is already on the cover.

A1.9.3 Recognizing that some residual water remains after the surface water is removed, this test is devised to ensure that the level is maintained below a level deemed substantially hazardous to a child under three years of age.

A1.9.4 No opening shall exist in the cover or at any point that the cover joins the surface of the pool structure or deck area (which would allow a small child's head to gain access to the water or become entrapped). The head breadth for a 5th percentile 7 month old is about 4.5 in.

A1.10 Operating Control, Safety Covers

A1.10.1 Operator controlled momentary contact type switches afford greater control in the event of an emergency.

A1.10.2 Should a child enter the water during the closure process, the cover shall be able to reverse without total closure.

A1.10.3 It is important in the case of an electrical installation to protect children and all swimmers from the possibility of electrocution, which is the purpose of Article 680-26 of the National Electrical Code.

A1.10.4 Operator observation of the pool during the closing process is necessary to ensure that another person does not enter the water during the process. Additionally, the location of the activating device or the ability to render it inactive is necessary to avoid unauthorized opening of the cover.

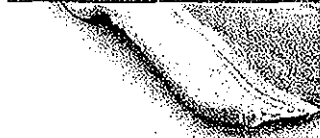
The stronger the cover, the safer the cover. No company builds in more exclusive design and manufacturing features to ensure the strength and performance of its automatic covers than Coverstar!

Heat-sealed webbing for double the strength!

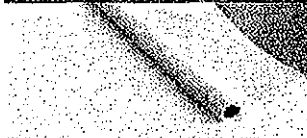
Most automatic cover manufacturers sew webbing material wrapped around rope to the cover. With this method, the webbing often fails before the fabric does. Coverstar uses

an exclusive, patented process to heat seal webbing around a polymer bead and weld it to the cover in one step. *Independent lab tests show Coverstar's webbing is over twice as strong as competitive webbing sewn to a cover!*

Competitors' Standard Sewn Webbing
(3 years old)

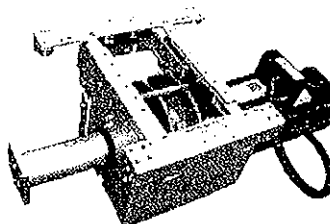


Patented Heat-Seal Bonding Process
(3 years old)

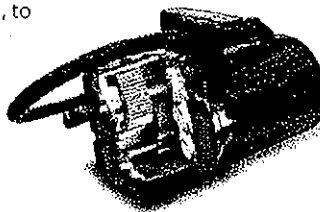


Mechanism engineered for unmatched reliability.

Our unique mechanism is engineered with heavy-duty components and with ropes and pulleys that are stronger than any others used in the industry. The extreme precision of the machined and laser-cut parts allows for smooth operation and many, many years of hassle-free use.



- **Coverstar motors** are completely sealed, using a proprietary method, to prevent water damage. Other less reliable means of water protection could mean an expensive motor repair.
- **PowerFlex™ Ropes** act like a shock absorber and self-adjust during operation for more reliable performance. And they're the only ropes that come with a two-year no-break guarantee!
- **Incredibly strong and durable fabric**—advanced vinyl formulation and superior fabrication methods make it top of the line.
- **Mechanical torque limiter** is adjustable to protect the motorized mechanism from too much stress.
- **Custom designed rope pulleys** provide maximum reliability in the pool environment.



Quality you
can rely on!

**BUILT
COVERSTAR
STRONG**

Coverstar automatic safety covers are independently certified by the Underwriters Laboratories to exceed the powered safety cover requirements set by the American Society of Testing and Materials (ASTM F1346-91), and are UL listed to meet all electrical and safety standards.





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The Important Role of an Automatic Pool Safety Cover

Feb 10, 2016 / by [Kevin Losee](#)

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Modern Pool by South San Francisco Landscape Architects & Landscape Designers The Garden Route Company

The statistics don't lie. With an average of 10 deaths a day by accidental drowning in the USA it is up to everyone who owns a swimming pool to be aware of the steps they can take to help try and prevent these needless deaths. Even though there are over 80 million residential swimming pools in the USA and these numbers represent a minuscule fraction of the people that swim in them; our goal and yours as a pool owner should be to get this average amount of daily accidental drownings down to zero.

When People are using your pool

When there are people in the pool it is up to you and the supervising adults to keep a close eye on the children. If you are having a pool party don't just invite the kids invite their parents too; the more eyes watching the better. Establish a firm set of rules for your pool that everyone clearly understands and are strictly followed. Adults who are watching children and teens should not drink too much alcohol or find themselves easily distracted.

When the pool is unattended

For those times when your swimming pool is unattended, that is where safety devices become very important. You cannot possibly be in your backyard at all times to keep an eye on your swimming pool so something else has to go to work for you, keeping your swimming pool safe. [Safety devices](#) such as fences with self-latching and locking gates will help keep people and pets out of your swimming pool area. Other safety devices such as pool cameras, [safety covers](#), [retractable pool safety covers](#), pool alarms and door and gate alarms will all contribute in one way or another to your swimming pools safety.

Our Most Recommended Swimming Pool Safety Device

It must always be noted that no matter how simple or inexpensive a swimming pool safety device is; any safety device is better than no safety device at all. With that being said, there is one swimming pool safety device that we recommend above all others and that would be an [automatic pool safety cover](#).

Why is an automatic pool safety cover our most recommended safety device for every inground pool owner to have? The level of safety it provides is the first and most important reason; when one of these is covering a swimming pool it forms what is known as an 'isolation barrier' because it restricts entry into the pool water from all sides of the pool.

There are other benefits of using a [safety cover](#) too. There is no type of cover that is more convenient to put on and take off of a swimming pool; with just the simple activation of a

switch the motorized pool cover will roll on and off your swimming pool in less than 60 seconds. They also will save a homeowner on chemicals, on pool water usage and on [energy bills](#) if the pool is heated to extend the swimming season. They simply offer a lot of advantages to any swimming pool owner.

So as a pool owner we urge you to be attentive and disciplined when people are swimming in your pool and to add one or more of these recommended safety devices for use when your swimming pool is left unattended. To read more on swimming pool safety, download our e-book [With Great Pools Comes Great Responsibility](#).

**FREE E-BOOK****WITH GREAT POOLS
COMES GREAT
RESPONSIBILITY****DOWNLOAD NOW**

Topics: [Auto Covers](#), [Safety Covers](#), [Pool Safety](#)



Written by [Kevin Losee](#)

Kevin Losee is the product manager for Automatic Safety Covers for Coverstar, a division of Latham Pool Products. During his 12 years at Coverstar, he has worked as an automatic safety cover installer, operations manager, technical support / order entry manager, and product manager. When not focused on automatic covers, he enjoys tearing up the trail on his mountain bike.

Gary Sanders 3/14/2016 9:27:18 PM

What does an automatic pool cover cost? The link on your products page doesn't work at the moment.



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How Regulations Are Changing For Pool Automatic Safety Covers

 Jul 5, 2017 / by [Sean Miner](#)

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Pool Automatic Safety Covers: Helping You Achieve Your Top Priority

While [swimming pool](#) ownership is about family, friends, and fun, there are a number of responsibilities that come with it as well. You're responsible for [opening and closing](#) your pool properly and for keeping it well-maintained throughout pool season if you want to avoid costly repairs. You're also required to [properly supervise pool users](#).

But perhaps the most important responsibility you have is ensuring that children — especially young children — don't get access to the pool unless they are with an adult.. According to the U.S. [Consumer Product Safety Commission](#) (CPSC), the majority of deaths and injuries in pools and spas involve young children ages 1 to 3 and occur in residential settings. Not only do you have a moral obligation to prevent these tragedies, you have a legal one as well.

A New Respect for Automatic Safety Covers

When pool [automatic safety covers](#) first came on the market a while back, government entities were understandably unsure what to make of them. They were welcomed as another

form of barrier and clearly held the potential for improving pool safety. However, it would take some time for municipalities to become familiar with — and comfortable with — just how good a deterrent automatic safety covers are.

Until then, the existing swimming pool barrier guidelines would remain in place. For example (consult your local government for regulations in your area), things like:

- ✔ Fences four feet high (and ideally higher)
- ✔ No handholds or footholds in the barrier construction
- ✔ Spacing between vertical slats of no more than 1.75 inches
- ✔ Mesh size of no greater than 1.25 inches on chain link fences
- ✔ Etc.

However, in recent years, some jurisdictions have begun including [automatic safety covers](#) in their regulations. In fact, they are deemed as effective as fencing and can be used instead of it in some scenarios. (See more information below, and also please get specifics from your local government.)

What are the Regs Where You Live?

The regulations regarding pool barriers differ by municipality and are subject to change. However, a partnership between the [International Code Council \(ICC\)](#) and the [Association of Pool & Spa Professionals \(APSP\)](#) developed a set of swimming pool-related building codes called the [International Swimming Pool and Spa Code \(ISPSC\)](#) that many municipalities, and entire states in some cases, are adopting.

