

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on November 1, 2021. Mayor Dehen called the meeting to order at 7:00 pm, asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Council Members Norland, Whitlock, City Administrator Harrenstein, and City Clerk Van Genderen. Absent: Council Member Oachs and Steiner, Community Development Director Fischer Finance Director McCann, and Public Works Director Host.

Approval of Agenda

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

Approval of Council Minutes from September 20, 2021, Council Meeting.

Council Member Whitlock moved, seconded by Council Member Norland, to approve the Council meeting minutes of September 20, 2021. Vote on the motion Norland, Whitlock, and Dehen aye; no nays. Motion carried.

Approval of Council Work Session Minutes from September 27, 2021, Council Work Session.

Council Member Norland moved, seconded by Council Member Whitlock, to approve the Council Work Session Minutes of September 27, 2021. Vote on the motion Norland, Whitlock, and Dehen aye; no nays. Motion carried.

Approval of Council Work Session Minutes from October 11, 2021, Council Work Session.

Council Member Whitlock moved, seconded by Council Member Norland, to approve the Council Work Session Minutes of October 11, 2021. Vote on the motion Norland, Whitlock, and Dehen aye; no nays. Motion carried.

Approval of Council Work Session Minutes from October 25, 2021, Council Work Session.

Council Member Whitlock moved, seconded by Council Member Norland, to approve the Council Work Session Minutes of October 25, 2021. Vote on the motion Norland, Whitlock, and Dehen aye; no nays. Motion carried.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Res. No. 62-21 Accepting Donations/Contributions/Grants.
- C. Received and Approved the Recommendations from September 21, 2021, Traffic & Safety Committee Meeting.
- D. Approved Licenses for 169 roadhouse, LLC D/B/A 169 Roadhouse Bar and Grill at 1006 North River Drive for On-Sale Liquor, Sunday On-Sale Liquor, Soft Drink and Mechanical Amusement Device Application.
- E. Res. No. 63-21 Declaring Surplus Vehicles and Equipment.

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

Public Comments Concerning Business Items on the Agenda

None.

Business Items

Res. No. 64-21 Receiving Feasibility Report and Calling Hearing for Project No. 21-05 ABCDEF Lor Ray Drive Street and Utility Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Street and Utility Project.

City Engineer Dan Sarff appeared before Council and reviewed the two project areas. The reports were authorized by resolution on September 7, 2021. He first reviewed the Lor Ray Drive project. The Sanitary sewer improvements include extending and increasing the size of sanitary sewer to accommodate development in the area. Watermain improvements include extending watermain services to accommodate expansion in areas north of Somerset Lane and areas along Lor Ray Drive for future growth. There is no existing storm sewer on Lor Ray Drive within the project limits. The proposed street improvements include converting the existing rural roadway section to an urban street section with curb and gutter. The storm sewer improvements would include the construction of storm sewer ranging in size from 12 to 24 inches in diameter, construction of inlets at low points, and construction of new manholes. The proposed storm sewer improvements would only provide drainage for the street right-of-way. Future developments would have their storm sewers. The upgrades include stormwater ponds to meet the requirement of the NPDES permit and MS4 permit. Included in the project would be two new ponds designed to accommodate the stormwater runoff from future developments. Street and surface improvements include a 40-foot wide street with a curb and gutter on both sides. The proposed width would accommodate on-street parking, and the new street would be lowered to 2 to 4 feet to be at or below the grade of adjacent ground. An 8' wide concrete walk would be along the east side and an 8' wide trail along the west side. New street lights would be installed.

City Engineer Sarff reviewed the McKinley Avenue project. The Sanitary Sewer improvements include replacing the 65-year-old sanitary system with a new 8" PVC pipe, replacing maintenance holes. No improvements are needed to the existing 21" trunk sewer on Cross Street, which is planned for lining and manhole rehabilitation in the future. Watermain improvements include replacing the 65-year-old 6" cast iron pipes with 8" PVC watermain pipes, installing new hydrants and valves, and replacing existing service lines with 1" diameter plastic piping within the street right-of-way. It will be the property owner's responsibility to replace the service line from ROW to their house if necessary. New auto-reading water meters will also be installed. Storm Sewer improvements include constructing a storm sewer system with 12" to 18" in diameter pipes connecting to the existing storm sewer at Sherman Street and Center Street. The system will be designed to accommodate a 10-year runoff. Street and surface improvements includes reconstruction of the existing street with new pavement and curb and gutter at a 31' width from Sherman to Cross and a 32' width from Cross to Range. The width will continue to allow parking on both sides. The project also includes new street lights. The current sidewalk system includes sidewalk from Center Street to Cross Street on the south side except for approximately 80 feet at the westerly end. There is also sidewalk on the north side except for approximately 200 feet at the westerly end of Cross Street to Range Street has sidewalk on the south side but no sidewalk on most of the north side except for several short unconnected segments. Most of the sidewalks are 5' wide. City Engineer Sarff reported the Future Sidewalk System Development Map, which was included in the Complete Streets Plan adopted by Council in 2016, includes a sidewalk on both sides of McKinley from Sherman Street to Range Street. City Administrator Harrenstein noted this is not based on the Safe Routes to School recommendation. It is a

part of a plan adopted by the Council. City Engineer Sarff reported he did not need to know until November 15, 2021, if the sidewalks should be included in the plan. City Engineer Sarff reviewed the trees existing on McKinley Avenue and reported that all but one of the 11 trees in the right-of-way are recommended for removal due to deficiencies and that 7 of the trees are Ash trees.

City Engineer Sarff reviewed the pedestrian and bicycle accommodations proposed along Lor Ray Drive. Pedestrian access includes the construction of an accessible 8' wide sidewalk on the east side of the street conforming to the City's Complete Streets guidelines for pedestrians access. On McKinley, the proposal is to improve existing sidewalks on a portion of McKinley Avenue, including a new sidewalk on both sides of the street from Sherman Street to Range Street. Bicycle accommodations on Lor Ray Drive include construction of an accessible 8' wide trail on the west side of the street conforming with the City's Complete Streets Guide for bicycle access. No bicycle recommendations were made for McKinley.

City Engineer Sarff reviewed the proposed estimates and funding for the projects. The Lor Ray Drive Project total estimate is \$3,690,000 with the financing of \$1,016,000 from the Coronavirus Relief Fund, \$575,000 from Local Road Improvement Program (LRIP) Funds, \$325,000 from Municipal State Aid Advance, and \$1,774,000 in Special Assessments and Bonds. McKinley Avenue's total estimated project cost is \$1,675,000 with funding of \$184,000 from the Coronavirus Relief Fund and \$1,491,000 from Special Assessments and Bonds. Mayor Dehen requested clarification on if the plan is to create a City streetscape on Lor Ray Drive. City Engineer Sarff confirmed that was the plan.

City Engineer Sarff reviewed the Assessment policy. He noted that the City's assessment policy states 100% of the sanitary sewer and water services is assessable. The balance of the project costs would be 40% assessable to residents, and the remaining 60% is City cost. The calculated McKinley Avenue assessments were approximately \$5,500 to roughly \$23,100. City staff is recommending capping the assessment to \$7,500 per lot for McKinley Avenue. A neighborhood meeting is planned for November 8th at 5:00 pm. City Engineer Sarff reported the Lor Ray Drive assessments would follow the same policy, and Finance Director McCann will plan to speak directly with the landowners affected by that project.

City Engineer Sarff reviewed the proposed schedule noting the improvement hearing will be held on November 15, 2021, the bid opening is scheduled for March 1, 2022, the assessment hearing on April 4, 2022, with construction beginning in early May and concluding in late October or early November.

Council Member Whitlock asked if there were plans to connect the trail from Lor Ray Drive just past St. Johns Court. If the path was connected there, it would head west and would line up with Fairbanks Drive. The path would also line up with Benson Park improving connectivity. City Engineer Sarff stated that it was not currently identified, but it would be good to look into the connection.

Council Member Norland requested clarification on water quality and the materials used in the drinking water. City Engineer Sarff stated the plastic is all bound and would not release PFAs. Council Member Norland requested clarification on the geotextile fabric. City Engineer Sarff reported it was a non-degradable fabric used to stabilize under the ground under a roadway.

Mayor Dehen requested consideration of traffic calming on Lor Ray Drive as he noted the area currently has areas of high rates of speed due to its structure. City Engineer Sarff reported they would consider ways to calm the traffic, but the width would be needed for community development. Mayor Dehen requested information on the current rate of I&I with the work completed on the presidents' row. City Engineer Sarff reported those numbers could be reviewed and provided to Council.

Council Member Norland moved, seconded by Council Member Whitlock, to Adopt Res. No. 64-21 Receiving Feasibility Report and Calling Hearing for Project No. 21-05 ABCDEF Lor Ray Drive Street and Utility Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Street and Utility Project. Vote on the motion Norland, Whitlock, and Dehen aye; no nays. Motion carried.

Res. No. 65-21 Providing for the Issuance and Sale of \$2,675,000 General Obligation Refunding Bonds, Series 2021C. Pledging for the Security Thereof Net Revenue, Tax Abatements, Special Assessments, and Levying a Tax for the Payment Thereof.

Bond Counsel Jessica Green from Northland Securities appeared before Council and reported the proceeds from the Bonds will be used to current refund the City's General Obligation Improvement Bonds, Series 2010A, and the City's General Obligation Bonds, Series 2014A. The Bonds have been structured to result in relatively level annual debt service savings over the life of each refunding portion of the Bonds and will preserve the original structure of the 2010A and 2014A Bonds. The GO Bonds will be payable from special assessments against benefitted properties, water and sewer utility revenues, abatement levies, and ad valorem taxes. The sale of the bonds was competitive with three bids, and the bonds were underwritten by Raymond James & Associates of St. Petersburg, Florida. The plan's savings were more significant than anticipated, with an All Inclusive Cost of 1.41% and a True Interest Cost of .98%. A total of \$99,159 will be saved on the 2010A Bonds, and \$126,628 will be saved on the 2014A Bonds.

Council Member Norland moved, seconded by Council Member Whitlock, to Adopt Res. No. 65-21 Providing for the Issuance and Sale of \$2,675,000 General Obligation Refunding Bonds, Series 2021C. Pledging for the Security Thereof Net Revenue, Tax Abatements, Special Assessments, and Levying a Tax for the Payment Thereof. Vote on the motion Norland, Whitlock, and Dehen aye; no nays. Motion carried.

City Administrator and Staff Comments

City Administrator Harrenstein reported Caswell Sports received the "James Farrell Award of Excellence" at last week's USA Softball National Council Meeting for the 5th straight year. Caswell was also awarded two national tournaments for 2023. This means Caswell will welcome teams from all 50 states in the summer of 2023.

City Administrator Harrenstein reported the Library's Trunk or Treat had a great turnout with 17 vehicles/trunks and around 1,600 trick-or-treaters. The library will kick off the Holiday Sharing Tree on Wednesday, November 10th.

City Administrator Harrenstein reported leaf collection continues. Well #6 rehab project continues at Water Plant #1. The Marvin lift station pump and controls project is being completed this week. Please dispose of pumpkins at the City's compost site at 600 Webster Avenue.

City Administrator Harrenstein reported City Hall and the Taylor Library will be closed on November 11, 2021, in observance of Veterans Day.

Mayor and Council Comments

Council Member Norland reminded residents to rake their leaves to the curb but not in the gutter to help provide walking space for walkers.

Council Member Norland noted it is Native Heritage Month.

Mayor Dehen reported he partook in a Kato Towns Compassionate Charter ceremony with Mankato and NicBluCares representatives.

Mayor Dehen congratulated and welcomed Dillon Brashear to the North Mankato Police Department.

At 7:56 pm, on a motion by Council Member Norland, seconded by Council Member Whitlock, the Council Meeting adjourned to a closed session to discuss active litigation concerning Borchardt's litigation.

At 8:18 pm, the Council Meeting resumed. Mayor Dehen reported the Council discussed the active litigation with the Borchardt's and determined to respect the Court of Appeals order and take no additional action.

At 8:20 pm, on a motion by Council Member Whitlock, seconded by Council Member Norland, the Council Meeting was adjourned.

Mayor

City Clerk

COUNCIL WORK SESSION NOVEMBER 8, 2021

Pursuant to due call and notice thereof, a Council Work Session of the North Mankato City Council was held in front of City Hall on a tour bus on November 8, 2021. Mayor Dehen called the meeting to order at 12:00 pm. The following were present for roll call: Council Members Norland, Whitlock, Steiner, Mayor Dehen, City Administrator Harrenstein, Finance Director McCann, Public Works Director Host, City Engineer Sarff, and City Clerk Van Genderen. Absent: Council Member Oachs.

Receive Information on Dem-Con Waste & Recycling Management Contract Renewal.

Finance Director McCann reported that the three-year contract with Dem-Con is through March of 2022. Still, the City must give a 90-day notice to Dem-Con concerning the City's intent to continue the contract with the one-year renewal option, negotiate a new 3-year contract or terminate the agreement. If the City determines to continue with the one-year renewal option, there would be an annual increase of \$1.00 tipping fee. The average tipping fee per month for 2021 is \$8,264, with an average current monthly rebate of \$11,130. The City receives a rebate based on the recycling of materials, and in 2021 the City has currently received rebates totaling \$25,784. Finance Director McCann reported that since entering into the contract with Dem-Con, the City had experienced a significant decrease in their disposal contract spending. In 2019, the City spent \$56,787 to Dem-Con for the tipping fee and \$44,000 for the West Central Sanitation transfer fee. In 2020, the City spent \$38,318 for the tipping fee and \$42,433 for the transfer fee. Finance Director McCann reported if the City continued with Dem-Con future projections based on historical average estimates and rebates holding steady, 2022 would amount to the total spending of \$34,670, 2023 would have a total cost of \$43,287, and 2024 would come in at \$52,457. Finance Director McCann reported that one option would be to consider going to Eureka Recycling in Minneapolis, with West Central providing the transportation. He reported a one-year contract with Dem-Con would allow the City to have the flexibility to switch processors if desired. Still, there would be a price change exposure annually and the need to revisit the contract every year. The three-year contract would guarantee pricing and rates, which helps the City budget.

Council Member Whitlock requested the City contact Eureka Recycling in Minneapolis for a quote. Council Member Norland also liked the idea of additional information. Mayor Dehen stated he likes the staff's recommendation but would like to contact Eureka to ensure the City is taking the best option. Mayor Dehen requested a comparison of waste tonnage since changing to single-stream recycling. City Administrator Harrenstein reported staff would contact Eureka and provide the City's waste tonnage.

