Pursuant to the due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on August 3, 2026. Mayor Carlson called the meeting to order at 7:05 p.m., asking everyone to join in the Pledge of Allegiance. The following were present for roll call: Council Members Oachs, Peterson, Steiner, City Administrator McCann, Finance Director Ryan, Community Development Director Fischer, Public Works Director Arnold, Attorney Kennedy, and Administrative Services Manager-City Clerk Van Genderen. Absent: Council Member Whitlock.

Approval of Agenda

Council Member Peterson moved, seconded by Council Member Steiner, to approve the agenda as presented. Vote on the motion: Steiner, Oachs, Peterson, and Carlson aye, no nays. Motion carried.

Approval of Council Minutes from the July 20, 2026, Council Meeting.

Council Member Steiner moved, seconded by Council Member Oachs, to approve the July 20, 2026, Council Meeting Minutes as presented. Vote on the motion: Steiner, Oachs, Peterson, and Carlson aye, no nays. Motion carried.

Public Hearing, 7 pm: Consider an Interim Ordinance Authorizing a Study and Imposing a Moratorium on Data Centers.

Attorney Kennedy appeared before the Council and explained that the proposed ordinance would establish a moratorium on the construction of data centers larger than 250,000 square feet or those projected to consume more than 50,000 gallons of water per day.

Bill Wagner, 1701 Linda Lane, appeared before the Council and submitted two proposed documents: one requiring a referendum before approval of large-scale data center development and another prohibiting the use of nondisclosure agreements (NDAs).

Patrick Cusack, 1908 Haughton Avenue, appeared before the Council and spoke in opposition to data centers. He encouraged additional investment in infrastructure and a community-run grocery store and urged the Council not to allow data centers or proceed with the proposed study.

Dennis Huettle, 412 Tyler Avenue, appeared before the Council and recommended reducing the size threshold in the ordinance from 250,000 square feet to 60,000 square feet.

Abbey Dierkson of Pine Island, Minnesota, appeared before the Council and encouraged a comprehensive study of data centers and the practices of large corporations.

Benton Bakke appeared before the Council and asked whether the moratorium was limited to one year. Attorney Kennedy responded that state law limits moratoriums to one year, although they may be extended. Mr. Bakke recommended reducing the size threshold to 100,000 square feet, lowering the water use threshold to 10,000 gallons per day, limiting electrical demand to 10 megawatts, and providing additional time between the public hearing and Council action.

Tom Hagen, 927 Lake Street, appeared before the Council and requested that the moratorium be extended to two years, the AUAR be vacated, and the City adopt a policy prohibiting the use of NDAs.

Ava of Mankato, Minnesota, appeared before the Council and asked whether the City had acted as the Responsible Governmental Unit (RGU) for the AUAR and whether the moratorium would affect the City's ability to serve as the RGU for projects outside the city limits. Attorney Kennedy stated the City cannot regulate data center development outside its jurisdiction.

Peter Garner, 805 Center Street, appeared before the Council in support of establishing a moratorium.

Nicole Mills of Pine Island appeared before the Council and expressed support for a moratorium, encouraging the Council to consider the long-term impacts of data center development.

Danielle Bollman, 515 Page Avenue, appeared before the Council and recommended vacating the AUAR and extending the moratorium to two years.

Barb Church, 102 Wheeler Avenue, appeared before the Council in support of a two-year moratorium and expressed opposition to the use of NDAs.

Abby Mills, 2114 Rolling Green Trail, appeared before the Council in opposition to data centers and discussed environmental concerns associated with large-scale facilities.

Joe Tougas, 923 Lake Street, appeared before the Council and expressed concern about water use by data centers, stating that delaying development could allow for improvements in technology.

A person appeared before the Council and stated that a moratorium was unnecessary because state and federal regulations already govern data centers and that environmental impacts could be minimized through careful oversight.

Public Comments on Agenda Items

Benton Bakke appeared before the Council and questioned why the par amount of the bond listed in the Request for Council Action differed from the amount in the resolution. He also expressed his belief that Industrial Court was being constructed primarily to provide access to the Public Works facility and questioned the process used to obtain funding for the project.

Consent Agenda

Council Member Steiner moved, seconded by Council Member Oachs, to approve the Consent Agenda.