There are two versions of the code. The 2012 version allows an automatic pool cover in lieu of a fence for inground spas only. The 2015 version allows for an auto cover in lieu of a fence for all inground pools and spas. As an example of how the code is being adopted, here are the states that have put it into effect as of this writing (always check with your state or municipality for the latest information):

Mandatory Adoptions (asterisk denotes 2015 code is used)

- ✔ Georgia
- ✔ Louisiana* (effective 07/01/19)
- ✔ Massachusetts* (effective 01/02/18)
- ✔ Michigan*

- ✓ Montana*
- ✓ New Hampshire* (effective 01/02/18)
- ✓ New Jersey*
- ✓ Virginia
- ✓ Washington*
- ✓ Washington, D.C.
- ✓ West Virginia*

Optional Adoptions

- ✓ Alabama
- ✓ Arizona
- ✓ California
- ✓ Colorado
- ✓ Illinois
- ✓ Michigan
- ✓ Oklahoma
- ✓ South Carolina
- ✓ Tennessee
- ✓ Texas
- ✓ Wyoming

Source: [ISPSC Adoption Status Report](#)

While we can't advise you on the laws affecting your swimming pool, we can tell you all about [pool automatic safety covers](#). The [Latham dealer in your area](#) would be happy to talk with you about your needs and how our covers and other products can help you meet them. And don't forget to sign up to [receive future blog posts](#) with interesting information you can use.



The Automatic Pool Cover
MAKING YOUR POOL AUTO COVER READY

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CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #9C	Department: Community Dev.	Council Meeting Date: 7/16/18																												
TITLE OF ISSUE: Consider Short-Term Rental Ordinance and Accept the Planning Commission's Recommendations.																														
BACKGROUND AND SUPPLEMENTAL INFORMATION: The Planning Commission reviewed a Short-Term Rental Ordinance. If Council decides to adopt a short-term rental ordinance a Public Hearing must be set. Please review the Planning Commission Report.																														
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REQUESTED COUNCIL ACTION: Consider Short-Term Rental Ordinance and Accept the Planning Commission's Recommendations.																														
<div style="margin-bottom: 10px;"> Motion By: _____ Second By: _____ </div> <div> Vote Record: <table style="display: inline-table; vertical-align: top; margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Aye</th> <th style="text-align: center;">Nay</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Steiner</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Norland</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Freyberg</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Whitlock</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td>Dehen</td> </tr> </tbody> </table> </div>	Aye	Nay		_____	_____	Steiner	_____	_____	Norland	_____	_____	Freyberg	_____	_____	Whitlock	_____	_____	Dehen	<div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 10px;"> SUPPORTING DOCUMENTS ATTACHED </div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">Resolution</td> <td style="width: 20%; text-align: center;">Ordinance</td> <td style="width: 20%; text-align: center;">Contract</td> <td style="width: 20%; text-align: center;">Minutes</td> <td style="width: 20%; text-align: center;">Map</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> <div style="margin-top: 10px;"> Other (specify) <u>Memo</u> </div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div>		Resolution	Ordinance	Contract	Minutes	Map	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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THE CITY OF NORTH MANKATO

SUBJECT: Short-Term Rental Ordinance
APPLICANT: City of North Mankato
LOCATION: City Wide
EXISTING ZONING: NA
DATE OF HEARING: July 12, 2018
DATE OF REPORT: June 29, 2018
REPORTED BY: Mike Fischer, Community Development Director

APPLICATION SUBMITTED

Request to consider regulations pertaining to short-term rentals

COMMENT

A recent on-line search of North Mankato Airbnb's resulted in the identification of approximately six (6) residential homes begin advertised as short-term rental's (STR). A STR is generally defined as a unit that is rented or leased for periods of 1 to 30 days and made publically available. While the City has regulations and licensing for the general renting of homes and for bed and breakfasts, there are no regulations pertaining to STR's. Specifically, rental licenses are issued for all residential rental properties and conditional use permits are required for a bed and breakfast. Within the City Code, the operation of STR's and exchange of compensation for services are closets in align to "hotel/motels and bed & breakfasts"

With STR's, there are questions whether they are a compatible land use within residential neighborhoods, at what point are they commercial uses of residential property and does the use disrupt the typical residential character of a residential neighborhood? To date, the City has not received any complaints regarding STR's in the City.

While STR's can be alternative's for lodging options within the City, they are not specifically addressed in the City Code. Therefore, as staff does not recommend prohibiting them, we believe they should be regulated in the City Code. Attached as Exhibit A is a draft of a new City Code section pertaining to short-term rentals. As proposed, SRT's would need to obtain a Conditional Use Permit (CUP) to operate in residential zoning districts. As part of the CUP process, area property owners near the proposed STR would be notified of the CUP request to operate

a STR in their neighborhood and have the opportunity to comment. Regulation by CUP would give the City the ability to impose certain conditions on the operation of STR's including mandatory building inspections prior to occupancy. Also, should there be issues at the STR, the City would have the ability to revisit the CUP.

As proposed within the draft regulations, it is suggested that the owner of the STR reside in the dwelling when not rented. As staff has had the opportunity to research how other cities regulate STR's, the following are various ways used to regulate the owner's occupancy:

- * Hosted, in which the homeowner is present during the entire visit
- * Unhosted, in which the primary resident of the property is not present
- * Dedicated, in which the property is not the homeowner's primary residence.

In some cities, STR's are required to pay lodging or hotel taxes. In North Mankato, the tax is 3%.

In reviewing other city's approach to regulate STR's, there are many different approaches including:

1. Allow STR's with few restrictions
2. Allow STR's through a license or permit
3. Prohibit STR's

In summary, permitting STR's through a CUP process would provide the City the opportunity to provide clarity for the expectations for the operation of each STR, provide the ability to impose certain conditions and provide the opportunity to revise or revoke the CUP if needed.

RECOMMENDATION

Staff recommends the Planning Commission review and approve proposed Chapter 156.058 which regulates STR's in residential zoning districts.

CHAPTER 156.058 SHORT TERM RENTALS

Purpose:

(A) The City finds that short-term rentals located in residential zoning districts constitute commercial use of residential property which is inconsistent with the residential nature of the zoning districts. Therefore, in order to protect the residential character of the City's residential districts, the City determines that it is appropriate to regulate short-term rentals by conditional use permit

Definition:

SHORT-TERM RENTAL: A dwelling unit or a portion of a dwelling unit rented for a period of less than thirty (30) days.

Permit Required:

(A) No owner of a short-term rental located within a residential zoning district shall rent, offer for rent, or advertise for rent to another person without first obtaining a conditional use permit in accordance with Section 156.055. In addition to the conditional use permit, all short-term rental dwellings will be subject to inspection by the Building Official or Building Inspector.

Generally:

(A) The following are applicable to all short-term rental dwellings:

1. The owner shall reside in the dwelling when not rented.
2. Off-street parking shall be provided to the renters
3. The dwelling shall not be used for commercial events or receptions such as weddings, reunions or parties
4. The dwelling shall be rented for a period of less than thirty (30) days
5. Short-term rental are not subject to the rental density provisions.
6. Recreational vehicles (RV's), campers, tents or travel trailers shall not be used for short-term rental purposes
7. No sign identifying a short-term rental is permitted
8. No short-term dwelling shall be occupied until a certificate of occupancy has been issued

Violation:

(A) Separate offenses. Each day a violation of this chapter is committed or permitted to

continue shall constitute a separate offense and shall be punishable as under this section.

(B) Misdemeanor. Violation of this chapter shall constitute a misdemeanor punishable by a fine of up to \$1,000 or imprisonment for up to 90 days.

CITY OF NORTH MANKATO
REQUEST FOR COUNCIL ACTION



Agenda Item #9D	Department: Community Dev.	Council Meeting Date: 7/16/18										
TITLE OF ISSUE: Review and Comment on Draft Commerce Drive Redevelopment Plan Chapter VII.												
BACKGROUND AND SUPPLEMENTAL INFORMATION: Review and comment on the draft Commerce Drive Redevelopment Plan Chapter VII and the Commerce Drive Survey Results.												
<i>If additional space is required, attach a separate sheet</i>												
REQUESTED COUNCIL ACTION: Review and Comment on Draft Commerce Drive Redevelopment Plan Chapter VII.												
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VII. AREA DESIGN

Commerce Drive is often viewed as an area lacking design consistency. Participants in the visioning process expressed that the corridor could offer much more than it does today and asked what options exist to enhance buildings and the streetscape. Commerce Drive is not a downtown “Main Street” environment and wasn’t planned to be. Buildings are on large lots and are set back from the roadway enough to accommodate large parking lots and on-site vehicle circulation. The corridor in its current state could be characterized as very “auto-oriented” in design. This is evident as strip malls, a gas station, and industrial buildings are located here.

Stakeholders and citizens alike would like to improve the character of the corridor by creating more cohesive, themed design. The following includes what exists on Commerce today and strategies for enhancing design.

A. Buildings

1. Existing Building Design

Several participants in the visioning process expressed concerns at the lack of cohesive design features among buildings on Commerce. Some of the structures are aging and exhibit little architectural significance. This is especially true for industrial uses toward the western end of the corridor that have facades dominated by vast walls of concrete and receiving bay access for heavy trucks.

No building design guidelines exist other than regulations provided through the city’s zoning ordinance. Stakeholders and citizens would like to see businesses take control of design features of their buildings, remodeling facades and properties to meet some level of cohesive design.

2. Building Design Opportunities

Potential improvements to building design discussed in the visioning process included façade improvements to create more attractive storefronts, improved exterior building finishes, updated signage and awnings, and taller buildings as part of new development and redevelopment projects. Specific architectural



Figure 24. Commerce Drive retail showing large lots and set back buildings. Source: Google Earth.



Figure 25. A wide variety of building types on Commerce Drive. Source: Google Maps

features were not mentioned in discussion. The goal would not necessarily be uniformity, but a generally more updated, inviting, and well-maintained exterior.

Some avenues have potential to assist business/property owners with building/façade improvements. During the Belgrade Avenue Master Plan process, the city began developing the Redevelopment Deferred Loan Program for its business districts. This program would grant deferred loans to businesses providing up to 50% of the costs of exterior rehabilitation to buildings (not to exceed \$25,000). This program could be established if there is interest among business and property owners to pursue improvements.