Tour of 2022 Improvement Projects

City Administrator Harrenstein reported the tour allows the City Council to jointly review the McKinley Avenue project and consider if sidewalks should be considered in the plan. City Engineer Sarff reported in 2016 the North Mankato City Council adopted the Complete Streets Plan, which included sidewalk guidelines. McKinley Avenue is included in the plan with proposed sidewalks. City Engineer Sarff reported McKinley Avenue is 31 feet to 34 feet wide, and the current plan is to make the street consistent at 32 feet. The wider road creates a narrower boulevard if sidewalks are installed. He commented that the sidewalks that have been installed in similar reconstructions are 5 feet wide. City Engineer Sarff reported that a number of trees would need to be removed to install the sidewalk, based on their location.

COUNCIL WORK SESSION NOVEMBER 8, 2021

The tour went down Jefferson Avenue, Tyler Avenue, and Harrison Avenue, all recent reconstructions. A discussion was held that all the reconstructions had included sidewalks on both sides of the street. Mayor Dehen commented that sidewalks should be included to maintain consistency and provide pedestrian mobility. Council Member Whitlock commented on the swim facility, located at the end of McKinley Avenue, that providing pedestrian mobility and access to the park would be an asset.

The tour traveled down Garfield Avenue, which is on the CIP for reconstruction. Comments were made that the curb and gutter would need to be installed along with a storm sewer system. City Administrator Harrenstein commented that Page Avenue and Grant Avenue are also on the CIP for outlying years. Public Works Director Host commented that the pavement on Page Avenue is not in too bad of condition. Still, there have been multiple issues with the underground utilities with water main and sewer main breaks.

The tour traveled to the upper north through Nottingham Drive, which was overlayed in 2020, along with stormwater improvements which included connecting 15 sump pumps. Public Works Director Host also commented that the City has been working with both BENCO and Excel to change the street lights to LED. He noted other streets are set for mill and overlay, including Nottingham Drive and Queens Court.

The tour traveled on Howard Drive, to the recently completed Countryside Drive, and then onto North River Drive. City Engineer Sarff reported the reconstruction project includes the construction of a 40-foot-wide bituminous street with a concrete curb and gutter on both sides and adjusting the grade to the adjacent ground. The project also consists of an 8ft wide path on the west side and a 5-foot-wide sidewalk on the east side of the road. A discussion was held about the trail and connecting the trail directly with Benson Park.

Somerset Drive was discussed as it is currently a gravel road; the road will be used for construction access for Lor Ray Drive and is in the 2023 plans for a complete improvement. The tour traveled through the North Port Industrial Park, and discussion was held concerning the wetlands in the area, the use of Port Authority property for a concrete batch plant that the City received compensation for the land, and that the Fastenal Project is currently on hold as the bids for the project came in over 50%. Hence, the Port extended the purchase agreement deadline to the end of 2021.

The tour stopped by the top of the Old Belgrade Hill to see where the utility access trail ends and discuss the possibility of making the utility access trail a recreational use trail.

Council Member Norland moved, seconded by Council Member Steiner, to adjourn the Council Work Session at 1:18 pm.

Mayor

City Clerk

NOTICE OF PUBLIC HEARING
PROJECT NO. 21-05 ABCDEF LORRAY DRIVE IMPROVEMENT PROJECT AND
PROJECT NO. 21-06 ABCDEF MCKINLEY AVENUE IMPROVEMENT PROJECT

Notice is hereby given that the City Council of North Mankato will meet in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, at 7:00 pm on November 15, 2021, to consider the making of Project No. 21-05 ABCDEF LorRay Drive Improvement Project and Project 21-06 ABCDEF McKinley Avenue Improvement Project pursuant to Minn. Stat. §§ 429.011 to 429.111. Such improvements include sanitary sewer improvements, watermain improvements, storm sewer improvements, street improvements, sidewalk/trail improvements, street lighting, turf establishment/erosion control, and other related improvements. The areas proposed to be assessed for such improvements are areas adjacent to or otherwise benefitting from the improvements. The estimated cost of the improvements is \$3,690,000 for Project No. 21-05 ABCDEF LorRay Drive Improvement Project and \$1,675,000 for Project No. 21-06 ABCDEF McKinley Avenue Improvement Project. A reasonable estimate of the impact of the assessment will be available at the hearing. Such persons as desire to be heard with reference to the proposed improvement will be heard at this meeting.

/s/April Van Genderen
City Clerk

Published in the Free Press on November 5th and November 12th , 2021.

Improvement Hearing Presentation



Lor Ray Drive Street & Utility Improvement Project
City Project No. 21-05 ABCDEF



McKinley Avenue Street & Utility Improvement Project
City Project No. 21-06 ABCDEF



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Project Location/Background



- Project Areas:
 - Lor Ray Drive from a point approximately 350 feet north of White Oak Drive to Somerset Lane
 - McKinley Avenue from Sherman Street to Range Street
- Included in City's Capital Improvement Plan for 2022
- Preliminary Engineering Report authorized by Council on September 7th
- Preliminary Engineering Report presented to the City Council on November 1



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2

Lor Ray Drive - Sanitary Sewer



- Existing Conditions:
 - Existing 15-inch diameter sanitary sewer on Lor Ray Drive south of the project area constructed in 2007 - flows to the 27-inch trunk sanitary sewer on Countryside Drive
 - Lift station was constructed at the intersection of Lor Ray Drive and Lexington Lane in 2007 – designed to serve The Reserve Subdivision and surrounding undeveloped areas
 - Forcemain from the lift station runs along Lor Ray Drive to existing 15-inch sanitary sewer
 - There is no existing gravity sanitary sewer on Lor Ray Drive within the project limits
- Proposed Improvements:
 - Extend 8" diameter sanitary sewer from lift station, south along Lor Ray Drive to a point approximately 1000 feet north of White Oak Drive – will serve the currently undeveloped properties adjacent to Lor Ray Drive
 - Extend 12" diameter sanitary sewer from lift station, north along Lor Ray Drive to Somerset Lane – will serve the future development areas to the west of Lor Ray Drive and north of Somerset Lane.
 - Extend 8" diameter sanitary sewer stubs at appropriate locations for future extension into development areas adjacent to Lor Ray Drive.



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Lor Ray Drive - Watermain



- Existing Conditions:
 - Existing 12" diameter PVC watermain constructed along Lor Ray Drive in 2007 to serve the Reserve Subdivision – ends at Lexington Lane
 - Mainline valves and hydrants were also installed with the watermain in 2007
- Proposed Improvements:
 - Location & depth of the watermain, valves and hydrants installed in 2007 designed to fit with the future urban street design
 - No mainline watermain improvements are required south of Lexington Lane
 - Extend 12" diameter PVC watermain along Lor Ray Drive from Lexington Lane to Somerset Lane - will provide service to future development areas adjacent to Lor Ray Drive and north of Somerset Lane
 - Extend 8" diameter watermain stubs at appropriate locations for future extension into development areas adjacent to Lor Ray Drive



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Lor Ray Drive - Storm Sewer



- Existing Conditions:
 - No existing storm sewer on Lor Ray Drive within project limits
 - Drainage for existing roadway provided by ditches and culverts
- Proposed Improvements:
 - Proposed street improvements include converting existing rural roadway section to an urban street section with curb and gutter - storm sewer improvements are required for the urban street section
 - Proposed storm sewer improvements:
 - Construction of storm sewer ranging in size from 12 to 24 inches in diameter
 - Construct inlets at low points and at intermediate points along the new curb
 - Construct new manholes at appropriate intervals to provide access for maintenance and cleaning
 - Proposed storm sewer improvements would only provide drainage for the street right-of-way – future developments would have their own storm sewer systems



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Lor Ray Drive - Storm Sewer



- Proposed stormwater ponds:
 - Storm water management ponds necessary to meet the requirements of the NPDES permit and MS4 Permit
 - Two new ponds proposed at head of ravines east of Lor Ray Drive:
 - Approximately 1200 feet north of White Oak Drive
 - Approximately 2500 feet north of White Oak Drive
 - Proposed storm sewers would flow from both directions along Lor Ray Drive to the proposed ponds
 - Ponds would be designed to accommodate the stormwater runoff from the future developments along the east side of Lor Ray Drive
 - Storm sewer carrying the discharge from the storm water ponds be extended to the bottom of the ravine at each location
 - Existing pond in the Reserve Subdivision designed to accommodate the storm water runoff from northerly segment of Lor Ray Drive



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Lor Ray Drive - Street and Surface



○ Existing Conditions:

- Street surface approx. 22 feet wide with bituminous surface
- Drainage provided with ditches and culverts
- Roadway is generally in the center of existing 66-foot-wide ROW
- Existing street unsafe for vehicular, pedestrian and bicycle traffic:
 - Narrow width with no shoulders
 - Poor pavement condition
 - Lack of pedestrian/bike facilities



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Lor Ray Drive - Street and Surface Improvements



- Proposed street:
 - 40-foot-wide bituminous street with concrete curb and gutter on both sides
 - Provides for one traffic lane in each direction and a shoulder area adjacent to each curb
 - Proposed width would accommodate on-street parking on one side or left turn lanes at selected locations if required in the future
 - New street would be lowered 2 to 4 feet - top curb at or below grade of adjacent ground
- 8' wide concrete walk along the east side
- 8' wide bituminous trail along the west side
- Proposed pavement section
 - 4 inches bituminous surfacing
 - 15 inches aggregate base class 6
 - Geogrid (if required)
 - Subsurface drains on both sides
- New street lights
- Restore all disturbed turf areas with seed
- Existing 66-foot ROW adequate for proposed improvements



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McKinley Avenue - Sanitary Sewer



- Existing Conditions:
 - Existing sanitary sewer system over 65 years old
 - Existing 8" clay pipe
 - Less than minimum slope
 - Tree roots, offset joints, evidence of groundwater infiltration
- Proposed Improvements
 - New 8" PVC pipe with watertight joints
 - Replace manholes with new precast concrete manholes:
 - New castings
 - Water-tight joints in manhole sections
 - Replace existing services from sewer main to ROW with new
 - Property owner's responsibility to replace service line from ROW to house if deficient
 - No improvements to existing 21" trunk sewer on Cross Street – lining and manhole rehabilitation in future



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McKinley Avenue - Watermain



- Existing Conditions:
 - Existing watermain system over 65 years old
 - 6" cast iron pipe
 - No significant history of breaks, but beyond expected design life
 - Services – copper or galvanized
- Proposed Improvements:
 - New 8" PVC watermain pipe
 - Install new hydrants & valves at appropriate locations and spacing
 - Replace existing service lines within street right-of-way with 1" diameter plastic piping
 - Property owner's responsibility to replace service line from ROW to house if deficient
 - New auto-reading water meters will be installed on all residences



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McKinley Avenue - Storm Sewer



- Existing Conditions:
 - Existing storm sewer and catch basins at Sherman Street and Center Street intersections
 - No existing storm sewer on McKinley Avenue
 - Slope in existing gutters is less than desirable and settlement of curb and street – results in isolated ponding
- Proposed Improvements
 - Construct new inlets and manholes at all intersections and at mid-block locations
 - New storm sewer pipes - 12" to 18" in diameter
 - Connect to existing storm sewer at Sherman Street and Center Street
 - Systems to be designed to accommodate 10-year design runoff
 - Provide outlets for sump pumps in front yard area where required



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McKinley Avenue - Street and Surface



- Existing:
 - Over 65 years old
 - Existing bituminous (blacktop) street with curb and gutter both sides
 - Bituminous pavement and curb in fair to poor condition
 - Existing street width:
 - Approx. 31' to 34' feet wide from Sherman Street to Cross Street
 - Approx. 34' feet wide from Cross Street to Range Street
- Proposed:
 - Reconstruct existing street with new bituminous pavement and curb and gutter
 - Proposed width:
 - Sherman to Cross – 31'
 - Cross to Range – 32'
 - Continue to allow parking on both sides
 - New concrete driveway aprons
 - Proposed pavement section
 - 4 inches bituminous surfacing
 - 15 inches aggregate base
 - Geogrid (if required)
 - Perforated subsurface drains on both sides of street
 - New street lights
 - Restore all disturbed residential turf areas with seed



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McKinley Avenue - Sidewalk



- Existing:
 - Sherman Street to Center Street: no sidewalk on either side of the street
 - Center Street to Cross Street: sidewalk on south side except for approximately 80 feet at the westerly end; sidewalk on the north side except for approximately 200 feet at westerly end
 - Cross Street to Range Street: sidewalk on the south side; no sidewalk on most of the north side, except for several short, unconnected segments
 - Most of sidewalks are 5' wide
 - Some of sidewalk has been replaced recently – good condition
 - Older sidewalk in poor condition
- Proposed:
 - Future Sidewalk System Development Map included in Complete Streets Plan adopted by the City Council in 2016
 - Sidewalk on both sides of McKinley from Sherman Street to Range Street proposed based on recommendations in Future Sidewalk System Development Map



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Future Sidewalk System Development Plan - 2016



Future Sidewalk System Development Map



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McKinley Avenue – Proposed Street Improvements



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McKinley Avenue – Trees in Right of Way



- 11 existing trees within the right of way on McKinley Avenue
- Many trees are very large and in some cases the base of the trunks fills the entire boulevard area
- Many of the existing sidewalk deficiencies are being caused by tree roots
- Removal of most, if not all, of the existing trees is recommended
- Property owners will be offered new trees to replace those removed – to be installed behind sidewalk



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McKinley Avenue Trees



McKinley Avenue Trees

Address	Species	Size	Proposed Action	Comments
309 McKinley Ave.	Linden	22"	Remove	Too close to curb; too large for boulevard
309 McKinley Ave.	Linden	26"	Remove	Too close to curb; too large for boulevard
325 McKinley Ave.	Ash	26"	Remove	Remove all ash trees
325 McKinley Ave.	Ash	30"	Remove	Remove all ash trees
331 McKinley Ave.	Ash	36"	Remove	Remove all ash trees
942 Center Street	Maple	15"	Remove	Too large for boulevard
942 Center Street	Maple	21"	Remove	Too large for boulevard
942 Center Street	Maple	15"	Remove	Too large for boulevard
401 McKinley Ave.	Hackberry	42"	Remove	Too close to curb; too large for boulevard
401 McKinley Ave.	Hackberry	30"	Remove	Too close to curb; too large for boulevard
415 McKinley Ave.	Maple	12"	Remove	Tree is split on the house side

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Pedestrian and Bicycle Accommodations



- North Mankato City Council adopted Complete Streets Policy in 2016:
 - Pedestrian and bicycle travel to be considered in preliminary design stage on street reconstruction projects
 - Pedestrian accommodations - sidewalks (one side or both sides) or off-street multi-use trails
 - Bicycle accommodations - designated on-street bike lanes, shared driving/bicycle lanes, or off-street multi-use trails
- Pedestrian Accommodations:
 - Lor Ray Drive - Construction of accessible 8' wide sidewalk on east side of the street conforms to the City's Complete Streets guidelines for pedestrian access
 - McKinley Avenue:
 - Existing sidewalks on portions of McKinley Avenue
 - New sidewalk are proposed on both sides of street from Sherman Street to Range Street
 - Sidewalks to be constructed to meet ADA standards for accessibility
 - Construction of accessible sidewalks on both sides of the street conforms to the City's Complete Streets guidelines for pedestrian access
- Bicycle Accommodations:
 - Lor Ray Drive - Construction of accessible 8' wide trail on west side of the street conforms to the City's Complete Streets guidelines for bicycle access
 - McKinley Avenue:
 - Not on existing or proposed designated bicycle system routes
 - Narrow width of the right-of-way and the narrow street width
 - Parking on both sides
 - Addition of on street or off-street bicycle lanes is not recommended with this project



