

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