Another avenue could be the establishment of a Special Service District (SSD). Businesses could contribute to the improvement, management, and maintenance of the commercial district collectively through the establishment of a SSD. Contributions would be in the form of a service charge or other property tax that would provide a steady revenue stream for a variety of improvements. Many SSDs exist in Minnesota cities including Mankato, New Ulm, and Duluth, to name a few.

Investments in building aesthetics could improve the character of the corridor which could contribute to area draw, potentially increase customer flow, and further establish Commerce Drive as a destination.

B. Streetscape

While the City has limited control over the aesthetics of existing buildings, it has a significant opportunity to improve the public realm through investment in improved streetscape. This can provide more of a sense of cohesiveness and consistency along the corridor. Additionally, it can set the stage for private investment in property construction and renovation, by demonstrating that the corridor is a priority for investment.

1. Existing Streetscape

Commerce Drive has sidewalk along the entire south side of the corridor as well as on the north side between Lor Ray Drive and Roe Crest Drive. These sidewalks are bordered by grass boulevards on both sides with the occasional tree, light pole, or sign. Much of the southern sidewalk is only 4-feet wide, which is lower than the typical City standard. The area generally lacks bicycle and pedestrian amenities. Stakeholders and citizens discussed a key to enhancing the pedestrian realm and creating more of a destination on Commerce Drive would be to

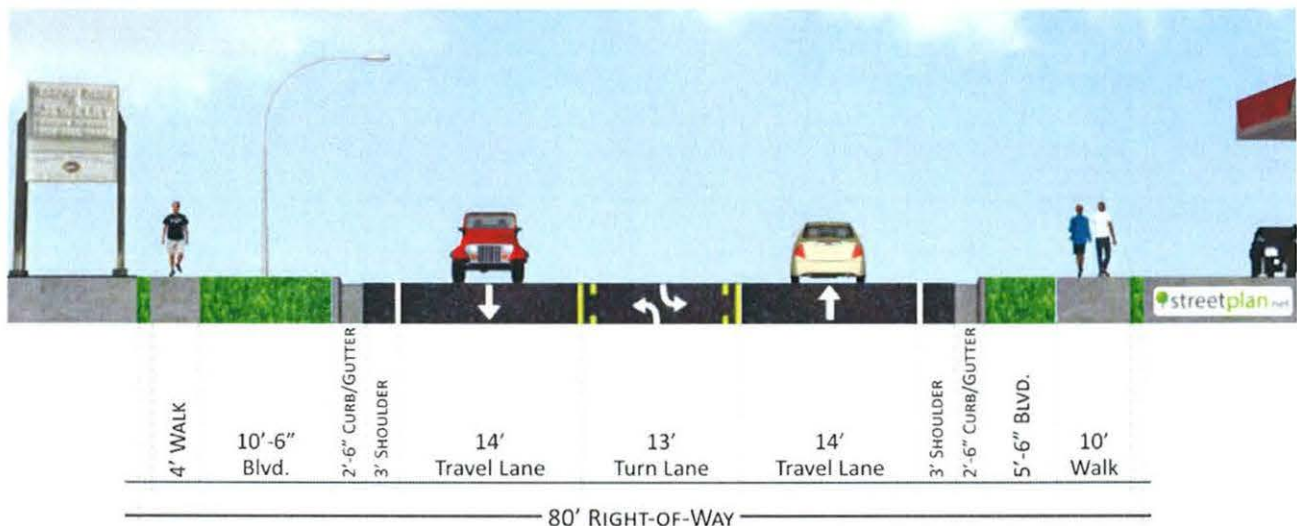


Figure 26. Illustrated typical section of Commerce Drive today. Source: Streetplan.net

Prepared by: Bolton & Menk, Inc.

Commerce Drive Area Development Plan | M18.115188

Area Design

Page 17

enhance the streetscape. **Figure 26** represents a typical section of Commerce Drive looking west on the corridor today.

A comprehensive strategy for streetscape improvement and beautification incorporates elements such as sidewalks, crosswalks, lights, trees, planting beds, trash receptacles, decorations, and benches help to establish a balanced and attractive mix of amenities along a corridor. A lack of these amenities could make it difficult to establish Commerce Drive as a destination in the community. Existing conditions with narrow sidewalks, perceptions of dangerous pedestrian crossings, and a lack of character and cohesive design provide more of a deterrent than an attraction. However, it is also important that the level of streetscape design not exceed what can be well maintained on an ongoing basis in a cost effective manner.

2. Streetscape Opportunities

The pending Commerce Drive street resurfacing project presents opportunities for streetscape enhancements to happen in the near term. The streetscaping initiatives outlined in this Commerce Drive Area Development Plan will inform the design portion of that effort. Visioning participants identified a host of potential streetscape elements they would like to see that could improve the character and sense of place of Commerce Drive. These are as follows (further defined on *Page 4*):

Area branding including:

- Banners
- Gateway Structure
- Wayfinding Signage

Street Beautification including:

- Enhanced/Decorative Lighting
- Planters
- Trees
- Public Art (*in line with the City of North Mankato 2017 Public Art Ideas Plan*)

Enhanced infrastructure including:

- Wider Sidewalks
- More/Safer Pedestrian Crossings

Public gathering space including:

- Benches/Seating Areas



Figure 27. A common scene among sidewalks along Commerce Drive showing few streetscape amenities.
Source: Google Maps

Figure 28 illustrates a typical section of Commerce Drive with an 8-foot multi-use trail on the south side of the corridor. **Figure C.2** in **Appendix C** provides a plan view rendering of the streetscape with the multi-use path. This rendering includes realignments of property access for future consideration that could reduce conflicts among vehicles and pedestrians making accessing properties more smooth and walking on sidewalks safer. Access realignments shown are purely conceptual. The city understands that closing access to properties is sensitive and doesn't intend pursue closures without negotiations with property owners who support the changes and are willing to work with the city to better the corridor. **Figure C.1** in **Appendix C** illustrates recommended access closures and realignments as well.

The following pages provide an overview of streetscape elements and how they could be applied to Commerce Drive. While all streetscape aspects are expected to be located corridor-wide, there may be some enhanced treatments in the commercial area, particularly in terms of planters, branding and wayfinding, and site amenities. A lower level of streetscape treatment may be appropriate for the western end of the corridor, since there is likely going to be less pedestrian traffic due to the mix of uses there.

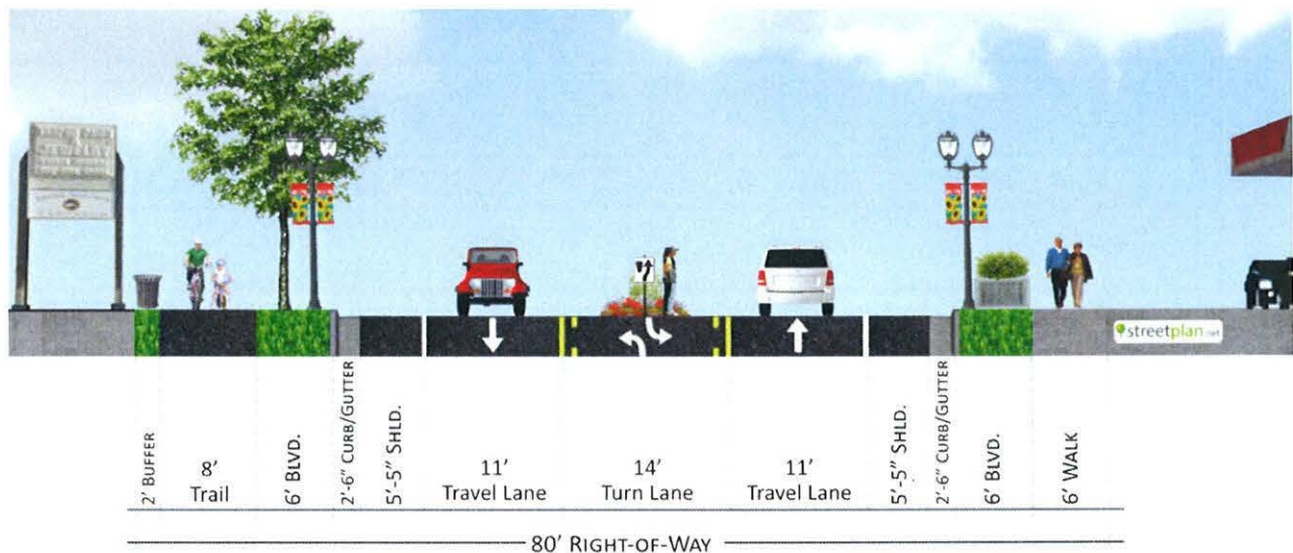


Figure 28. Illustrated potential typical section of Commerce Drive with a multi-use path, pedestrian refuge, and streetscaping amenities. Source: Streetplan.net