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Estimated Project Costs & Proposed Funding



Item	Lor Ray Drive	McKinley Avenue
Sanitary Sewer	\$255,000	\$229,000
Watermain	\$94,000	\$318,000
Storm Sewer	\$667,000	\$185,000
Street and Surface Improvements	\$2,674,000	\$943,000
TOTAL:	\$3,690,000	\$1,675,000
Coronavirus Relief Fund	\$1,016,000	\$184,000
Local Road Improvement Program (LRIP) Funds	\$575,000	\$0
Municipal State Aid Advance	\$325,000	\$0
Special Assessments/Bonds	\$1,774,000	\$1,491,000

Estimated costs include allowances for contingencies, administrative, engineering and financing costs



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Assessments – McKinley Avenue



- Assessment policy:
 - Sanitary Sewer and Water Services– 100% Assessable
 - Balance of Project Costs (Street Reconstruction, Sanitary Sewer, Watermain, Storm Sewer, Street Lights) – 40% Assessable, 60% City Cost
- Assessment Rates based on Estimated Project Costs:
 - Sanitary Sewer Main Line (40%): \$1,170 per connection
 - Sanitary Sewer Services (100%): \$1,480 per connection
 - Watermain Mainline (40%): \$1,620 per connection
 - Water Services (100%): \$2,060 per connection
 - Street & Surface/Storm Sewer/Street Lights (40%): \$136 per foot
- Calculated assessments: approx. \$5,500 to approx. \$23,100
- Assessment Cap:
 - Avg. assessable lot width is 58' – approx. same as on recent projects in lower North Mankato
 - Assessment cap for 2021 street and utility reconstruction projects = \$7,500
 - Recommend that Council consider assessment cap of \$7,500/lot for McKinley Avenue



20

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Assessments – Lor Ray Drive



- Finance Director McCann reviewing assessments and project financing
- Assessments will be based on assessment policy considering:
 - Reconstruction of existing street
 - Construction of new utilities to provide service to future development areas



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Assessment Process



- Actual assessment amount for each property will be provided in mailed notice – approximately two weeks before assessment hearing (April)
- Property outside City Limits - Assessments will be deferred until property is brought into the City
- Property within City Limits:
 - Assessments can be pre-paid with no interest
 - Prepayment date will be provided in assessment hearing notice - typically in November
 - Reminder will be sent approx. 30 days prior to deadline for pre-payment
 - If not pre-paid, assessments will be certified to County auditor and will be added to property tax statement starting in 2022:
 - Equal annual payments
 - Payment period - typically 15 years
 - Interest rate will be set by the Council based on borrowing rate
 - Remaining principal & accrued interest can be prepaid (partially or in full) in future years with no penalty
- Additional information will be provided in assessment notice



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Proposed Schedule



Date	Task
November 1, 2021	Resolution Receiving Report and Calling for Hearing on Improvements
Week of November 8	Neighborhood Meetings
November 15, 2021	Improvement Hearing
March 1, 2022	Open Bids
April 4, 2022	Assessment Hearing, Resolution Adopting Assessment and Resolution Awarding Contract
Early May	Begin Construction (Approx.)
Late October/Early November	End Construction (Approx.)



23

23

Construction Issues/Questions



- Approximate construction duration:
- Construction access
- Maintenance of water and sewer service
- Garbage and recycling during construction
- Mail service during construction
- Construction communications



24

24

The image shows a presentation slide. At the top, there is a dark blue header bar. On the left side of this bar, the text "Questions/Discussion" is written in white. On the right side, the "NORTH MANKATO MINNESOTA" logo is displayed, featuring the text in blue and green with a stylized green leaf icon. The main area of the slide is a large white rectangle. At the bottom, there is a dark blue footer bar. On the right side of this bar, the "BOLTON & MENK" logo is shown, which includes a circular icon with a stylized 'M' and the text "BOLTON & MENK" in bold, with the tagline "Real People. Real Solutions." underneath. The number "25" is visible in the bottom right corner of the footer bar.



City of North Mankato, MN

Claims List - Regular

By Vendor Name

Date Range: 11-15-21

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
00029	AG SPRAY EQUIPMENT	11/15/2021	Regular	0	206.69	94992
03655	ARAMARK	11/15/2021	Regular	0	370.80	94993
00163	BLUE VALLEY SOD, INC.	11/15/2021	Regular	0	1,440.40	94994
00228	CARR'S TREE SERVICE	11/15/2021	Regular	0	4,800.00	94995
00233	CEMSTONE PRODUCTS COMPANY	11/15/2021	Regular	0	52.62	94996
03653	CERVANTES, ELDON	11/05/2021	Regular	0	480.00	94988
02757	CINTAS	11/15/2021	Regular	0	180.44	94997
00255	CITY OF MANKATO	11/15/2021	Regular	0	144,154.22	94998
00364	DRUMMER'S GARDEN CENTER & FLORAL	11/15/2021	Regular	0	209.94	94999
00392	ENERGY SALES, INC.	11/15/2021	Regular	0	510.00	95000
00401	EXPRESS SERVICES, INC.	11/15/2021	Regular	0	491.61	95001
00409	FERGUSON ENTERPRISES, INC	11/15/2021	Regular	0	5,187.13	95002
03659	FRIESEN, TONY	11/15/2021	Regular	0	20.00	95003
02774	FURTHER	11/09/2021	Regular	0	2,496.44	94991
00468	GALLS, LLC	11/15/2021	Regular	0	301.49	95004
00528	HANSEN SANITATION INC	11/15/2021	Regular	0	2,372.60	95005
00561	HILLTOP FLORIST & GREENHOUSE	11/15/2021	Regular	0	10.00	95006
00627	JACKSON-HIRSH, INC	11/15/2021	Regular	0	67.81	95007
00707	KOBEROSKI, JOE	11/15/2021	Regular	0	3,500.00	95008
00800	MADDEN, GALANTER, HANSEN, LLP	11/15/2021	Regular	0	1,325.16	95009
02898	MARTIN-MCALLISTER	11/15/2021	Regular	0	300.00	95010
00847	MATHESON TRI-GAS, INC.	11/15/2021	Regular	0	385.97	95011
00875	METRO SALES, INC.	11/15/2021	Regular	0	120.00	95012
02496	MINNESOTA SOFTBALL	11/15/2021	Regular	0	344.00	95013
01036	NICOLLET COUNTY RECORDER/ABSTRACTER	11/15/2021	Regular	0	184.00	95014
02060	NORTHERN COMFORT	11/15/2021	Regular	0	100.00	95015
02773	PATEK HOSPITALITY CONSULTANTS, INC.	11/15/2021	Regular	0	2,500.00	95016
03660	PEACE, BOB	11/15/2021	Regular	0	100.00	95017
01106	PETTY CASH	11/15/2021	Regular	0	111.64	95018
02956	PI SPORTS, LLC	11/15/2021	Regular	0	10,000.00	95019
02677	PIZZA RANCH	11/15/2021	Regular	0	525.89	95020
03169	PLEVA MECHANICAL INC.	11/15/2021	Regular	0	4,799.00	95021
01124	PONDEROSA LANDFILL OF BLUE EARTH CO, INC	11/15/2021	Regular	0	536.68	95022
02769	PRESENCE MAKER INC.	11/15/2021	Regular	0	708.00	95023
02931	REDEXIM TURF PRODUCTS	11/15/2021	Regular	0	1,229.28	95024
03563	SAFE-FAST, INC	11/15/2021	Regular	0	143.40	95025
03661	SPICE PARTNERS	11/15/2021	Regular	0	790.00	95026
01349	STONE & STEEL DESIGN, LLC	11/15/2021	Regular	0	155.52	95027
01352	STREICHER'S, INC	11/15/2021	Regular	0	1,506.94	95028
01354	SUBURBAN TIRE WHOLESALE, INC.	11/15/2021	Regular	0	1,179.36	95029
02052	SUBWAY	11/15/2021	Regular	0	346.72	95030
01414	TOWMASTER	11/15/2021	Regular	0	103.31	95031
02150	U.S. BANK	11/15/2021	Regular	0	500.00	95032
03662	VAN METER INC	11/15/2021	Regular	0	94.34	95033
03307	VINNIES MINN. SNO PENTICO ICE & MFG	11/15/2021	Regular	0	195.00	95034
02282	WARD EINESS STRATEGIES	11/15/2021	Regular	0	2,000.00	95035
01525	WEST CENTRAL SANITATION, INC.	11/15/2021	Regular	0	29,297.61	95036
00137	BENCO ELECTRIC COOPERATIVE	11/03/2021	Bank Draft	0	32,670.58	DFT0006084
00311	CULLIGAN (HEALTHY WATER SOLUTIONS LLC)	11/02/2021	Bank Draft	0	31.00	DFT0006078
00311	CULLIGAN (HEALTHY WATER SOLUTIONS LLC)	11/02/2021	Bank Draft	0	31.00	DFT0006079
03248	FREDRIKSON & BYRON, P.A.	11/09/2021	Bank Draft	0	188.00	DFT0006106
03248	FREDRIKSON & BYRON, P.A.	11/09/2021	Bank Draft	0	640.00	DFT0006107
00447	FREE PRESS	11/02/2021	Bank Draft	0	1,250.00	DFT0006080
00465	GALE/CENGAGE LEARNING	11/03/2021	Bank Draft	0	196.74	DFT0006085
00608	INGRAM LIBRARY SERVICES	11/10/2021	Bank Draft	0	3,443.61	DFT0006110
00733	LAKES GAS CO #10	10/29/2021	Bank Draft	0	116.24	DFT0006075
00910	MINNESOTA VALLEY TESTING LAB, INC.	10/28/2021	Bank Draft	0	123.50	DFT0006072

00910	MINNESOTA VALLEY TESTING LAB, INC.	10/29/2021	Bank Draft	0	104.50	DFT0006076
00910	MINNESOTA VALLEY TESTING LAB, INC.	11/02/2021	Bank Draft	0	72.00	DFT0006082
00910	MINNESOTA VALLEY TESTING LAB, INC.	11/04/2021	Bank Draft	0	61.75	DFT0006102
00910	MINNESOTA VALLEY TESTING LAB, INC.	11/05/2021	Bank Draft	0	185.25	DFT0006103
01335	STAPLES ADVANTAGE	10/29/2021	Bank Draft	0	81.08	DFT0006074
01335	STAPLES ADVANTAGE	11/04/2021	Bank Draft	0	59.09	DFT0006101
01338	STATE CHEMICAL SOLUTIONS	11/10/2021	Bank Draft	0	104.40	DFT0006111
03254	TAFT	11/10/2021	Bank Draft	0	3,276.50	DFT0006112
01470	VERIZON WIRELESS	11/10/2021	Bank Draft	0	927.48	DFT0006109
01525	WEST CENTRAL SANITATION, INC.	11/09/2021	Bank Draft	0	15,927.25	DFT0006108
03221	ZIBSTER	10/27/2021	Bank Draft	0	31.00	DFT0006071
00016	ADAMS, NICOLE	11/17/2021	EFT	0	170.36	4556
01090	AMERICAN SOLUTIONS FOR BUSINESS	11/17/2021	EFT	0	2,985.93	4557
00105	AUTO VALUE MANKATO	11/17/2021	EFT	0	8.42	4558
03657	BATI, GUTUU	11/17/2021	EFT	0	360.00	4559
00123	BATTERIES+BULBS	11/17/2021	EFT	0	10.70	4560
00172	BOHRER, TOM	11/17/2021	EFT	0	55.84	4561
00216	C & S SUPPLY CO, INC.	11/17/2021	EFT	0	279.77	4562
02706	CORE & MAIN LP	11/17/2021	EFT	0	595.99	4563
00310	CRYSTEEL TRUCK EQUIPMENT, INC	11/17/2021	EFT	0	33.43	4564
03076	FREYBERG MANAGEMENT	11/17/2021	EFT	0	99.43	4565
00463	G & L AUTO SUPPLY, LLC	11/17/2021	EFT	0	62.00	4566
03656	GLOGOWSKI, BENJAMIN	11/17/2021	EFT	0	160.00	4567
00482	GMS INDUSTRIAL SUPPLIES, INC.	11/17/2021	EFT	0	218.95	4568
00494	GOPHER STATE ONE-CALL	11/17/2021	EFT	0	384.75	4569
00538	HAWKINS, INC.	11/17/2021	EFT	0	3,744.76	4570
00680	J.J. KELLER & ASSOCIATES, INC.	11/17/2021	EFT	0	665.60	4571
00691	KENNEDY & KENNEDY LAW OFFICE	11/17/2021	EFT	0	9,161.90	4572
03271	LARSON, MATTHEW	11/17/2021	EFT	0	96.98	4573
00767	LIME VALLEY ADVERTISING, INC.	11/17/2021	EFT	0	100.00	4574
00776	LLOYD LUMBER CO.	11/17/2021	EFT	0	325.54	4575
00797	MAC TOOLS DISTRIBUTOR	11/17/2021	EFT	0	406.97	4576
02644	MACQUEEN EMERGENCY GROUP	11/17/2021	EFT	0	239.88	4577
00889	MIDWEST TAPE/HOOPLA	11/17/2021	EFT	0	954.53	4578
02532	MIKE'S EMERGENCY VEHICLE INSTALLATIONS I	11/17/2021	EFT	0	3,900.37	4579
00902	MINNESOTA IRON & METAL CO	11/17/2021	EFT	0	182.55	4580
00997	MTI DISTRIBUTING CO	11/17/2021	EFT	0	455.06	4581
01052	NORTH CENTRAL INTERNATIONAL	11/17/2021	EFT	0	2,006.59	4582
03160	NOVEL SOLAR THREE LLC (DBA GREEN STREET	11/17/2021	EFT	0	7,251.26	4583
02005	PANTHEON COMPUTERS	11/17/2021	EFT	0	9,021.57	4584
01402	POMPS TIRE	11/17/2021	EFT	0	2,641.26	4585
02747	RENT-N-SAVE	11/17/2021	EFT	0	510.00	4586
01211	RIVER BEND BUSINESS PRODUCTS	11/17/2021	EFT	0	422.15	4587
01281	SIGN PRO	11/17/2021	EFT	0	93.00	4588
01380	TEXAS REFINERY CORP.	11/17/2021	EFT	0	430.50	4589
01407	TOOL SALES COMPANY	11/17/2021	EFT	0	36.00	4590
03276	VITZTHUM, JACOB	11/17/2021	EFT	0	225.32	4591
01552	WW BLACKTOPPING, INC	11/17/2021	EFT	0	550.00	4592
00234	CENTER POINT ENERGY	10/29/2021	Bank Draft	0	1,611.13	DFT0006070
02003	MINNESOTA DEPT OF REVENUE	11/02/2021	Bank Draft	0	483.93	DFT0006081
02003	MINNESOTA DEPT OF REVENUE	11/05/2021	Bank Draft	0	31.49	DFT0006088
02003	MINNESOTA DEPT OF REVENUE	11/05/2021	Bank Draft	0	6,685.22	DFT0006096
02766	SPROUT SOCIAL	11/08/2021	Bank Draft	0	99.00	DFT0006100
01477	VIKING ELECTRIC SUPPLY, INC.	11/09/2021	Bank Draft	0	758.22	DFT0006115
01557	XCEL ENERGY	11/03/2021	Bank Draft	0	9,633.21	DFT0006086
					354,104.54	112

Authorization Signatures

All Council

The above manual and regular claims lists for 11-15-21 are approved by:

MARK DEHEN- MAYOR

DIANE NORLAND- COUNCIL MEMBER

WILLIAM STEINER- COUNCIL MEMBER

SANDRA OACHS- 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:

Donor	Restriction	Amount
Anonymous	Splash Pad Donation	\$150,000.00
Denise Drill	12x12 Paver	\$95.00
Total		\$150,095.00

Adopted by the City Council this 15th day of November 2021.

Mayor

City Clerk

Published in the Free Press November 24, 2021

NOTICE OF PUBLIC HEARING ON 2022 BUDGET
AND FIVE-YEAR CAPITAL IMPROVEMENT PLAN, 2022-2026
CITY OF NORTH MANKATO

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will meet in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota, at 7 p.m. on the 6th day of December 2021, to hold a public hearing to consider the City's proposed 2022 Budget and Five-Year Capital Improvement Plan, 2022-2026.

Such persons as desire to be heard with reference to the proposed 2022 Budget and Five-Year Capital Improvement Plan, 2022-2026 will be heard at this meeting. A copy of the 2022 Budget and Five-Year Capital Improvement Plan, 2022-2026 is available at the North Mankato Taylor Library at 1001 Belgrade Avenue, North Mankato or online at www.northmankato.com/citynorthmankato/budget.

Dated this 15th day of November 2021.

April Van Genderen
City Clerk
City of North Mankato

**NORTH
MANKATO**
MINNESOTA

1001 Belgrade Ave., PO Box 2055
North Mankato, MN 56003
507-625-4141 Fax: 507-625-4252
www.northmankato.com

For Office Use Only

APPROVED _____

DENIED _____

☐ PARK USE ☐ AUDIO USE

**Application For
PARADE PERMIT**

REQUIRED INFORMATION:

- Application for Parade Permit
- Map of Parade Route
- \$35 Application Fee

Thirty (30) days inadvance of the parade date.

Name of Applicant <u>Katie Heintz</u>	Address <u>1001 Belgrade Ave</u>	Phone <u>507 345580</u>	Email <u>kjohnson@nmlibrary.org</u>
Sponsoring Organization Name <u>BOB</u>	Address <u>"</u>	Phone <u>"</u>	
Contact during event <u>Jeni Bobholz</u>	Phone <u>507 382.6001</u>		
Event Location <u>200 Block of Belgrade to Cross St.</u>	Date <u>Dec 4TH</u>	From <u>630</u>	To <u>7pm</u>
Occasion for Parade <u>Christmas</u>			
Parade Description / Composition <u>Lights parade</u>			
Estimated Number of Participants: <u>15/20</u>			

As duly authorized representative or agent of the parade sponsoring organization, I hereby make application for a permit to parade in the City of North Mankato, Minnesota. I hereby certify that, to the best of my knowledge, the above is an accurate and true description of the parade. I agree to execute the parade according to this permit and subject to the provisions and conditions which may be necessary to provide for the safety of parade participants and the orderly and safe movement of public traffic.

Katie Heintz
Applicant

11/1/21
Date

Pursuant to Section 70.21 of the North Mankato City Code, I hereby authorize a parade permit for the applicant organization. This permit shall be valid only under the conditions recommended by the City of North Mankato and only for the date and time indicated.

Mr. [Signature]
Chief of Police

11/9/21
Date

Caswell Sports Director

Date

RESOLUTION DECLARING COSTS TO BE ASSESSED
FOR MUNICIPAL CHARGES

WHEREAS, pursuant to Section 50.04 (H) of the North Mankato City Code providing that delinquent utility charges constitute a lien upon the premises served; and

WHEREAS, pursuant to Section 90.142 (A) of the North Mankato City Code providing that the unpaid snow removal charges constitute a lien upon the premises served; and

WHEREAS, the City of North Mankato has incurred municipal charges for services rendered in accordance with the following information; and

WHEREAS, all such costs are to be assessed against the property affected thereby;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following costs shall be assessed against such property in the amount and terms as specified on Exhibit A of this resolution.

Adopted by the City Council this 15th day of November 2021.

Mayor

ATTEST:

City Clerk

Service Address	Name	Collection Amount	Parcel Number	Legal Description
1016 MARIE CT NORTH MANKATO MN 56003	AARON PACKER	130.99	18.747.0070	Lot 7 SubdivisionCd 18747 SubdivisionName REED'S ADD
513 UNDALES ST NORTH MANKATO MN 56003	GROWTH HOLDINGS LLC	104.14	18.665.0120	Lot 12 SubdivisionCd 18663 SubdivisionName R F NEUBERT'S ADD
723 CENTER ST NORTH MANKATO MN 56003	TAMI MORRISON	5.87	18.413.0030	Lot 3 SubdivisionCd 18413 SubdivisionName HAROLD ANDERSON'S ADD
2201 LAKE ST NORTH MANKATO MN 56003	JASON TOMPKINS	10.90	18.001.0100	PT OF GL 10 W OF LAKE STREET ACRES 5.39
615 GRANT AVE NORTH MANKATO MN 56003	MATTHEW BENTLEY	7.71	18.612.0320	BLOCK 4 LOT 11 SUBDIVISIONCd 18612 SUBDIVISIONName LAKEVIEW ADD
326 HARRISON AVE NORTH MANKATO MN 56003	MAXINE ANDERSON	225.91	18.957.0680	BLOCK 20 "EX N 130" LOT E 80' OF W 313.5' OF LOT 3 SUBDIVISIONCd 18557 SUBDIVISIONName WENDEL HODAPP
608 RANGE ST NORTH MANKATO MN 56003	DEBBIE HENSON	180.50	18.702.0090	Block 4 Lot 2 SubdivisionCd 18702 SubdivisionName PAGE'S SUB/OUTLOT C
722 RANGE ST NORTH MANKATO MN 56003	LAURIA ARMANAH	6.77	18.615.0040	Lot W 130' OF N 66' OF S 132' OF LOT D SubdivisionCd 18615 SubdivisionName STEPHEN LAMM'S ADD
1754 CARMAN PIPES	GARY/AMANDA PIPES	108.53	18.957.1290	Block 24 Lot W 80' 2" OF N 148.5' OF E 122.4' OF LOT 6 SubdivisionCd 18557 SubdivisionName WENDEL HO
JOCELYN FARELLA	JOCELYN FARELLA	170.27	18.957.2330	Block W 148.63' OF N 100' OF BLK 28 "EX BEG 131.88' OF NW COR, S 100', E 16.5', N 100' AND W 16.5' TO POB" AND "EX WILY 8.5' OF SAID TRACT" SubdivisionName WENDEL HODAPP'S ADD
707 SHERMAN ST NORTH MANKATO MN 56003	MICHAEL BREDLOVE	189.81	18.768.0070	MAY #21 12 251 020 RECORD # 1194340897/5289671174; LOT 19
815 SOUTH AVE NORTH MANKATO MN 56003	TALLY ROKOSZ	123.52	18.768.0060	Lot 7 SubdivisionCd 18768 SubdivisionName HENRY ROBEL'S 2ND ADD
910 WALL ST NORTH MANKATO MN 56003	PETE/JESSICA YBARRA	234.27	18.768.0060	Lot 6 SubdivisionCd 18768 SubdivisionName HENRY ROBEL'S 2ND ADD
1690 VALLEY VIEW DR NORTH MANKATO MN 56003	DONALD RICKARD	133.09	18.957.3320	Block N 50' OF S 156.5' OF W 130' OF E 280.5' OF BLK 42 SubdivisionCd 18557 SubdivisionName WENDEL HODAPP'S ADD
111 KINGS CT NORTH MANKATO MN 56003	COMMERCE PLAZA ASSOCIATIOI	0.62	18.047.0010	Lot UNIT 2 SubdivisionCd 18047 SubdivisionName CIC 27 COMMERCE PLAZA
2316 EXCALBUR RD NORTH MANKATO MN 56003	WADE ANDERSON	324.54	18.853.0090	Block 1 Lot 9 SubdivisionCd 18853 SubdivisionName VALLEY VIEW SUBD #3
2039 ROUND TABLE RD NORTH MANKATO MN 56003	DOUGLAS E SCHULZ	18.87	18.808.0450	Block 2 Lot 18 SubdivisionCd 18808 SubdivisionName SUNRISE ACRES NO 15
2235 FAIRBANKS DR NORTH MANKATO MN 56003	MINNIE ALBARDY	205.90	18.950.4845	MAKE: CHAMPION YEAR: 2019 SIZE: 28 X 56 SERIAL: 2116 EXCALBUR ROAD
2237 FAIRBANKS DR NORTH MANKATO MN 56003	IRIS DE LA ROSA	10.59	18.950.4845	MAKE: SCHULT YEAR: 2009 SIZE: 27 X 64 SERIAL: #M310149 LOT 2039 ROUND TABLE RD AVALON
1800 TWIN RD NORTH MANKATO MN 56003	CATTIN BASSETT	5.84	18.165.0210	Block 2 Lot 8 SUBDIVISIONCd 18165 SUBDIVISIONName NORTH GATE
2172 WILLOW TRL NORTH MANKATO MN 56003	NORA LOFERA	8.42	18.172.0180	Block 1 Lot 1 SubdivisionCd 18172 SubdivisionName NORTH GATE
121 KINGSWAY DR NORTH MANKATO MN 56003	ALICIA KELLY	3.16	18.165.0010	Block 1 Lot 1 SubdivisionCd 18165 SubdivisionName NORTH GATE
144 KINGSWAY DR NORTH MANKATO MN 56003	RICK O'LEYS	162.11	18.083.0320	Block 1 Lot 32 & UND INT IN LOT 63 SubdivisionCd 18083 SubdivisionName CIC 16 GPH SUBD
148 KINGSWAY DR NORTH MANKATO MN 56003	JEREMY ALVAREZ	649.83	18.950.0210	MAKE: BLAIR HOUSE YEAR: 1978 SIZE: 14 X 68 SERIAL #: 42922 LOT 121 CAMELOT PARK
149 KINGSWAY DR NORTH MANKATO MN 56003	KLARISA MORRIS	67.20	18.950.0442	144 KINGSWAY DRIVE CAMELOT MOBILE HOME PARK MAKE: HILTON YEAR: 1971 SIZE: 24 X 52 SERIAL: 922429501
227 KINGSWAY DR NORTH MANKATO MN 56003	FRANCISCA RAMOS-HEBB	0.73	18.491.0010	Block 1 Lot 1 SubdivisionCd 18491 SubdivisionName CAMELOT II SUBD
450 HARRISON AVE NORTH MANKATO MN 56003	JOSHUA EHLKE	17.41	18.950.1254	MAKE: CHAMPION YEAR: 2019 SIZE: 24 X 56 SERIAL: 227 KINGSWAY DRIVE
481 MARVIN BLVD NORTH MANKATO MN 56003	DUDLEY R OLSON	12.22	18.423.0440	Block 2 Lot 21 SUBDIVISIONCd 18423 SUBDIVISIONName AUDITOR'S PLAT #3
562 IVY LN NORTH MANKATO MN 56003	CHRIS MOORE	27.34	18.616.0160	Lot 116 SubdivisionCd 18616 SubdivisionName LANGNES HEIGHTS SUB
423 BELGRADE AVE 1/2 NORTH MANKATO MN 56003	SELE MUREKEZI	470.87	18.694.0660	Block 3 Lot 34 SubdivisionCd 18834 SubdivisionName TURTLE SUBD
538 BELGRADE AVE NORTH MANKATO MN 56003	SALLY WENESS	32.87	18.685.0430	Block 4 Lot WLY 80' OF LOT 4 SubdivisionCd 18885 SubdivisionName ORIGINAL PLAT
325 JEFFERSON AVE NORTH MANKATO MN 56003	BRANDON BURNETT	81.90	18.792.0040	Lot 5590' OF LOT 5 SubdivisionCd 18792 SubdivisionName SHULL'S ADD
416 MCKINLEY AVE NORTH MANKATO MN 56003	MRS RICHARD GAMBLE	11.79	18.553.0140	Lot 15 SubdivisionCd 18553 SubdivisionName HAPPE'S SUB L1/825 HODAPP'S
509 WALL ST NORTH MANKATO MN 56003	AUSTIN PETERS	56.12	18.557.2270	Block E 44' OF W 97' OF S 137.5' OF S 297' OF E 264' OF BLK 27 SubdivisionCd 18557 SubdivisionName W
910 WALL ST 1/2 NORTH MANKATO MN 56003	DEBORAH LAMKIN	135.86	18.701.0100	Block 2 Lot N 40' OF E 96' OF LOT 3 SubdivisionCd 18701 SubdivisionName PAGE'S ADD
1600 COMMERCE DR NORTH MANKATO MN 56003	DON RICKARD	66.08	18.557.3320	Block N 50' OF S 156.5' OF W 130' OF E 280.5' OF BLK 42 SubdivisionCd 18557 SubdivisionName PAGE'S ADD
2106 COVENTRY LN NORTH MANKATO MN 56003	JOE KELLY	59.02	18.810.0040	Block 1 Lot 4 SubdivisionCd 18810 SubdivisionName SEASONWOOD TOWNHOUSES
2238 ROLLING GREEN TRL NORTH MANKATO MN 56003	KATHY TONNENSON	8.84	18.494.0040	BLOCK 1 LOT 4 SUBDIVISIONCd 18494 SUBDIVISIONName SEASONWOOD TOWNHOUSES
1529 NOTTINGHAM DR NORTH MANKATO MN 56003	SAYON EDMONDSON	77.14	18.712.0020	Lot UNIT 2 SubdivisionCd 18712 SubdivisionName CONDOE PRIME TIME MANOR-A CON
2238 ROLLING GREEN TRL NORTH MANKATO MN 56003	KEITH LAMMERS	254.55	18.828.0395	Block 2 Lot 7 SubdivisionCd 18808 SubdivisionName SUNRISE ACRES NO 5
1712 JAMES CT NORTH MANKATO MN 56003	ADAM HUIRAS	123.06	18.056.0300	Block UNIT 2238 SubdivisionCd 18056 SubdivisionName CIC 33 BENSON COURTYARD TOWNHOMES
2457 NORTH RIDGE DR NORTH MANKATO MN 56003	JORDAN REASH	120.44	18.056.0300	Block UNIT 2238 SubdivisionCd 18056 SubdivisionName CIC 33 BENSON COURTYARD TOWNHOMES
2105 EXCALBUR RD NORTH MANKATO MN 56003	JAMIE CATHEY	0.06	18.418.0030	Lot 3 SubdivisionCd 18418 SubdivisionName ATHWOOD SMITH CRESTVIEW #1
2091 WILLOW TRL NORTH MANKATO MN 56003	BRADLEY NIELSEN	30.84	18.718.0015	Block TRACT 8 SubdivisionCd 18788 SubdivisionName REGLAND SURVEY #40
2116 WILLOW TRL NORTH MANKATO MN 56003	JENNA AHLBERG	15.69	18.950.4525	MAKE: SENSATION YEAR: 1989 SIZE: 18 X 76 SER# 288801 LOT 2105 EXCALBUR RD AVALON
279 KINGSWAY DR NORTH MANKATO MN 56003	S PROPERTIES LLC	279.55	18.950.4315	MAKE: SCHULT YEAR: 2000 SIZE: 28 X 94 SERIAL # 291391 LOT 2031 LANCELOT LN AVALON
1703 QUAIL ROOST DR NORTH MANKATO MN 56003	KRISTANN HARRINGTON	156.46	18.068.0080	Block 1 & UND INT IN LOT 63 Lot 8 SubdivisionCd 18083 SubdivisionName CIC 16 GPH SUBD
	JEFF SPENCE	159.86	18.950.1681	MAKE: ALL SEASONS YEAR: 1975 SIZE: 14 X 64 SERIAL: 01022 279 KINGSWAY DRIVE
		73.86	18.666.0115	Block 4 Lot 1 "EX ELY 66" SubdivisionCd 18666 SubdivisionName NORTH RIDGE ESTATES