Corridor Enhancement Opportunities Streetscape Elements

Wider Sidewalks & Multi-use Trail	<p>Sidewalk and trails are an essential element in a street profile and, in accordance with ADA accessibility guidelines and best practices, should be provided on all streets in urban areas. Pedestrian connectivity and the walkability of a community has been shown to have a positive impact on land values and the desirability to live and work in an area. Sidewalks should be 6-feet minimum in width and multi-use trails, 10-feet. Pedestrian routes should be buffered from traffic where possible.</p>	
Enhanced Lighting	<p>Lighting contributes to safety, function, and character of a roadway. "Typical" roadway lighting functions as a safety measure to illuminate and improve visibility of all users at intersections and crosswalks. Enhanced lighting includes pedestrian-scale lighting with potential aesthetic treatments which contribute to the character and brand of a community.</p>	
Street Trees	<p>Planting trees in the public right-of-way have several benefits in addition to their ecological importance. Large mature street trees are found to be the most important indicator of attractiveness in an area. Property values, energy costs savings, and perception of safety have all been shown to increase along tree lined streets. Several considerations - including utility conflicts, sight-lines, and pollutants - need to be taken into account when locating trees along a roadway.</p>	
Planters/Planting Areas	<p>Plant material contributes to local character, traffic calming, and pedestrian-scale enhancements. These areas can be at-grade, raised, or in moveable planters. They can be located in the boulevard or behind the back of walk. Ongoing maintenance needs, pollutant exposure and sight-lines are all considerations that need to be taken into account when identifying location of planting areas and the plant material itself.</p>	
Branding & Wayfinding	<p>Developing a consistent look, or brand, of a neighborhood or community contributes to the creation of a unique sense of place, arrival, and of community. Wayfinding helps to guide residents and visitors to local and regional destinations and is often incorporated within a branding package. Directional signage, gateway structures, banners and site furnishings are all elements that can contribute to a community brand.</p>	
Site Amenities (Benches, Waste Receptacles, etc.)	<p>Benches, waste receptacles (trash and recycling), bicycle racks, bicycle fixit stations, and bollards are all examples of site amenities. These elements contribute to user-experience and corridor character. Groupings of site amenities often occur at intersections or gathering spots.</p>	

Corridor Enhancement Opportunities

(Continued)



Additional Pedestrian Crossings with Refuge

Marked pedestrian crossings can improve the walkability of an area and increase driver awareness of pedestrians in the roadway. Choosing the appropriate locations and number of crosswalks increases pedestrian safety and driver yield rates. Including a pedestrian refuge will further increase pedestrian safety by providing two-stage crossings where the pedestrian only needs to focus on one direction of traffic at a time.



Gateway Structures & Public Art

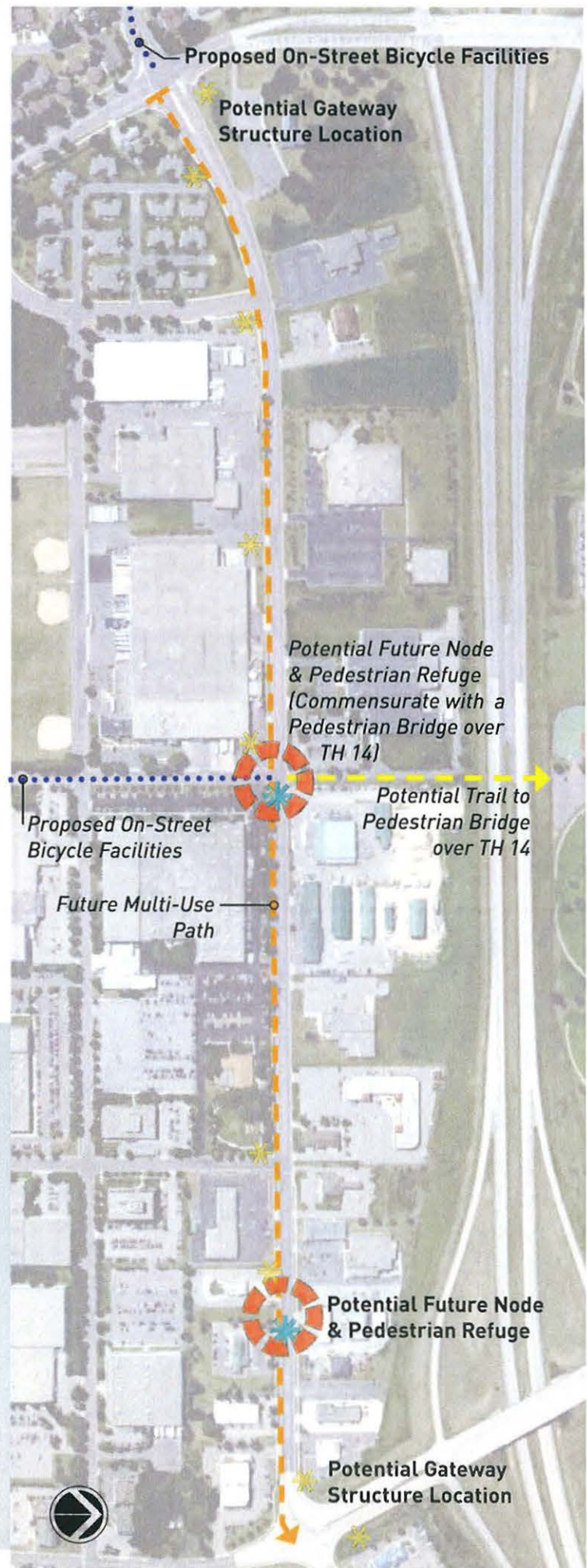
Gateway structures and public art contribute to placemaking and a community's character. These elements can be used to mark the transition into an area with slower speeds as well as bring out the unique culture and history of a place.



What is a 'Node'?



A node is a place where people gather. This often occurs at the intersection of two or more paths of travel. A widening of the sidewalk and a concentration of site amenities are common design features of a node along a roadway.



C. Area Design Goals, Objectives, and Policies

Goal 1. Incorporate design features that enhance the character and safety of Commerce Drive, creating a destination.

Objective 1.1: Encourage business/property owners to pursue opportunities to improve building exteriors and enhance area design.

Policy 1.1.1: Consider the establishment of a City of North Mankato Redevelopment Deferred Loan Program to fund façade improvements.

Policy 1.1.3: Consider establishing a Special Service District (SSD) in which business/property owners collectively could contribute to the improvement, management, and maintenance of the commercial district.

Objective 1.2: Create a safe and inviting streetscape along Commerce Drive.

Policy 1.2.1: Enhance multimodal accommodations on Commerce Drive by providing wider sidewalks, bicycle lanes, and/or a multi-use path that will better serve all users of the corridor.

Policy 1.2.2: Improve the safety of pedestrian crossings by providing pedestrian refuge islands or medians, upgraded signals, and/or improved signage where appropriate.

Policy 1.2.3: Incorporate streetscape amenities such as enhanced pedestrian scale and roadway lighting, public art, street furniture, planters, trees, etc. that will improve the character of the corridor.

Policy 1.2.4: Incorporate branding (i.e. banners, gateway structures, wayfinding signage, etc.) along the corridor to foster identity and sense of place.

A.3 – Community Survey Results

COMMERCE DRIVE QUESTIONNAIRE

The purpose of this survey is to solicit feedback from residents, businesses and property owners to help shape and form a vision that will guide the Commerce Drive Area Development Plan.

1. On average, how often do you travel on Commerce Drive?

- ☐ Never
- ☐ Less than once a month
- ☐ 1-3 times per month
- ☐ 1-3 times per week
- ☐ Daily

2. When traveling on Commerce Drive, how likely are you to stop at one of the businesses?

- ☐ Very likely
- ☐ Somewhat likely
- ☐ Very unlikely

3. Which businesses (if any) do you frequent the most on Commerce Drive?

4. In the next ten years (2028), what three words would you hope to use to accurately describe your vision for Commerce Drive?

5. To achieve your vision for Commerce Drive, which of the following actions will be important?

*Rank importance on a scale from 1 to 5 with 5 being the MOST Important.

	LEAST Important 1	2	Somewhat Important 3	4	MOST Important 5
Make Commerce Drive more walkable/bikeable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attract neighborhood serving retail & amenities (such as grocery store, coffee shop, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improve connections between neighborhoods and Commerce Drive.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote a fresh image/brand for Commerce Drive.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improve the parking experience for customers and visitors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourage more nightlife, restaurants, create an entertainment niche.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activate Commerce Drive with shops, events, restaurants, streetscape.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide better public transit.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support/provide incentives to business start-ups and entrepreneurs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improve way-finding signage for bikes, cars and pedestrians, and create gateways and directories.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourage more arts and culture, including public art.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide more outdoor greenspace.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. If you could suggest one specific improvement to enhance Commerce Drive, what would that be?

7. What would you like to see happen in the Commerce Drive commercial corridors? (select up to 3)

- ☐ Mixed use development with housing
- ☐ More restaurants
- ☐ Restaurants with liquor licenses
- ☐ More retail
- ☐ Incubator space
- ☐ More public parking
- ☐ Streetscape improvements
- ☐ Facade improvements
- ☐ Outdoor dining
- ☐ Walkability
- ☐ Bike racks and bike lanes
- ☐ Other (please specify):

**8. Which of the following BEST characterizes your primary interest(s) on Commerce Drive?
(Please check all that apply)**

- ☐ Commercial Property Owner
- ☐ Business Owner
- ☐ Resident
- ☐ Employee
- ☐ Student
- ☐ Visitor
- ☐ Other (please specify):

9. Please provide the zip code of your primary residence.

10. Age

- ☐ Under 18
- ☐ 18 to 24
- ☐ 25 to 34
- ☐ 35 to 49
- ☐ 50 to 64
- ☐ 65+

11. Gender

- ☐ Male
- ☐ Female

12. Race/Ethnicity

- ☐ African American
- ☐ American Indian
- ☐ Asian or Pacific Islander
- ☐ Hispanic/ Latino
- ☐ White
- ☐ Other:

13. Annual Household Income

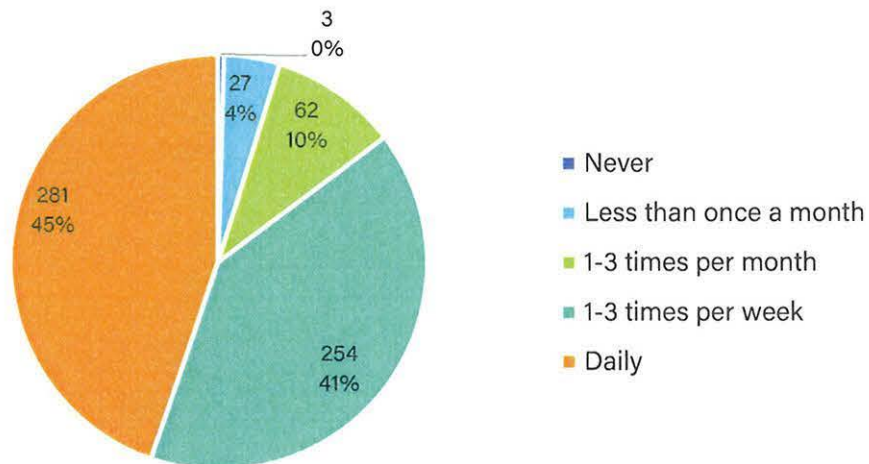
- ☐ \$24,999 or less
- ☐ \$25,000 to \$49,999
- ☐ \$50,000 to \$99,999
- ☐ \$100,000 to \$199,999
- ☐ More than \$200,000

Please return this completed questionnaire to City Hall, the Taylor Library or complete it online at
www.northmankato.com/commerce-drive-questionnaire.

Commerce Drive Questionnaire Results

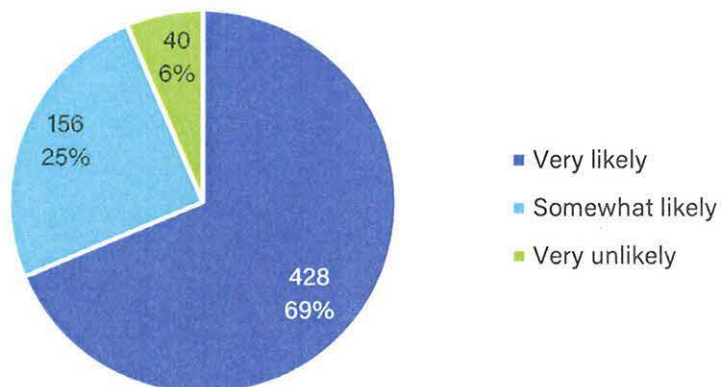
On average, how often do you travel on Commerce Drive?

(627 Responses)



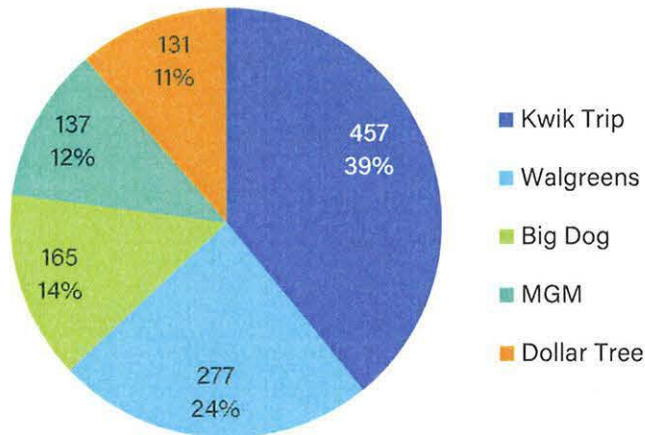
When traveling on Commerce Drive, how likely are you to stop at one of the businesses?

(624 Responses)



Which businesses (if any) do you frequent the most on Commerce Drive?
(585 Responses)

Top 5 Businesses

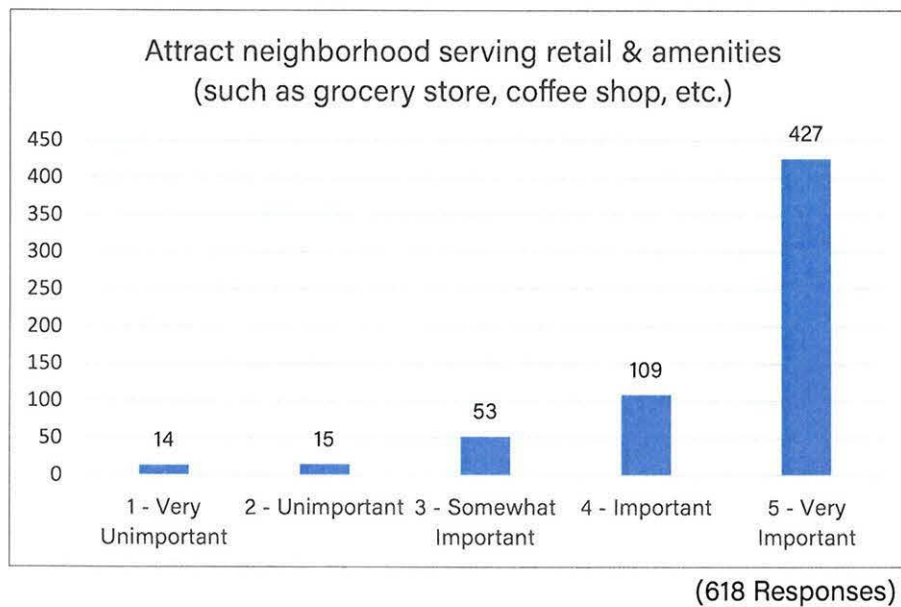
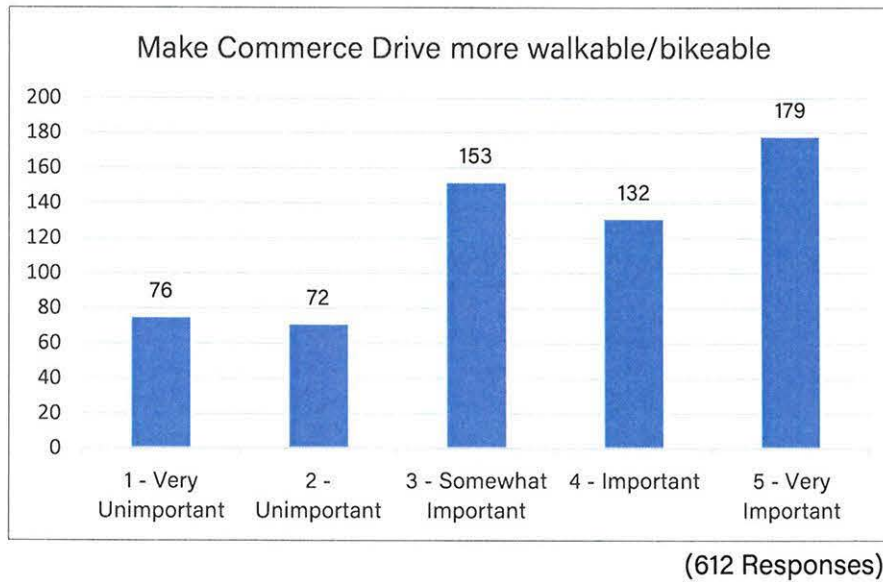


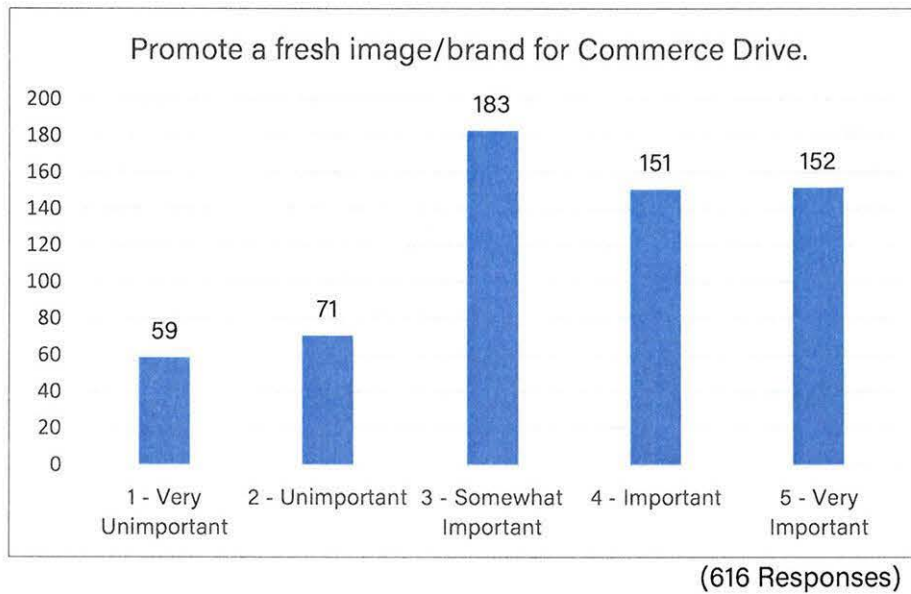
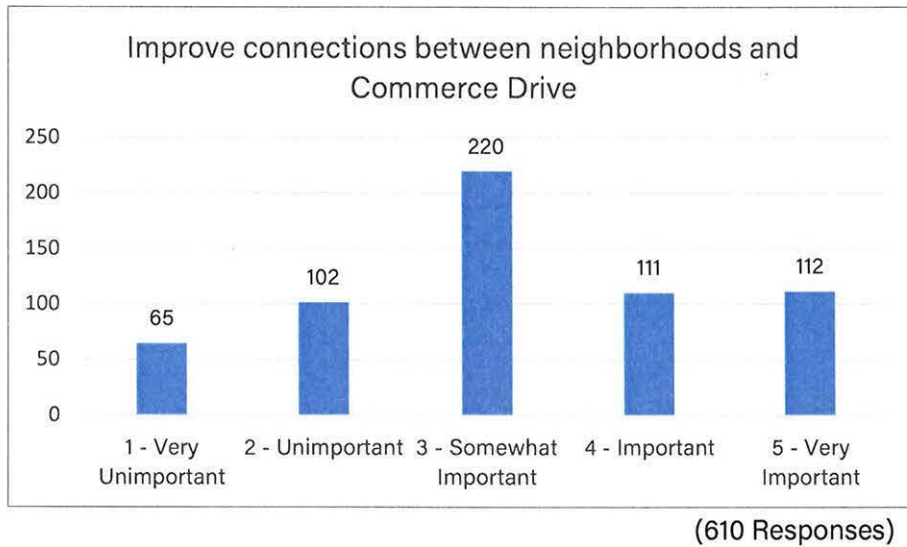
Other Responses			
Culver's	82	Shear Talent	5
Wells Fargo	78	Southpoint Financial Credit Union	5
Erbert & Gerberts	41	Austin's Auto Repair	4
Subway	41	Kitchenmaster, Klooster & Begalka	4
Commerce Drive Dental	28	Tip Top Tobacco	3
Pioneer Bank	26	Ignition Fitness & Sports	2
Indulge Salon	23	North Mankato Mortuary	2
Lloyd Lumber	23	Robyn's Nest Daycare Center	2
New 2 You Family Thrift	17	Back to Wellness	1
Serenity Nails	17	C&N Sales	1
Fantastic Sam's	15	City Drop Boxes	1
Snap Fitness	13	Creative Minds Early Learning Center	1
Express Care Auto Center	8	Edward Jones	1
New Great Wall	8	Jesus's Lambs at Peace Preschool	1
Golden Heart Child Care Center	7	Lindsay Windows	1
North Mankato Animal Hospital	6	Optivus Physical Therapy	1
Verizon Wireless	6	Southern Minnesota Martial Arts	1
Vero's Tacos	6	State Farm	1
Frandsen Bank	5		