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item # 11A	Dept: City Engineer	Council Meeting Date: 11/15/21
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TITLE OF ISSUE: Consider Resolution Ordering Improvement and Preparation of Plans Project No. 21-05 ABCDEF Lor Ray Drive Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Improvement Project.

BACKGROUND AND SUPPLEMENTAL INFORMATION: On November 15, 2021, the North Mankato City Council held a public hearing on Improvement Project No. 21-05 ABCDEF Lor Ray Drive Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Improvement Project. City Engineer Sarff will review the proposed Resolution.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Adopt Resolution Ordering Improvement and Preparation of Plans Project No. 21-05 ABCDEF Lor Ray Drive Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Improvement Project.

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay			
	_____	_____		Whitlock	
	_____	_____		Steiner	
	_____	_____		Norland	
	_____	_____		Oachs	
	_____	_____		Dehen	

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify) _____				

<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: _____

RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS
FOR PROJECT NO. 21-05 ABCDEF LOR RAY DRIVE IMPROVEMENT PROJECT AND PROJECT NO.
21-06 ABCDEF MCKINLEY AVENUE IMPROVEMENT PROJECT

WHEREAS, a resolution of the City Council adopted the 1st day of November 2021, fixed a date for a council hearing on Improvement Project No. 21-05 ABCDEF Lor Ray Drive Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Improvement Project; and

WHEREAS, Project No. 21-05 ABCDEF Lor Ray Drive Improvement Project includes sanitary sewer improvements, watermain improvements, storm sewer improvements, street improvements, sidewalk/trail improvements, street lighting, turf establishment/erosion control, and other related improvements, and

WHEREAS, Project No. 21-06 ABCDEF McKinley Avenue Improvement Project includes sanitary sewer improvements, watermain improvements, storm sewer improvements, street improvements, sidewalk improvements, street lighting, turf establishment/erosion control, and other related improvements, and

WHEREAS, notice of the hearing was published twice, a week apart, with the last publication being at least three days before the hearing date, and ten days' mailed notice was given, and

WHEREAS, the hearing was held thereon on the 15th day of November 2021, at which all persons desiring to be heard were given an opportunity to be heard thereon.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, as follows:

1. Such improvement is necessary, cost-effective, and feasible as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the council resolution adopted the 1st day of November 2021.
3. Such improvement has no relationship to the Comprehensive Plan.
4. Bolton & Menk is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.
5. The City Council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of tax-exempt bonds.

Adopted by the City Council this 15th day of November 2021.

Mayor

ATTEST:

City Clerk

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item # 11B	Dept: Finance	Council Meeting Date: 11/15/21
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TITLE OF ISSUE: Consider Resolution Relating to \$4,500,000 Taxable General Obligation Bonds, Series 2021B, Concurring in the Action of the North Mankato Port Authority Commission in Awarding the Issuance and Sale Thereof and Authorizing the Execution of a Continuing Disclosure Certificate.

BACKGROUND AND SUPPLEMENTAL INFORMATION: A representative from Northland Securities, the City's Bond Counsel, will provide information on the sale of the bonds.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Adopt Resolution Relating to \$4,500,000 Taxable General Obligation Bonds, Series 2021B, Concurring in the Action of the North Mankato Port Authority Commission in Awarding the Issuance and Sale Thereof and Authorizing the Execution of a Continuing Disclosure Certificate.

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:	Aye	Nay	
	_____	_____	Whitlock
	_____	_____	Steiner
	_____	_____	Norland
	_____	_____	Oachs
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (specify) _____

<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: _____

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF NORTH MANKATO, NICOLLET AND BLUE EARTH COUNTIES, MINNESOTA

HELD: November 15, 2021

Pursuant to due call and notice thereof, a regular of the City Council of the City of North Mankato, Nicollet and Blue Earth Counties, Minnesota, was duly held in the City offices in the of North Mankato on November 15, 2021, commencing at 6:30 P.M..

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION 69-21

A RESOLUTION RELATING TO \$4,500,000 TAXABLE GENERAL OBLIGATION BONDS, SERIES 2021B, CONCURRING IN THE ACTION OF THE NORTH MANKATO PORT AUTHORITY COMMISSION IN AWARDED THE ISSUANCE AND SALE THEREOF AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE

BE IT RESOLVED by the City Council of the City of North Mankato, Nicollet and Blue Earth Counties, Minnesota (the "City"), as follows:

Section 1. The North Mankato Port Authority Commission (the "Authority") by resolution adopted this same date (the "Resolution"), has authorized the issuance and sale of its \$4,500,000 Taxable General Obligation Bonds, Series 2021B (the "Bonds") pursuant to the Resolution and Official Statement fully describing the Bonds which is on file with the City Administrator.

Section 2. The City hereby finds, determines and declares that the issuance of the Bonds by the Authority is necessary and in the best interest of the City and concurs in the action of the Authority in awarding the sale of the Bonds. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit, resources and taxing powers of the City have been irrevocably pledged by an Ordinance adopted by the City on September 7, 2021, in accordance with Minnesota Statutes, Section 469.060.

Section 3. The City Council hereby approves and ratifies the pledge in the Authority Resolution to levy ad valorem taxes in the City needed to pay in a timely and full manner the

debt service coming due on the Bonds. As provided in Minnesota Statutes, Section 469.060, Subdivision 6, tax levies must be used only to pay the debt service on the Bonds, when and as the same shall come due.

Section 4. The City and the Authority will enter into a Continuing Disclosure Undertaking (the "Undertaking") , dated the date of closing, a form of which is on file with the City. The Mayor and the City Administrator of the City are hereby authorized to sign the Undertaking.

The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking hereinafter described to:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at www.emma.msrb.org in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

(b) Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

(c) Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such occurrence.

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and City Administrator of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

This Resolution shall constitute the City's approval and consent to the issuance of the Bonds provided and described in Minnesota Statutes, Section 469.060, and the City's approval of the issuance of the Bonds required by the Port Authority Resolution.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and, upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTIES OF NICOLLET AND BLUE EARTH
CITY OF NORTH MANKATO

I, the undersigned, being the duly qualified and acting City Clerk of the City of North Mankato, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on November 15, 2021 with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they related to the issuance and sale of \$4,500,000 Taxable General Obligation Bonds, Series 2021B of the North Mankato Port Authority Commission.

WITNESS my hand as such City Clerk this 15th day of November, 2021.

City Clerk

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item # 11C	Dept: Finance	Council Meeting Date: 11/15/21
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TITLE OF ISSUE: Consider Dem-Con Contract Renewal.

BACKGROUND AND SUPPLEMENTAL INFORMATION: Finance Director McCann will provide an overview of the Dem-Con Contract and the City's options.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Authorize the Negotiation of a Three-Year Contract with Dem-Con.

For Clerk's Use:

 Motion By: _____
 Second By: _____

Vote Record:	Aye	Nay						
	_____	_____						Whitlock
	_____	_____						Steiner
	_____	_____						Norland
	_____	_____						Oachs
	_____	_____						Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (specify) _____

<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: _____

To: John Harrenstein, City Administrator
From: Rachel Fabian, Intern and Kevin McCann, Finance Director
Subject: Dem-Con Contract Memo
Date: November 1, 2021
Cc:

Overview:

In 2019, the City of North Mankato entered into a recycling contract with Dem-Con Materials Recovery. The contract is for three years, from 2020-2022, with a \$1 increase in the tipping fee per ton each year. The contract also provides provisions on a rebate to the City dependent on the net weight of and the value of the materials recycled. The City has experienced significant cost savings throughout the life of the contract based on current rebate prices. With the contract ending in March 2022, the city is required to give a 90-day notice to end the lease, continue with the current lease under the automatic renewals, or negotiate a new three-year lease.

Dem-Con Contract:

The tipping fee started out at an average of \$11,395 per month in 2019, and after one year, it was reduced to \$8,297 per month. Through September 2021, the average tipping fee per month is \$8,264, which is still a decrease, but it is smaller than what occurred from 2019-2020. When looking at the rebate amount, 2019 saw an average rebate per month of \$6,663. There was a slight decrease to \$5,104 in 2020, but the current average rebate in 2021 is about \$11,130. The total amount spent per month has seen decreases over the last three years. In 2019, there was an average total spending of \$4,732 per month, and the monthly average total spending has significantly decreased over the life of the contract. In 2021, the city has received an average rebate of \$2,865 per month. The future projection of these three categories appears to be similar to the initial numbers seen in 2019, but there is a good potential that there could continue to be a decrease in the average monthly costs for the City.

Budget Impact:

West Central is paid a transfer fee to haul the recycling material to Dem-Con, and Dem-Con is paid a tipping fee. Dem-Con then pays a rebate to the city based on the recycling materials value. Since entering into the contract with Dem-Con, the City has experienced a major decrease in their disposal contract spending. Looking at the first year of the contract in 2019, the City spent \$56,787 to Dem-Con for the tipping fee and \$44,000 for the West Central Sanitation transfer fee. In 2020, that amount spent decreased, with only \$38,318 for the tipping fee and of the \$42,433 for the transfer fee. At this point in 2021, the city has currently received rebates totaling \$25,784.

When looking at future projections, around \$90,000 a year has been budgeted for the transfer and tipping fee contracts. If the City of North Mankato were to continue with Dem-Con and the dollar increase per year to the tipping fee with estimated increases in the tons of recycling based on historic annual average tonnage increases of 5% per year, and rebates holding steady, 2022 would amount to a total spending of \$34,670, 2023 would have a total cost of \$43,287, and 2024 would come in at \$52,457. West Central's transfer fees have ranged from \$30,000-\$48,000 and are currently projected to be a rebate to the City for \$15,000 for 2021. Attachment A includes the historic Dem-Con costs and forecast for 2022-2024.

Even though there is an increase in the future total spending over the next three years, it is still significantly less than the proposed budget amount, which would result in cost savings for the City. While these future projections account for some type of rebate from Dem-Con, there is a potential that the rebate could decrease and result in greater costs to the City.

Analysis:

There are two options when it comes to contracting with Dem-Con. A one-year contract extension as outlined in the current contract would allow the City to have flexibility to switch processors if desired, but there would be price change exposure annually as well as the need of revisiting the contract annually. A new three-year contract would prevent the need to revisit the contract every year, and there would be guaranteed pricing for three years at the specified rates, which typically helps with budgeting. If the City were to go with another contractor, it is important to note that there is only one other option: Eureka Recycling in Minneapolis. This decision would most likely lead to additional fees from West Central for hauling the material a greater distance.

Below is the 2020 breakdown of recycling materials:

Commodity	2020 TOTAL	
	Percent	Tons
OCC	13.41%	182.29
Other Fiber	40.33%	548.04
Aluminum	1.71%	23.24
Steel Scrap	1.17%	15.84
Steel Cans	2.39%	32.54
PET	4.52%	61.39
HDPEN	1.43%	19.46
HDPEC	1.24%	16.91
Other Plastics	0.61%	8.33
Mixed Rigids	0.64%	8.64
Glass	22.92%	311.46
Aseptic	0.19%	2.60
Residuals	9.43%	128.12

100.00% 1,358.85

Recommendation:

It is the recommendation that the City of North Mankato enters into another three-year contract with Dem-Con Materials Recovery as shown in Attachment B. There would not be the need to revisit the contract annually, there would be a guaranteed price at specified rates, and the City could continue to experience the cost savings and decreased budgetary spending when it comes to the disposal contract.