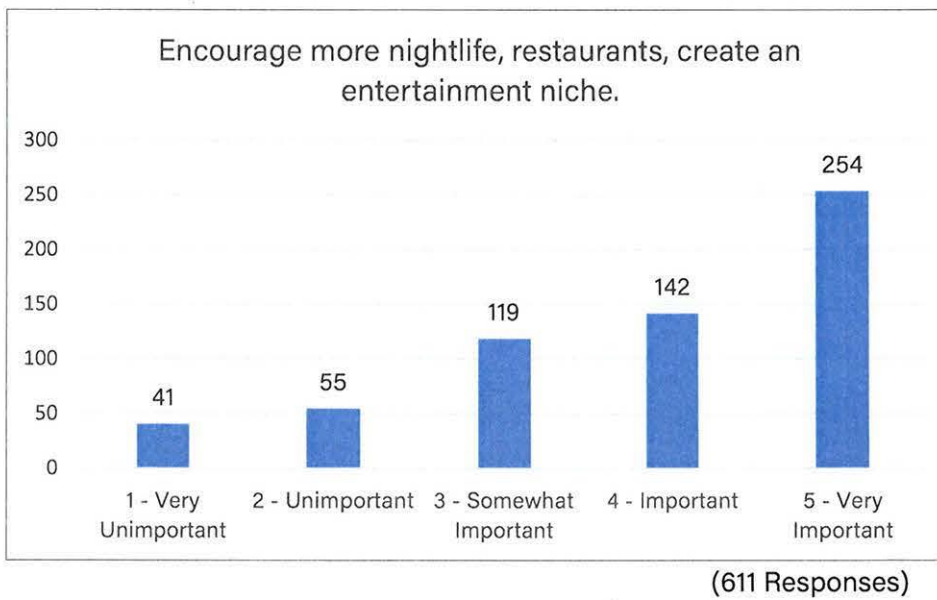
In the next ten years (2028), what three words would you hope to use to accurately describe your vision for Commerce Drive?

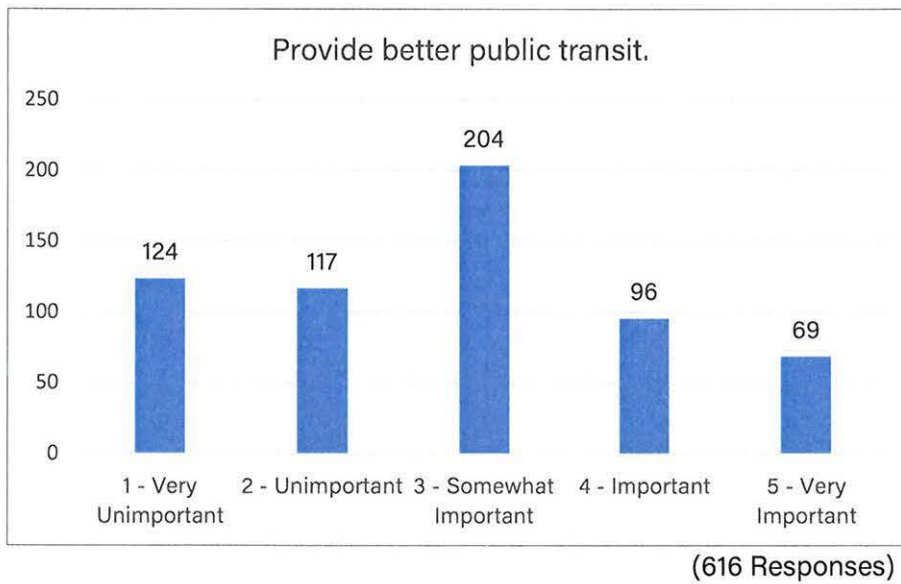
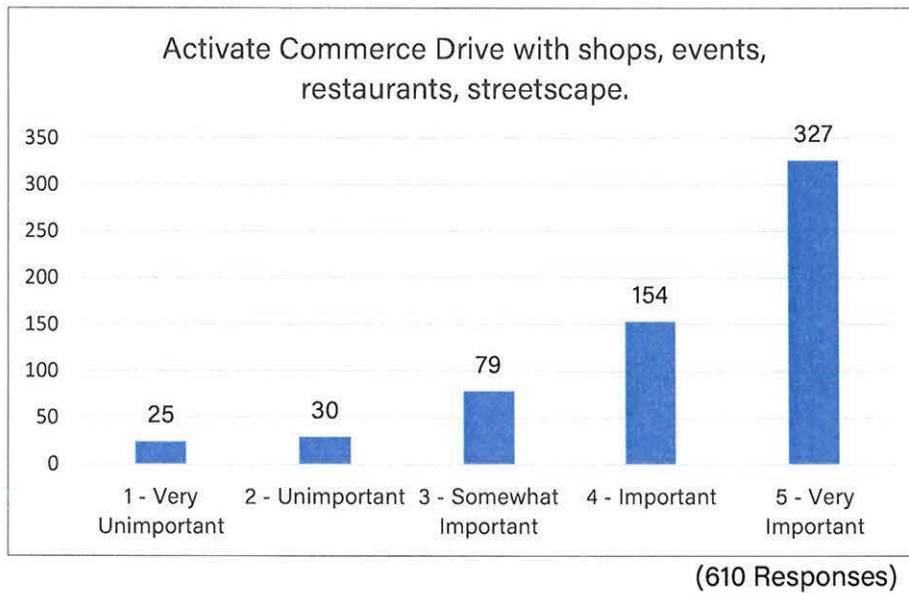


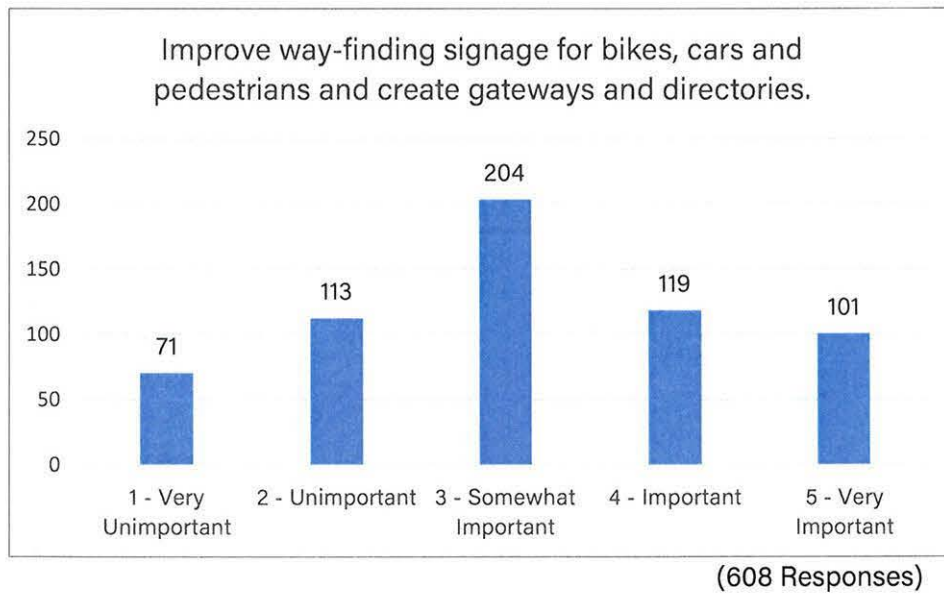
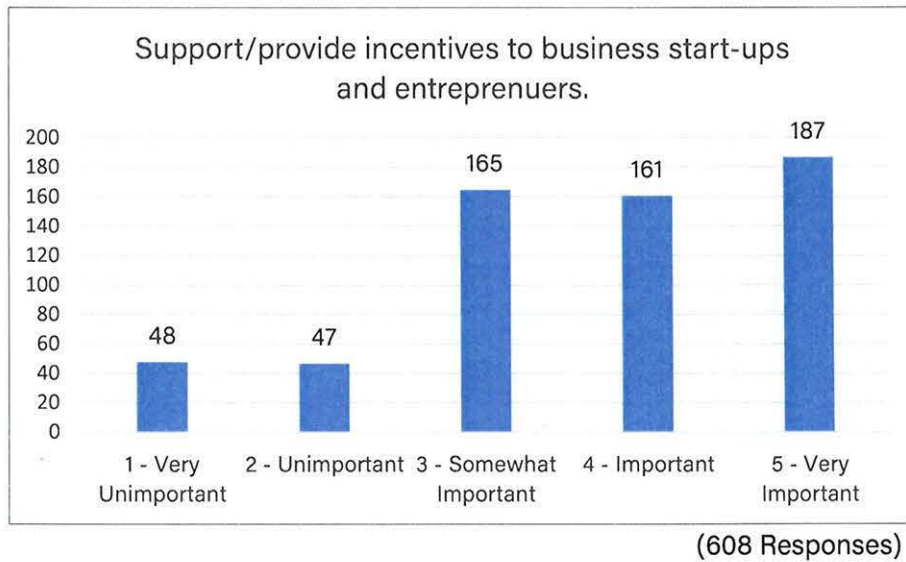
To achieve your vision for Commerce Drive, which of the following actions will be important?

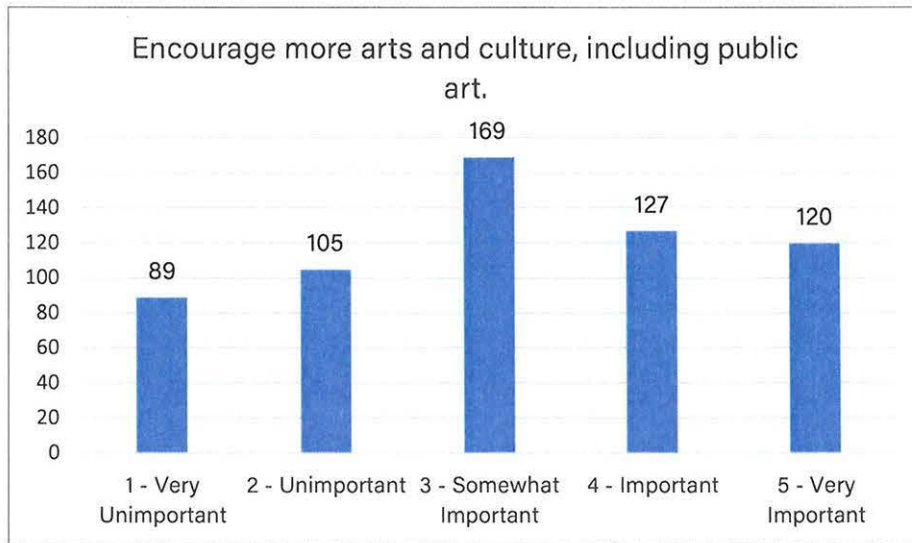




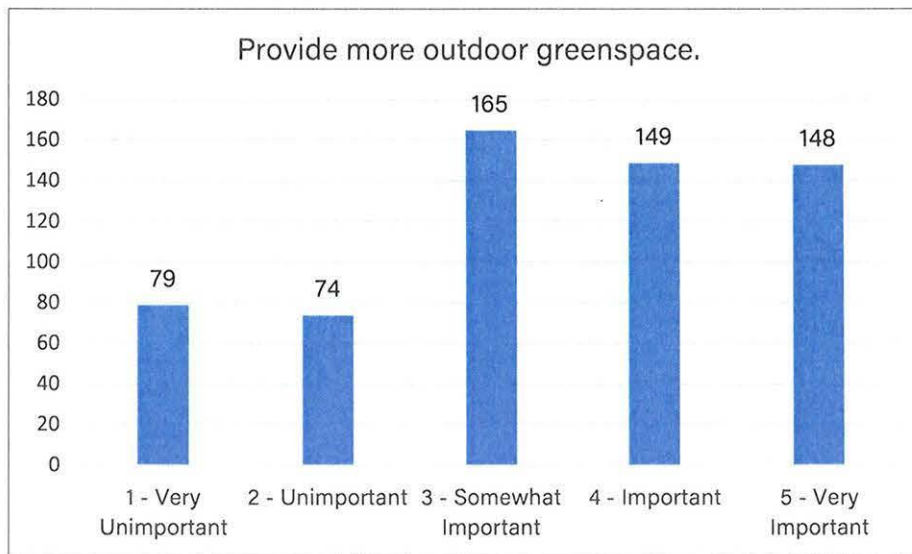








(611 Responses)

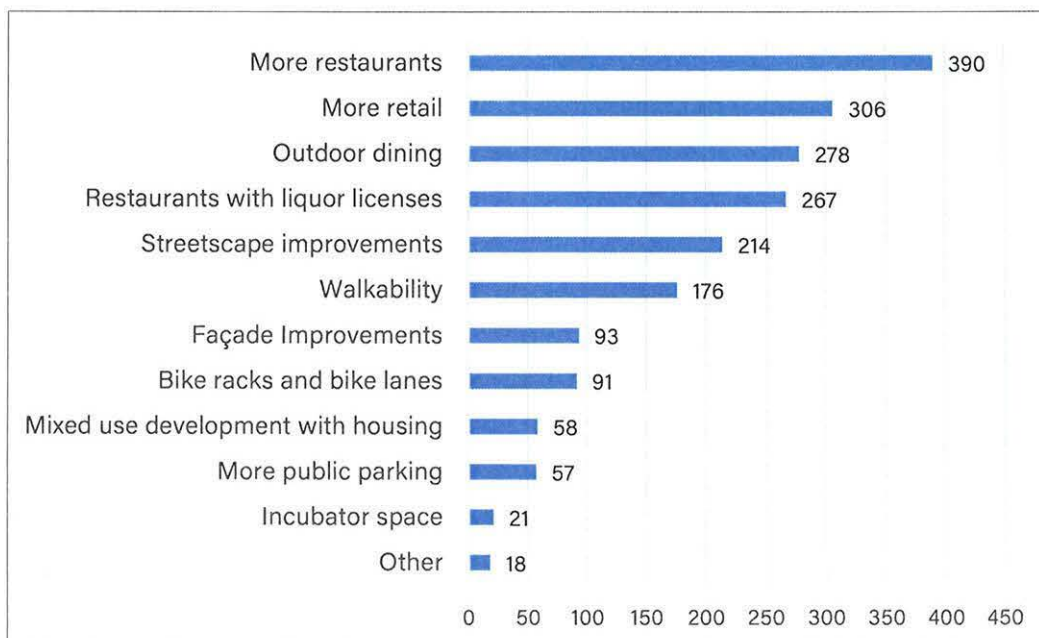


(615 Responses)

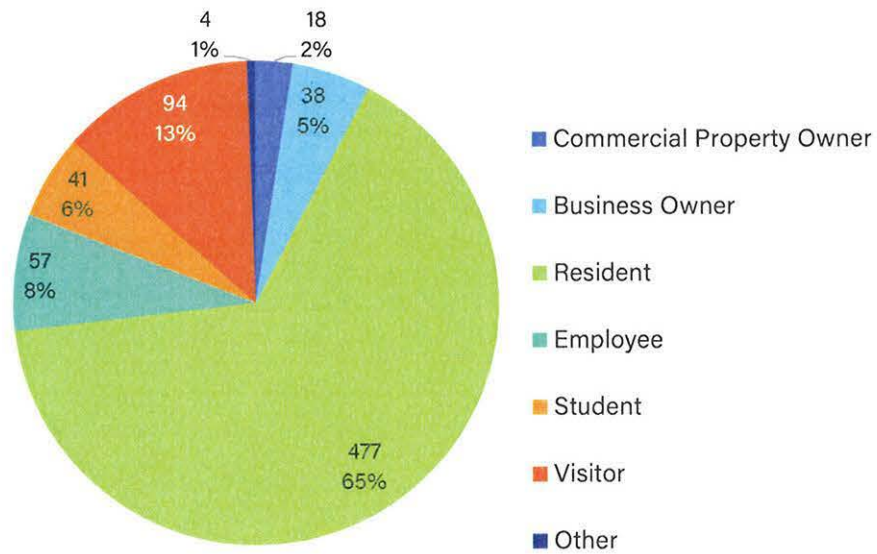
If you could suggest one specific improvement to enhance Commerce Drive, what would that be?

- Landscaping/tree islands in street to aid crossing and soften hardscape.
- Pedestrian walkways, seating areas and greenspace.
- Improved building facades.
- Roundabout at lookout and commerce.
- Improve traffic flow with a raised median.
- Better wayfinding and business signage.
- Eliminate access points to businesses for easier ingress/egress to each business.
- Create turn lanes for ease of access to businesses.
- Establish an Identity for Commerce Drive.
- Develop area as a destination and incorporate Caswell Park.
- Business retention.
- Tax deferment/ breaks for businesses in the area to promote growth.
- Outdoor greenspace/open space/ public seating area.
- More appealing boulevards with street lamps, greenery, benches, etc.