Actual	Net Weight - Avg 2017-2021	Tipping Fee	Rebate Amount - AVG. 2017-2021	Total	Budget	Amount Difference
2019	\$ 1,073.18	\$ 136,742.14	\$ 79,955.10	\$ 56,787.04	\$ 105,079.00	\$ 48,291.96 54%
2020	\$ 1,358.85	\$ 99,560.81	\$ 61,242.53	\$ 38,318.28	\$ 80,751.00	\$ 42,432.72 47%
2021	\$ 995.62	\$ 74,383.06	\$ 100,166.75	\$ (25,783.69)	\$ 90,000.00	\$ 115,783.69 -29%
2022	\$ 1,694.41	\$ 128,775.32	\$ 94,105.77	\$ 34,669.55	\$ 90,000.00	\$ 55,330.45 39%
2023	\$ 1,784.32	\$ 137,393.02	\$ 94,105.77	\$ 43,287.25	\$ 90,900.00	\$ 47,612.75 48%
2024	\$ 1,879.01	\$ 146,562.70	\$ 94,105.77	\$ 52,456.93	\$ 91,809.00	\$ 39,352.07 57%

Avg	Net Weight - Avg 2017-2021	Tipping Fee	Rebate Amount - AVG. 2017-2021	Total
2019	\$ 156.10	\$ 11,395.18	\$ 6,662.93	\$ 4,732.25
2020	\$ 113.24	\$ 8,296.73	\$ 5,103.54	\$ 3,193.19
2021	\$ 110.62	\$ 8,264.78	\$ 11,129.64	\$ (2,864.85)
2022	\$ 141.20	\$ 10,731.28	\$ 7,842.15	\$ 2,889.13
2023	\$ 148.69	\$ 11,449.42	\$ 7,842.15	\$ 3,607.27
2024	\$ 156.58	\$ 12,213.56	\$ 7,842.15	\$ 4,371.41

Vendor	Invoice Date	Invoice #	Net Weight -	Tipping Fee	Rebate Amount -	Total	Tipping Fee/Ton	Net Fee/ton
			Avg 2017-2021		AVG. 2017-2021			
Dem-Con	1/31/2024	Estimate	162.47	12,672.79	8,412.39	4,260.40	\$ 78.00	\$ 26.22
Dem-Con	2/28/2024	Estimate	114.62	8,940.25	5,700.45	3,239.80	\$ 78.00	\$ 28.27
Dem-Con	3/31/2024	Estimate	164.96	12,867.04	8,221.35	4,645.69	\$ 78.00	\$ 28.16
Dem-Con	4/30/2024	Estimate	161.89	12,627.25	8,060.10	4,567.15	\$ 78.00	\$ 28.21
Dem-Con	5/31/2024	Estimate	155.35	12,117.16	7,825.55	4,291.60	\$ 78.00	\$ 27.63
Dem-Con	6/30/2024	Estimate	176.15	13,739.43	9,016.96	4,722.46	\$ 78.00	\$ 26.81
Dem-Con	7/31/2024	Estimate	136.15	10,619.45	6,650.38	3,969.07	\$ 78.00	\$ 29.15
Dem-Con	8/31/2024	Estimate	177.96	13,881.07	10,263.72	3,617.35	\$ 78.00	\$ 20.33
Dem-Con	9/30/2024	Estimate	139.76	10,901.59	8,183.99	2,717.61	\$ 78.00	\$ 19.44
Dem-Con	10/31/2024	Estimate	187.02	14,587.38	8,062.63	6,524.74	\$ 78.00	\$ 34.89
Dem-Con	11/30/2024	Estimate	121.79	9,499.83	5,225.25	4,274.58	\$ 78.00	\$ 35.10
Dem-Con	12/31/2024	Estimate	180.89	14,109.47	8,483.01	5,626.46	\$ 78.00	\$ 31.10
Total			1,879.01	146,562.70	94,105.77	52,456.93		
Average			156.58	12,213.56	7,842.15	4,371.41		
Vendor	Invoice Date	Invoice #	Net Weight -	Tipping Fee	Rebate Amount -	Total	Tipping Fee/Ton	Net Fee/ton
			Avg 2017-2021		AVG. 2017-2021			
Dem-Con	1/31/2023	Estimate	154.28	11,879.92	8,412.39	3,467.53	\$ 77.00	\$ 22.47
Dem-Con	2/28/2023	Estimate	108.84	8,380.90	5,700.45	2,680.46	\$ 77.00	\$ 24.63
Dem-Con	3/31/2023	Estimate	156.65	12,062.01	8,221.35	3,840.66	\$ 77.00	\$ 24.52
Dem-Con	4/30/2023	Estimate	153.73	11,837.23	8,060.10	3,777.13	\$ 77.00	\$ 24.57
Dem-Con	5/31/2023	Estimate	147.52	11,359.05	7,825.55	3,533.50	\$ 77.00	\$ 23.95
Dem-Con	6/30/2023	Estimate	167.27	12,879.82	9,016.96	3,862.86	\$ 77.00	\$ 23.09
Dem-Con	7/31/2023	Estimate	129.29	9,955.04	6,650.38	3,304.66	\$ 77.00	\$ 25.56
Dem-Con	8/31/2023	Estimate	168.99	13,012.60	10,263.72	2,748.88	\$ 77.00	\$ 16.27
Dem-Con	9/30/2023	Estimate	132.72	10,219.54	8,183.99	2,035.55	\$ 77.00	\$ 15.34
Dem-Con	10/31/2023	Estimate	177.59	13,674.72	8,062.63	5,612.09	\$ 77.00	\$ 31.60
Dem-Con	11/30/2023	Estimate	115.66	8,905.47	5,225.25	3,680.23	\$ 77.00	\$ 31.82
Dem-Con	12/31/2023	Estimate	171.78	13,226.71	8,483.01	4,743.71	\$ 77.00	\$ 27.62
Total			1,784.32	137,393.02	94,105.77	43,287.25		
Average			148.69	11,449.42	7,842.15	3,607.27		
Vendor	Invoice Date	Invoice #	Net Weight -	Tipping Fee	Rebate Amount -	Total	Tipping Fee/Ton	Net Fee/ton
			Avg 2017-2021		AVG. 2017-2021			
Dem-Con	1/31/2022	Estimate	146.51	11,134.78	8,412.39	2,722.39	\$ 76.00	\$ 18.58
Dem-Con	2/28/2022	Estimate	103.36	7,855.23	5,700.45	2,154.78	\$ 76.00	\$ 20.85
Dem-Con	3/31/2022	Estimate	148.76	11,305.45	8,221.35	3,084.10	\$ 76.00	\$ 20.73
Dem-Con	4/30/2022	Estimate	145.98	11,094.76	8,060.10	3,034.66	\$ 76.00	\$ 20.79
Dem-Con	5/31/2022	Estimate	140.09	10,646.58	7,825.55	2,821.02	\$ 76.00	\$ 20.14
Dem-Con	6/30/2022	Estimate	158.84	12,071.96	9,016.96	3,055.00	\$ 76.00	\$ 19.23
Dem-Con	7/31/2022	Estimate	122.77	9,330.63	6,650.38	2,680.25	\$ 76.00	\$ 21.83
Dem-Con	8/31/2022	Estimate	160.48	12,196.41	10,263.72	1,932.69	\$ 76.00	\$ 12.04
Dem-Con	9/30/2022	Estimate	126.03	9,578.54	8,183.99	1,394.55	\$ 76.00	\$ 11.06
Dem-Con	10/31/2022	Estimate	168.64	12,817.00	8,062.63	4,754.37	\$ 76.00	\$ 28.19
Dem-Con	11/30/2022	Estimate	109.83	8,346.90	5,225.25	3,121.65	\$ 76.00	\$ 28.42
Dem-Con	12/31/2022	Estimate	163.12	12,397.09	8,483.01	3,914.09	\$ 76.00	\$ 24.00
Total			1,694.41	128,775.32	94,105.77	34,669.55		
Average			141.20	10,731.28	7,842.15	2,889.13		

Vendor	Invoice Date	Invoice #	Net Weight	Tipping Fee	Rebate Amount	Total	Tipping Fee/Ton	Net Fee/ton
Dem-Con	1/31/2021	5066	129.20	9,560.80	8,631.85	928.95	\$ 74.00	\$ 7.19
Dem-Con	2/28/2021	5137	90.26	6,679.24	6,163.86	515.38	\$ 74.00	\$ 5.71
Dem-Con	3/31/2021	5204	120.53	8,970.77	9,298.89	(328.12)	\$ 74.43	\$ (2.72)
Dem-Con	4/30/2021	5275	126.55	9,491.25	10,820.03	(1,328.78)	\$ 75.00	\$ (10.50)
Dem-Con	5/31/2021	5344	110.52	8,289.00	10,392.20	(2,103.20)	\$ 75.00	\$ (19.03)
Dem-Con	6/30/2021	5409	112.86	8,464.50	12,798.32	(4,333.82)	\$ 75.00	\$ (38.40)
Dem-Con	7/31/2021	5476	73.06	5,479.50	9,196.79	(3,717.29)	\$ 75.00	\$ (50.88)
Dem-Con	8/31/2021	5539	118.70	8,902.50	16,677.35	(7,774.85)	\$ 75.00	\$ (65.50)
Dem-Con	9/30/2021	5604	113.94	8,545.50	16,187.46	(7,641.96)	\$ 75.00	\$ (67.07)
Dem-Con							#DIV/0!	#DIV/0!
Dem-Con							#DIV/0!	#DIV/0!
Dem-Con							#DIV/0!	#DIV/0!
Total			995.62	74,383.06	100,166.75	(25,783.69)		
Average			110.62	8,264.78	11,129.64	(2,864.85)		

2021 YTD TOTAL		
Commodity	Percent	Tons
OCC	13.38%	133.21
Other Fiber	39.98%	398.05
Aluminum	1.73%	17.22
Steel Scrap	1.16%	11.55
Steel Cans	2.39%	23.80
PET	4.55%	45.30
HDPE	1.44%	14.34
HDPE	1.25%	12.45
Other Plastics	0.60%	5.97
Mixed Rigid	0.63%	6.27
Glass	23.22%	231.18
Aseptic	0.20%	1.99
Residuals	9.47%	94.29
100.00%		995.62

Vendor	Invoice Date	Invoice #	Net Weight	Tipping Fee	Rebate Amount	Total	Tipping Fee/Ton	Net Fee/ton
Dem-Con	1/31/2020	4273	100.76	7,355.48	4,181.54	3,173.94	\$ 73.00	\$ 31.50
Dem-Con	2/29/2020	4338	97.63	7,126.99	4,029.19	3,097.80	\$ 73.00	\$ 31.73
Dem-Con	3/31/2020	4403	117.91	8,665.71	4,676.31	3,989.40	\$ 73.49	\$ 33.83
Dem-Con	4/30/2020	4469	135.11	9,888.34	5,685.43	4,202.91	\$ 73.19	\$ 31.11
Dem-Con	5/31/2020	4537	122.27	8,421.71	6,084.16	2,337.55	\$ 68.88	\$ 19.12
Dem-Con	6/30/2020	4603	118.06	8,736.44	4,869.98	3,866.46	\$ 74.00	\$ 32.75
Dem-Con	7/31/2020	4668	123.78	9,159.72	4,713.54	4,446.18	\$ 74.00	\$ 35.92
Dem-Con	8/31/2020	4731	102.14	7,558.36	4,048.83	3,509.53	\$ 74.00	\$ 34.36
Dem-Con	9/30/2020	4798	118.92	8,800.08	5,661.78	3,138.30	\$ 74.00	\$ 26.39
Dem-Con	10/31/2020	4862	113.33	8,386.42	5,566.77	2,819.65	\$ 74.00	\$ 24.88
Dem-Con	11/30/2020	4931	90.74	6,714.76	4,817.39	1,897.37	\$ 74.00	\$ 20.91
Dem-Con	12/31/2020	4999	118.20	8,746.80	6,907.61	1,839.19	\$ 74.00	\$ 15.56
Total			1,358.85	99,560.81	61,242.53	38,318.28		
Average			113.24	8,296.73	5,103.54	3,193.19		

2020 TOTAL		
Commodity	Percent	Tons
OCC	13.41%	182.29
Other Fiber	40.33%	548.04
Aluminum	1.71%	23.24
Steel Scrap	1.17%	15.84
Steel Cans	2.39%	32.54
PET	4.52%	61.39
HDPE	1.43%	19.46
HDPE	1.24%	16.91
Other Plastics	0.61%	8.33
Mixed Rigid	0.64%	8.64
Glass	22.92%	311.46
Aseptic	0.19%	2.60
Residuals	9.43%	128.12
100.00%		1,358.85

Vendor	Invoice Date	Invoice #	Net Weight	Tipping Fee	Rebate Amount	Total	Tipping Fee/Ton	Net Fee/ton
Dem-Con	1/31/2019	3519	159.91	11,673.43	9,672.96	2,000.47	\$ 73.00	\$ 12.51
Dem-Con	2/28/2019	3578	85.14	6,215.22	4,709.94	1,505.28	\$ 73.00	\$ 17.68
Dem-Con	3/31/2019	3640	178.19	13,007.87	8,816.84	4,191.03	\$ 73.00	\$ 23.52
Dem-Con	4/30/2019	3699	139.79	10,204.67	6,203.88	4,000.79	\$ 73.00	\$ 28.62
Dem-Con	5/31/2019	3758	174.56	12,742.88	7,348.98	5,393.90	\$ 73.00	\$ 30.90
Dem-Con	6/30/2019	3823	200.15	14,610.95	7,621.71	6,989.24	\$ 73.00	\$ 34.92
Dem-Con	7/31/2019	3899	166.24	12,135.52	6,322.11	5,813.41	\$ 73.00	\$ 34.97
Dem-Con	8/31/2019	3961	163.97	11,969.81	6,319.40	5,650.41	\$ 73.00	\$ 34.46
Dem-Con	9/30/2019	4020	163.22	11,915.06	5,833.48	6,081.58	\$ 73.00	\$ 37.26
Dem-Con	10/31/2019	4082	167.44	12,223.12	6,203.65	6,019.47	\$ 73.00	\$ 35.95
Dem-Con	11/30/2019	4146	125.94	9,193.62	4,759.27	4,434.35	\$ 73.00	\$ 35.21
Dem-Con	12/31/2019	4210	148.63	10,849.99	6,142.88	4,707.11	\$ 73.00	\$ 31.67
Total			1,873.18	136,742.14	79,955.10	56,787.04	Average \$ 73.00	\$ 29.81
Average			156.10	11,395.18	6,662.93	4,732.25		

2019 TOTAL		
Commodity	Percent	Tons
OCC	13.31%	249.32
Other Fiber	42.24%	791.23
Aluminum	1.65%	30.91
Steel Scrap	1.20%	22.48
Steel Cans	2.27%	42.52
PET	4.35%	81.48
HDPE	1.38%	25.85
HDPE	1.18%	22.10
Other Plastics	0.68%	12.74
Mixed Rigid	0.67%	12.55
Glass	21.72%	406.85
Aseptic	0.15%	2.81
Residuals	9.20%	172.33
100.00%		1,873.18