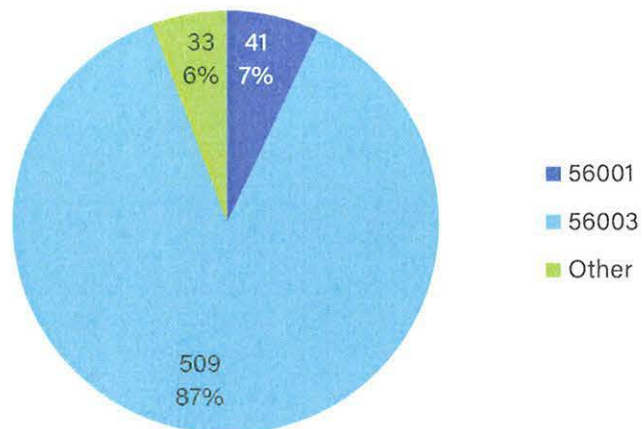
What would you like to see happen in the Commerce Drive commercial corridors?



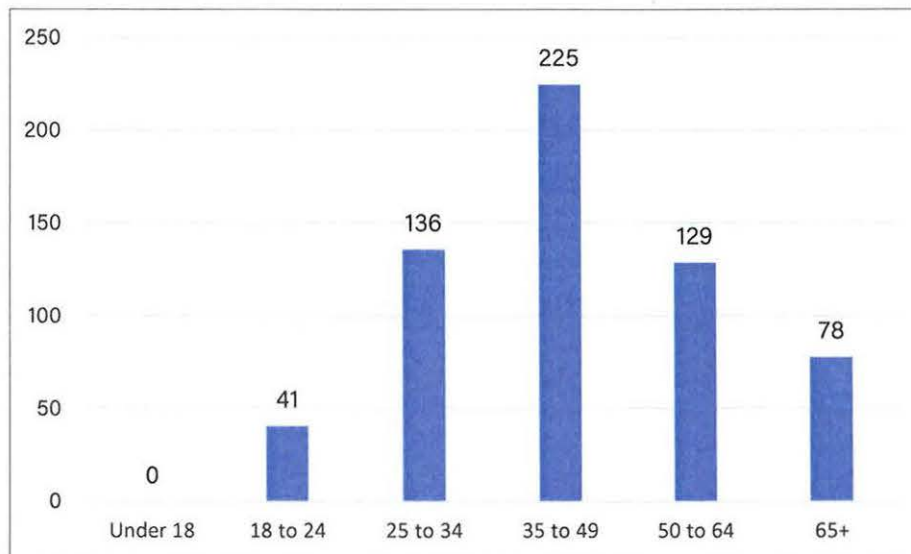
Which of the following BEST characterizes your primary interest(s) on Commerce Drive?



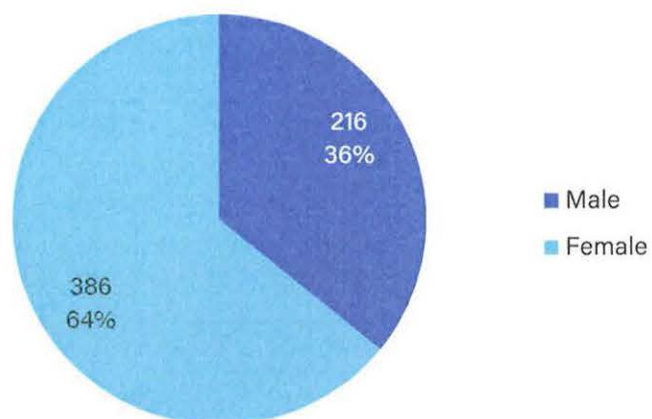
Please provide the zip code of your primary residence.
(583 Responses)



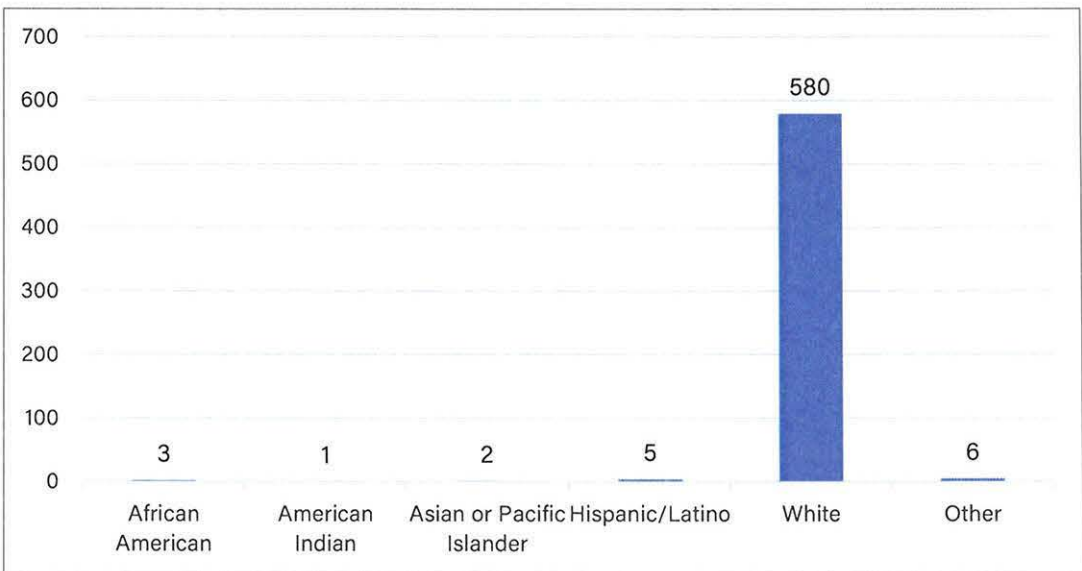
Age (609 Responses)



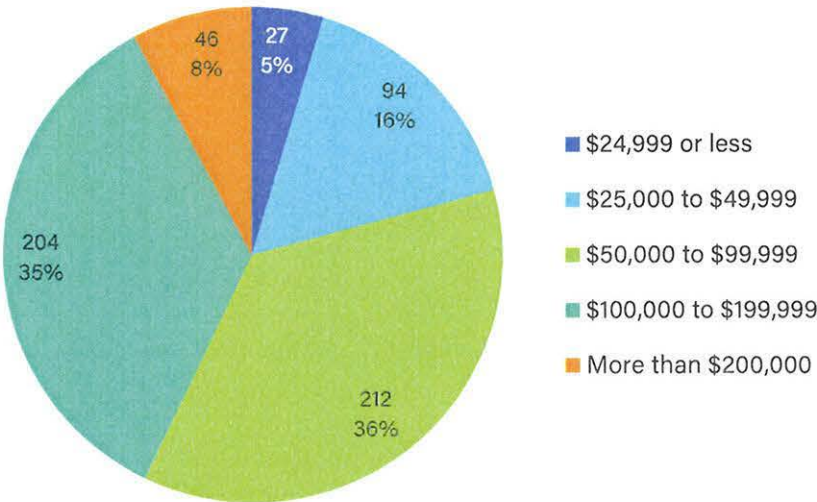
Gender (602 Responses)



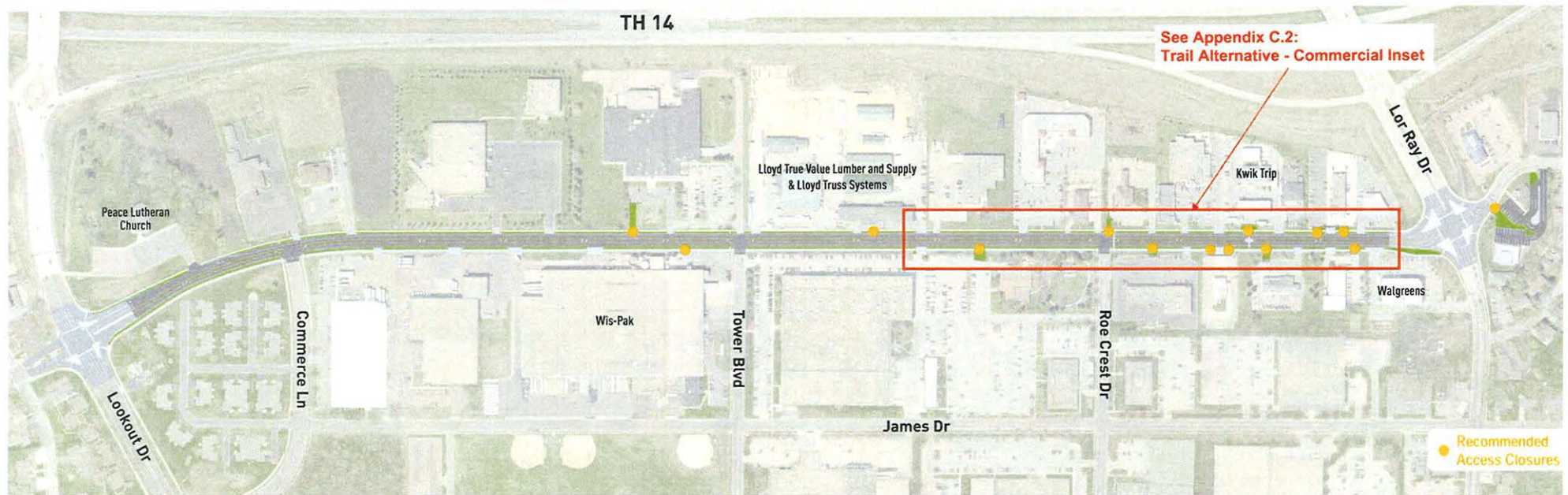
Race/Ethnicity (598 Responses)



Annual Household Income (583 Responses)



Appendix C.1 Trail Alternative with Access Closure Recommendations



North Mankato Commerce Drive Improvement Project
Appendix C.2
Trail Alternative - Commercial Inset