Vendor	Invoice Date	Invoice #	Net Weight	Tipping Fee	Rebate Amount	Total	Tipping Fee/Ton	Net Fee/ton
Dem-Con	1/31/2018	2786	168.64	11,731.45	11,163.21	568.24	\$ 70.40	\$ 3.41
Dem-Con	2/28/2018	2848	119.57	8,417.72	7,898.79	518.93	\$ 70.40	\$ 4.34
Dem-Con	3/31/2018	2909	148.41	10,448.06	10,093.36	354.7	\$ 70.40	\$ 2.39
Dem-Con	4/30/2018	2971	153.06	10,775.42	9,531.05	1,244.37	\$ 70.40	\$ 8.13
Dem-Con	5/31/2018	3034	124.76	8,783.11	7,476.87	1,306.24	\$ 70.40	\$ 10.47
Dem-Con	6/30/2018	3099	172.28	12,128.50	10,777.84	1,350.66	\$ 70.40	\$ 7.84
Dem-Con	7/31/2018	3161	103.26	7,269.50	6,369.08	900.42	\$ 70.40	\$ 8.72
Dem-Con	8/31/2018	3222	224.76	15,823.10	14,009.29	1,813.81	\$ 70.40	\$ 8.07
Dem-Con	9/30/2018	3276	82.65	5,818.56	5,053.22	765.34	\$ 70.40	\$ 9.26
Dem-Con	10/31/2018	3336	199.87	14,056.76	12,417.48	1,639.28	\$ 70.40	\$ 8.21
Dem-Con	11/30/2018	3398	96.20	6,772.48	6,099.08	673.4	\$ 70.40	\$ 7.00
Dem-Con	12/31/2018	3456	197.87	13,930.04	12,398.53	1,531.51	\$ 70.40	\$ 7.74
Total			1,789.13	125,954.70	113,287.80	12,666.90	Average \$ 70.40	\$ 7.13

2018 TOTAL		
Commodity	Percent	Tons
OCC	14.56%	260.50
Other Fiber	46.41%	830.34
Aluminum	1.75%	31.31
Steel Scrap	0.92%	16.46
Steel Cans	2.56%	45.80
PET	4.58%	81.94
HDPE	1.32%	23.62
HDPE	1.50%	26.84
Other Plastics	1.02%	18.25
Mixed Rigid	0.62%	11.09
Glass	18.10%	323.83
Aseptic	0.15%	2.68
Residuals	6.51%	116.47
100.00%		1,789.13

Vendor	Invoice Date	Invoice #	Net Weight	Tipping Fee	Rebate Amount	Total	Tipping Fee/Ton	Net Fee/ton
Dem-Con	1/31/2017	2009	137.43	9,675.07	10,048.88	-373.81	\$ 70.40	\$ (2.72)
Dem-Con	2/28/2017	2074	113.39	7,982.66	8,742.37	-759.71	\$ 70.40	\$ (6.70)
Dem-Con	3/31/2017	2136	128.80	9,067.51	12,090.46	-3,022.95	\$ 70.40	\$ (23.47)
Dem-Con	4/30/2017	2195	136.95	9,641.27	12,509.01	-2,867.74	\$ 70.40	\$ (20.94)
Dem-Con	5/31/2017	2259	141.79	9,982.03	11,314.84	-1,332.81	\$ 70.40	\$ (9.40)
Dem-Con	6/30/2017	2326	160.17	11,275.97	12,717.50	-1,441.53	\$ 70.40	\$ (9.00)
Dem-Con	7/31/2017	2389	104.36	7,346.94	8,870.60	-1,523.66	\$ 70.40	\$ (14.60)
Dem-Con	8/31/2017	2459	117.85	8,296.65	9,993.68	-1,697.03	\$ 70.40	\$ (14.40)
Dem-Con	9/30/2017	2526	152.16	10,712.07	12,699.27	-1,987.20	\$ 70.40	\$ (13.06)
Dem-Con	10/31/2017	2591	99.41	6,998.45	6,916.95	81.5	\$ 70.40	\$ 0.82
Dem-Con	11/30/2017	2652	108.86	7,663.75	7,461.26	202.49	\$ 70.40	\$ 1.86
Dem-Con	12/31/2017	2717	177.28	12,480.51	12,244.73	235.78	\$ 70.40	\$ 1.33
Total								
			1,578.45	111,122.88	125,609.55	(14,486.67)	Average \$ 70.40	\$ (9.19)

2017 TOTAL		
Commodity	Percent	Tons
OCC	14.59%	230.30
Other Fiber	44.77%	706.67
Aluminum	1.60%	25.26
Steel Scrap	0.86%	13.57
Steel Cans	2.58%	40.72
PET	4.24%	66.93
HDPE	1.26%	19.89
HDPE	1.41%	22.26
Other Plastics	1.01%	15.94
Mixed Rigids	0.62%	9.79
Glass	20.26%	319.79
Aseptic	0.10%	1.58
Residuals	6.70%	105.76

100.00% 1,578.45

Vendor	Invoice Date	Invoice #	Net Weight	Tipping Fee	Rebate Amount	Total		Tipping Fee/Ton	Net Fee/ton
Dem-Con	1/31/2016	1287	132.60	9,335.04	7,188.25	2,146.79		\$ 70.40	\$ 16.19
Dem-Con	2/29/2016	1344	133.58	9,404.03	7,353.58	2,050.45		\$ 70.40	\$ 15.35
Dem-Con	3/31/2016	1404	118.11	8,314.96	6,544.48	1,770.48		\$ 70.40	\$ 14.99
Dem-Con	4/30/2016	1466	137.46	9,677.18	8,243.48	1,433.70		\$ 70.40	\$ 10.43
Dem-Con	5/31/2016	1532	82.93	5,838.27	5,420.30	417.97		\$ 70.40	\$ 5.04
Dem-Con	6/30/2016	1595	128.54	9,049.22	9,050.50	-1.28		\$ 70.40	\$ (0.01)
Dem-Con	7/31/2016	1654	114.00	8,025.59	7,805.58	220.01		\$ 70.40	\$ 1.93
Dem-Con	8/31/2016	1713	166.44	11,717.37	11,903.79	-186.42		\$ 70.40	\$ (1.12)
Dem-Con	9/30/2016	1769	137.69	9,693.37	9,574.96	118.41		\$ 70.40	\$ 0.86
Dem-Con	10/31/2016	1828	118.95	8,374.08	8,144.51	229.57		\$ 70.40	\$ 1.93
Dem-Con	11/30/2016	1889	138.15	9,725.76	9,376.24	349.52		\$ 70.40	\$ 2.53
Dem-Con	12/31/2016	1951	136.75	9,627.19	9,750.28	-123.09		\$ 70.40	\$ (0.90)
						-			
Total			1,545.20	108,782.06	100,355.95	8,426.11	Average	\$ 70.40	\$ 5.60

2016 TOTAL		
Commodity	Percent	Tons
OCC	13.77%	212.77
Other Fiber	45.94%	709.86
Aluminum	1.43%	22.10
Steel Scrap	0.76%	11.74
Steel Cans	2.51%	38.78
PET	4.13%	63.82
HDPE	1.20%	18.54
HDPE	1.32%	20.40
Other Plastics	1.23%	19.01
Mixed Rigids	0.57%	8.81
Glass	20.86%	322.33
Aseptic	0.09%	1.39
Residuals	6.19%	95.65

100.00% 1,545.20

2016-2019 Growth 21%
2016-2019 Annual Avg. Growth 5%



Recycling Services Agreement

THIS RECYCLING SERVICES AGREEMENT (the "Agreement") is effective as of March 18, 2019 (the "Effective Date") and is entered into by and between Dem-Con Materials Recovery, LLC ("DCMRF"), a Minnesota corporation with an office located at 13161 Dem-Con Drive, Shakopee, MN 55379, and with City of North Mankato (the "Customer"), a [City] with an office at 1001 Belgrade Avenue, North Mankato, MN 56003

WHEREAS, DCMRF has a recycling facility located at 13161 Dem-Con Drive, Shakopee, Minnesota, 55379 (the "Facility") for the processing, recycling, and marketing of commercial and residential recyclable materials; and

WHEREAS, DCMRF is fully licensed, permitted, and insured to provide the above-described services ; and

WHEREAS, the Customer desires to engage DCMRF to perform such services, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants and agreements contained herein, the parties hereby agree as follows:

- 1. Services:** The Customer hereby engages DCMRF to perform the recycling services described in Exhibit A attached hereto (the "Services"). All Services will be performed at the Facility.
- 2. Acceptable and Unacceptable Materials:** A current list of the materials accepted for Services is attached herein as Exhibit B which may be modified from time to time at the sole discretion of DCMRF (collectively, "Recyclable Materials"). DCMRF will provide reasonable notice of any changes to the list of acceptable Recyclable Materials from time to time. Any Recyclable Materials delivered to the Facility in baled form must have a density less than thirty (30) pounds per cubic foot for bales from a single-ram baler and less than twenty five (25) pounds per cubic foot for bales from a two-ram baler (collectively, "Bale Specifications"). Recyclable Materials cannot be stored outside by Customer, contain excessive moisture, or be rotten or otherwise degraded. The materials not accepted at the Facility for recycling are also listed herein in Exhibit B. Removal and clean-up of any unacceptable materials are the Customer's responsibility and shall be at the Customer's sole cost and expense. Upon notification by DCMRF, the Customer shall have one (1) business day to remove any unacceptable materials from the Premises. If the Customer fails to adequately remove such unacceptable materials within such period, DCMRF shall be entitled to remove the unacceptable materials or cause them to be removed at the Customer's expense.
- 3. Fees:** The applicable fees for the Services selected by the Customer are as set forth in Exhibit A attached hereto (the "Fees"). The Fees were developed assuming that the Customer will deliver approximately 150 tons/month of Recyclable Materials to the DCMRF for the applicable Services. If the amount of Recyclable Materials delivered to the Facility over a two (2) consecutive month period for such Services is less than 80% of the estimated volume stated herein, DCMRF reserves the right to adjust the Fees, as applicable.

4. **Marketing Services: Recyclable Revenue Sharing:** As set forth in Exhibit A, all Services provided by DCMRF hereunder include Marketing Services (as defined therein), which include the sale of the Customer's Recyclable Materials to a third party once they have been recycled. DCMRF has sole discretion to determine the terms of such sales. DCMRF will share the revenues received from such sales with the Customer (the "Recyclable Revenue Sharing") in an amount equal to 80% of the Average Commodity Revenue (ACR), as described in Exhibit C, and 20% of the ACR will be retained by DCMRF.
5. **Payment Terms and Conditions:** DCMRF shall generate monthly invoices on the tenth (10th) of each month. Payments to DCMRF shall be due to DCMRF within thirty (30) days of the invoice date. Invoices will indicate both the amount of Fees owed by the Customer to DCMRF, and the amount of any Recyclable Revenue Sharing payments owed by DCMRF to the Customer. Such amounts will be netted out to determine the amount which DCMRF owes to Customer or the amount of which the Customer owes to DCMRF in a given month, as applicable, and shall be reflected in each invoice. For example, if the amount of Recyclable Revenue Sharing owed to the Customer is \$75/ton and the applicable Fee is \$70/ton, the Customer would be paid \$5/ton (\$75 - \$70 = \$5). The Customer is responsible for any applicable taxes associated with performance of the Services, excluding taxes based on DCMRF's net income.
6. **Rules and Policies:** DCMRF will provide the Customer with copies of any written policies that the Customer or its personnel are required to comply with in order to receive Services hereunder, including any applicable on-site policies, building security procedures and general health and safety practices and procedures.
7. **Limited Warranty:** DCMRF warrants and represents that it shall perform the Services (i) using personnel of suitable skill, experience and qualifications, (ii) in a professional and workmanlike manner, and (iii) in a manner consistent with commercially reasonable industry standards for similar services (collectively, the "Limited Warranty"). If the Customer reasonably believes in good faith that any Service provided hereunder does not conform to such Limited Warranty, it shall notify DCMRF in writing within ten (10) days of such Service being performed, or such claim is waived. The Customer shall take all reasonable action to mitigate damages and provide DCMRF a reasonable opportunity to cure any nonconformance. If DCMRF agrees that the Service performed did not conform to the Limited Warranty, it will make commercially reasonable efforts to cure the non-conformance. Any cure provided by DCMRF shall be the Customer's sole and exclusive remedy with respect to breach of the Limited Warranty. OTHER THAN THE EXPRESS LIMITED WARRANTY PROVIDED IN THIS SECTION 7, DCMRF MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, REGARDING THIS AGREEMENT OR THE SERVICES. ALL OTHER WARRANTIES, INCLUDING WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING OR THAT PARTICULAR RESULTS WILL BE OBTAINED, ARE EXPRESSLY WAIVED AND DISCLAIMED.
8. **Indemnification:**
 - a. **Mutual Indemnity.** Each party agrees to indemnify, hold harmless, and defend the other, its affiliates, officers, directors, shareholders, employees and agents from and against any and all liabilities, claims, penalties, forfeitures, suits, and the costs and expenses incident thereto (including costs of defense, settlement, and reasonable attorney's fees), arising out any third party claim, suit, action or proceeding ("Action") resulting from (i) bodily injury or death of any person, or (ii) damage to real or tangible personal property, in

either case, to the extent caused by a party's breach of this Agreement or any negligent act or omission or willful misconduct of the such party or its personnel.

- b. **Procedure.** The party seeking indemnification hereunder shall promptly notify the indemnifying party in writing of any Action and cooperate with the indemnifying party at the indemnifying party's sole cost and expense. Unless otherwise directed by the party seeking indemnification, the indemnifying party shall immediately take control of the defense and investigation of such Action and shall employ counsel of its choice to handle and defend the same, at the indemnifying party's sole cost and expense. The indemnifying party shall not settle any Action in a manner that affects the rights of the indemnified party without the indemnified party's prior written consent, which shall not be unreasonably withheld or delayed. The indemnified party's failure to perform any notify the indemnifying party shall not relieve the indemnifying party of its obligations under this Section 8 except to the extent that the indemnifying party can demonstrate that it has been materially prejudiced as a result of such failure. The indemnified party may participate in and observe the proceedings at its own cost and expense.
- c. **Survival.** The provisions of this Section shall survive the termination of the Agreement with respect to any claim, action, or proceeding relating to actions or omissions alleged to have occurred during the Term for a period of one (1) year following the termination of this Agreement.

2. LIMITATIONS OF LIABILITY: IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES, EVEN IF INFORMED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF MATERIALS, DELAY IN COMPLETION OR DELIVERY OF THE SERVICES, LOST PROFITS OR GOODWILL. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, DCMRF'S MAXIMUM LIABILITY ARISING FROM OR IN RELATION TO THIS AGREEMENT AND THE SERVICES TO ANY PARTY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF FEES PAID OR PAYABLE TO DCMRF IN THE SIX (6) MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO ANY CLAIM (EXCLUDING THE AMOUNT ANY RECYCLABLE REVENUE SHARING AMOUNTS PAID OR PAYABLE TO THE CUSTOMER DURING SUCH PERIOD). THE PARTIES AGREE THAT THE DISCLAIMERS, REMEDIES AND LIMITATIONS IN THIS AGREEMENT ARE REASONABLE IN LIGHT OF THE NATURE OF THE SERVICES, PRICING, RELATIONSHIP BETWEEN THE PARTIES AND ARE AN AGREED UPON ALLOCATION OF RISK.

10. Term: Unless earlier terminated in accordance with Section 11 of this Agreement, the initial term of the Agreement shall be for a period of three (3) years, commencing on the Effective Date (the "Initial Term"). The Agreement shall automatically renew thereafter for successive terms of one (1) year each (each a "Renewal Term") (the Initial Term plus any Renewal Term collectively referred to herein as the "Term"), unless either party gives written notice of termination to the other party as provided herein at least ninety (90) days' prior to the expiration of the Initial Term or the then current Renewal Term, as applicable.

11. Termination:

- a. Either party may terminate this Agreement in the event of a material default hereunder by the other party, which default has not been cured within thirty (30) calendar days after

written notice thereof by the non-defaulting party to the defaulting party specifying the nature of such default.

- b. If either party fails to pay any sums when due hereunder more than two (2) times during the Term hereof, the non-defaulting party may terminate the Agreement immediately upon written notice to the defaulting party.
- c. If a party: (i) does not pay its debts as they become due; or (ii) admits in writing its inability to pay its debts; or (iii) becomes insolvent; or (iv) makes a general arrangement or assignment for the benefit of creditors; or (v) undertakes any action or other proceedings seeking relief as a debtor or otherwise under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors or any such action or proceedings is brought against it; or (vi) seeks appointment of a receiver, liquidator, trustee, custodian or similar official for it or for all or any substantial part of its property or such a receiver, trustee, custodian, or similar official is appointed, whether sought by it or not, in addition to any other remedies available to it at law or otherwise, the other party may immediately terminate this Agreement by giving written notice to such party.
- d. Within thirty (30) days following the effective date of termination of this Agreement, the parties shall compensate each for any outstanding fees or amounts owed to each other. No provisions of this Agreement will survive termination of this Agreement, except where expressly noted herein and except for the obligations set forth in Sections 9, 11, 12, and 14-22 which shall survive the termination of this Agreement indefinitely.

12. Force Majeure: If performance of this Agreement or any obligation under this Agreement is prevented, restricted, or interfered with by causes beyond either party's reasonable control ("Force Majeure"), and if the party unable to carry out its obligations gives the other party prompt written notice of such event, then the obligations of the party invoking this provision shall be suspended to the extent necessary by such event. The term Force Majeure shall include, without limitation, acts of God, fire, explosion, vandalism, storm or other similar occurrence, orders or acts of military or civil authority, or by national emergencies, insurrections, riots, or wars, or strikes, lock-outs, work stoppages. The excused party shall use reasonable efforts under the circumstances to avoid or remove such causes of non-performance and shall proceed to perform with reasonable dispatch whenever such causes are removed or ceased.

13. Confidential Information.

- a. **Non-disclosure and Non-Use.** Each party ("Receiving Party") agrees to maintain in confidence all Confidential Information of the other party ("Disclosing Party") supplied to and/or learned by Receiving Party in the course of DCMRF providing the Services hereunder. For purposes of this Agreement, "Confidential Information" means any non-public information of the Disclosing Party or which the Disclosing Party holds in confidence for others, including, without limitation, information relating to business plans and operations, products, product development, marketing, pricing, customers, suppliers, employees, data, computer records, programs, processes, and security. Each Receiving Party shall protect the Confidential Information of the Disclosing Party using at least the same degree of care, but no less than a reasonable degree of care, as it uses to protect its own information of a similar nature. Receiving Party shall not use the Disclosing Party's Confidential Information for any purpose other to carry out its obligations under this Agreement, and shall not disclose it to any third party except to the

extent such other party has a need to know the same in connection with the performance of this Agreement and such other party is bound by confidentiality obligations that are as protective as those of this Section.

- b. **Exceptions and Permitted Disclosures.** Notwithstanding anything to the contrary, "Confidential Information" does not include information (a) that is or becomes available within public domain other than as a result of a breach of this Section 13 by Receiving Party; (b) is or becomes known to the Receiving Party as a result of disclosure from a party (other than the Disclosing Party) not known or reasonably believed to owe a confidentiality obligation to the Disclosing Party; or (c) is independently developed by Receiving Party without reference to the Disclosing Party's Confidential Information. Notwithstanding the above limits on non-disclosure of Confidential Information, each party may disclose Confidential Information pursuant to a legal obligation; provided, however, that the Receiving Party shall promptly notify the Disclosing Party of any such obligation and cooperate if legally permissible, at Disclosing Party's expense, with Disclosing Party's efforts to seek a protective order or otherwise protect its Confidential Information.
- c. **Return of Confidential Information.** Upon Disclosing Party's request, Receiving Party shall promptly return to the Disclosing Party or destroy the Confidential Information of the Disclosing Party and all copies thereof, provided that neither party shall be required to return or destroy Confidential Information of the party that has been electronically archived or that is kept in accordance with such party's internal record retention policies.
- d. **Survival.** This Section 13 (Confidentiality) shall survive the termination of this Agreement for a period of one (1) year.

14. Relationship of the Parties: It is understood and agreed that DCMRF and the Customer are at all times acting strictly as independent contractors in the fulfillment of their obligations under this Agreement. Nothing in this Agreement is intended, and nothing shall be construed to create, an employer/employee relationship, partnership, or joint venture relationship between the parties, or to allow either party to exercise control or direction over the manner or method by which the other party performs services under this Agreement.

15. Entire Agreement: This Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Agreement. This Agreement supersedes any prior written or oral agreements between the parties regarding the subject matter hereof.

16. Severability: If any provision of this Agreement will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

17. Amendment: This Agreement may be modified or amended in writing by mutual agreement between parties, if the amendment is signed by all the parties, or authorized representative of the each party, obligated under this Agreement.

Dem-Con Materials Recycling Services Agreement

18. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

19. Notice: All notices, requests, demands and other communications hereunder (including notices of all asserted claims or liabilities) shall be in writing and shall be either delivered personally, or mailed by certified U.S. Mail, postage prepaid, return receipt requested, or sent by reputable overnight courier to the addresses herein designated or such other address as may be designated in writing by notice given in the manner provided herein, and shall be effective upon personal delivery thereof or upon receipt if sent by certified mail or 24 hours after deposit with an overnight courier.

If to the Customer:

City of North Mankato
1001 Belgrade Avenue
North Mankato, MN
56003
Attn: Finance Director

If to DCMRF:

Dem-Con Materials Recovery, LLC
13161 Dem-Con Drive
Shakopee, MN 55349
Attn: Bill Keegan, P.E., President

20. Waiver: Except as otherwise provided herein, neither party's waiver of any default or failure to enforce, the observance and performance of any term or condition of this Agreement at any time shall in any way affect, limit or waive such party's right thereafter to enforce or compel strict compliance herewith and with every such term and condition. No course of dealings between the parties, no waiver by either party, and no refusal or neglect of either party to exercise any right hereunder or to enforce compliance with the terms of this Agreement shall constitute a waiver of any provision herein with respect to any prior or subsequent breach, actions or omissions hereunder, unless such waiver is expressed in writing and signed by the waiving party.

21. Counterparts: This Agreement may be executed simultaneously in one or more counterparts, and may be delivered electronically or by facsimile, each of which together shall be deemed an original, and all of which together shall constitute one and the same instrument.

[signatures follow]

Dem-Con Materials Recycling Services Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Recycling Services Agreement to be executed by their duly authorized representatives as of the date first above written.

By: _____


Kevin McCann
Finance Director

Dem-Con Materials Recovery, LLC

By: _____


Bill Keegan, P.E.
President

Exhibit A

Services and Fees




Service	Fee
X <u>Option A: Processing, Baling and Marketing.</u> The Customer delivers to the Facility Recyclable Materials to be sorted and recycled. Once the weight of the materials has been determined, DCMRF sorts the Recyclable Materials by type, bales them, and delivers them to end markets for recycling ("Full Processing Services").	<u>\$73.00</u> per ton - 2019 <u>\$74.00</u> per ton - 2020 <u>\$75.00</u> per ton - 2021 <u>\$1/ton annual increase for any Renewal Terms beyond Year 3</u>
<input type="checkbox"/> <u>Option B: Baling and Marketing.</u> In the event the Customer delivers Recyclable Materials to the facility which have already been separated ("Source Separated"), DCMRF will weigh such materials, bale them and perform marketing services ("Baling and Marketing Services").	\$_____ per ton
<input type="checkbox"/> <u>Option C: Marketing Only.</u> Customer delivers Recyclable Material to DCMRF's Facility which are Source Separated and baled, and DCMRF will perform the Marketing ("Marketing Services"). DCMRF reserves the right to determine whether the materials are adequately prepared for recycling end markets.	\$_____ per ton

Regardless of which of the above options Customer chooses, DCMRF will be solely responsible for selling or having sold such materials to end markets. DCMRF has discretion to determine the terms upon which the Recycled Materials will be sold, subject to the terms and conditions of this Agreement.

Full Processing Services, Baling and Marketing Services, or Marketing Services, as applicable, are hereinafter collectively defined as the "Services" under the Agreement.

Exhibit B

RECYCLABLE MATERIALS ACCEPTED FOR PROCESSING

<u>PAPER & BOXES</u>	<u>PLASTICS</u>	<u>CANS & GLASS</u>	<u>CARTONS</u>
NEWSPAPER & INSERTS	CONTAINERS LABELED  PETE	ALUMINUM CANS and FOOD & BEVERAGE CONTAINERS	ASEPTIC & GABLE TOP CONTAINERS (Milk, Juice Boxes, Broth and Other Liquid Containers)
TELEPHONE & SOFTCOVER BOOKS	 HDPE	GLASS FOOD & BEVERAGE CONTAINERS (Brown, Clear & Green)	
CARDBOARD (Non-Waxed)	 PP	AEROSOL CANS (Empty)	
BROWN PAPER GROCERY BAGS		METAL HOUSEHOLD ITEMS (Kitchenware i.e. Pots & Pans)	
MAIL, CATALOGS & MAGAZINES		STEEL FOOD CANS	
OFFICE/SCHOOL PAPER (All Colors)			
PIZZA DELIVERY BOXES (Empty)			
PAPERBOARD (Dry Food Boxes, Beverage Cases)			

MATERIALS NOT ACCEPTED FOR PROCESSING

SYRINGES, NEEDLES & OTHER MEDICAL WASTE	PLASTIC FILM (Wraps, Tarps, Juice Pouches)	WAXED CARDBOARD
AUTO, WINDOW & MIRROR GLASS	MOTOR OIL CONTAINERS	COAT HANGERS
CERAMICS & PORCELAIN	LIGHT BULBS	STYROFOAM
FOOD WASTE	PAPER TOWELS, NAPKINS, PLATES & TISSUES SOILED WITH FOOD	COMPOSTABLE PLASTICS - PLA #7
HAZARDOUS CHEMICAL (Insecticide, Herbicide)	PACKING PEANUTS	GARDEN HOSES
GLASSWARE NOT USED TO CONTAIN PRODUCTS (Cookware, Drinking Glasses, Vases)		CHRISTMAS LIGHTS/EXTENSION CORDS

Exhibit C

Composition and Commodity Value:

1. **Composition:** It shall be initially assumed that the composition of Recyclable Materials provided by the Customer is as shown in the table below. However, DCMRF may perform periodic audits and material sorts on the Customer's incoming Recyclable Materials to verify the composition of the Recyclable Materials. DCMRF will allow access to the Customer to witness the material sort and will provide the Customer with the results of the analysis. Based on the composition results of the material sort, DCMRF may revise the composition percentages used to calculate the Average Commodity Revenue ("ACR") paid to the Customer.

2. **Commodity Value:** The value for each component in the Recyclable Materials (the "Commodity Value") is as set forth below shall be calculated as follows:

a. **Fiber:** Fiber pricing shall be based on the "PPI" High Side pricing set forth in the first published issue of the month of *RISI PPI Pulp and Paper Week*, for the category set forth below, first published Regional Average prices for the Midwest (Chicago) Region. Prices shall be effective on the tenth (10) day of the month through the 9th day of the following month, and shall be applied for the month of delivery. If *RISI PPI Pulp and Paper Week* is no longer reflective of prevailing market conditions or if an alternative publication more accurately reflects such market conditions, then either party may propose to use any such alternative publication(s) or alternate method to determine the price for Wastepaper. The other party's consent, which shall not be unreasonably withheld, to the use of such alternate publication or method shall be required. Prices are:

Cardboard	PPI High Side OCC #11 Corrugated Containers
Mixed Paper	PPI High Side Mixed Paper #54

b. **Plastics:** Pricing for Plastics shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the plastics during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday.

c. **Aluminum Cans:** Pricing for Aluminum Cans (UBC) shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the Aluminum during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday.

d. **Steel Cans:** Pricing for Steel Cans shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the Steel Cans during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday.

e. **Steel Scrap:** Pricing for Steel Scrap shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the Steel Scrap during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday.

f. **Mixed Cullet:** Pricing for Mixed Cullet shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the Mixed Cullet during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the

Dem-Con Materials Recycling Services Agreement

commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday

g. **Non-Recyclable Residue:** Non-Recyclable Residue will be disposed of at an MPCA approved disposal facility at a cost to the Customer. The cost to the Customer will be calculated by taking a negative commodity value, at the market rate per ton for disposal, and multiplying by the percentage of non-recyclable residue in the Recyclable Materials to get a weighted average cost per ton delivered.

h. **Average Commodity Revenue (ACR):** The table below is an example of the ACR calculation per ton of delivered Recyclable Materials. The ACR will be calculated using a weighted average which accounts for the percentage of each commodity within the Recyclable Materials and the value of each commodity. The ACR is then determined by adding the individual value of each of the commodities.

Commodity	Percent of Total	Commodity Value (\$/ton)	Weighted Average (\$/ton)
OCC	12.50%	\$105.00	\$13.13
ONP #8	49.50%	\$55.00	\$27.23
Mixed Paper	5.70%	\$50.00	\$2.85
Aluminum	0.80%	\$1,360.00	\$10.88
Steel	0.20%	\$190.00	\$0.38
Steel Cans	1.80%	\$211.21	\$3.98
Plastic-PET #1	2.00%	\$320.00	\$6.40
Plastic-HDPE #2 – Natural	0.90%	\$750.00	\$6.75
Plastic-HDPE #2 – Colored	0.80%	\$510.00	\$4.08
Plastic-#3-#7	0.80%	\$60.00	\$0.48
Plastic-Mixed Rigid	0.50%	\$200.00	\$1.00
Glass	18.00%	\$0.00	\$0.00
Aseptic Containers	0.00%	\$90.00	\$0.00
Film	0.00%	\$1.00	\$0.00
Residual	6.50%	-\$65.00	-\$4.23
	100.00%	ACR (\$/ton):	\$72.93
		Revenue Share:	80%
		Rebate to Customer (\$/ton):	\$58.34

The Recyclable Materials Rebate will be paid to the Customer as a percentage of the ACR. For example, if the ACR is \$72.93/ton and the Customer has an 80% revenue sharing agreement, the Rebate to the Customer would be \$58.34 per ton for the Recyclable Materials as shown above.