A. Bills and Appropriations.
B. Res. No. 79-26 Donations/Contributions/Grants.
C. Authorized the City Administrator to Sign the Memorandum of Agreement with the Police Union.
D. Approved Audio Permit for St. Paul's Lutheran Church at Wheeler Park on August 23, 2026, from 9:30 am to 12:00 pm.
E. Approved Audio, Parade, and Event Permit for Cornerstone Lutheran School at Spring Lake Park Shelter #1 on September 25, 2026, from 8:00 am to 4:00 pm.
F. Approved Audio and Block Party Permit for the 1st Annual Bluff Block Party on August 4, 2026, from 5 pm to 7 pm.
G. Approved Audio Permit for August 9, 2026, from 4 pm to 7 pm at Wheeler Park.

Vote on the motion: Steiner, Oachs, Peterson, and Carlson aye, no nays. Motion carried.

Business Items

Res. No. 80-26 Providing for the Issuance and Sale of $2,210,000 General Obligation Bonds Series 2026B, Pledging for the Security Thereof Special Assessments and Net Revenues and Levying a Tax for the Payment Thereof.

Tammy Omdal of Northland Securities appeared before the Council as the City's financial advisor. She explained that the bond proceeds would be used to finance the Industry Court improvements, water and sewer improvements, and issuance costs. The bonds were structured to provide relatively level annual debt service payments over 15 years and will be general obligations of

the City, payable from net revenues of the City's water and sewer utilities, special assessments on benefited properties, and pledged ad valorem taxes.

Ms. Omdal reported that the bonds were sold through a competitive sale process, with the City receiving five bids. The bonds were awarded to TD Financial Products LLC of New York. She also noted that the City received an AA credit rating from S&P, the final maturity date is February 1, 2042, and the bonds are callable beginning February 1, 2034.

Ms. Omdal explained that the final bond resolution is presented to the Council after the bonds have been sold. In response to a question from Council Member Oachs regarding the difference between the par amounts shown in the Request for Council Action and the resolution, Ms. Omdal explained that the final principal amount is determined after bids are received. Although the principal amount was reduced, the City received the same net proceeds because of the bid premium, resulting in a true interest cost of 3.95%.

Council Member Oachs also asked about the difference between the $2.5 million bond amount and the $2.1 million amount referenced in the agenda materials. City Administrator McCann stated that last-minute revisions had been made at the end of the week and the discrepancy was inadvertently missed.

Council Member Oachs stated she understood the projects were combined into a single bond issue to reduce issuance costs and asked whether the projects could still be accounted for separately and voted on individually. Ms. Omdal explained that the Council could vote on the projects separately before the bond sale; however, once the projects are bid and financed, they become part of a single bond issue. She also noted that while the City could legally reject a bond sale after bids are received, doing so could negatively affect future bond sales. In response to a question regarding debt term, Ms. Omdal stated that state law prohibits bond maturities from exceeding the projected useful life of the financed projects or equipment.

Council Member Steiner moved, seconded by Council Member Peterson to Adopt Res. No. 80-26 Providing for the Issuance and Sale of $2,210,000 General Obligation Bonds Series 2026B, Pledging for the Security Thereof Special Assessments and Net Revenues and Levying a Tax for the Payment Thereof. Vote on the motion: Steiner, Peterson, and Carlson aye, Oachs nay. Motion carried.

Consider Ordinance No. 199 An Interim Ordinance Authorizing a Study and Imposing a Moratorium on Data Centers.

Attorney Kennedy commented that the public hearing was held. Currently, the language is for a one-year moratorium, but based on State Statute, the City could extend the moratorium. The City is not considering a restriction on energy usage because the City is not the electric utility and has no way of knowing or controlling the usage. **Council Member Steiner moved to Approve Ordinance No. 199, an Interim Ordinance Authorizing a Study and Imposing a Moratorium on Data Centers.** There was no second, so the motion died. **Mayor Carlson moved, seconded by Council Member Oachs, to table the Moratorium for Additional Discussion. Vote on the motion: Steiner, Oachs, Peterson, and Carlson aye, no nays. Motion carried.**

Res. No. 81-26 Approving the Sale of Real Property to the State of Minnesota for Transportation Purposes.

City Administrator McCann reported the resolution approves the sale of a small portion of City-owned property to the State of Minnesota, through the Minnesota Department of Transportation, for transportation purposes. The property will be conveyed for a purchase price of $800, contingent upon acceptance by MnDOT's Office of Land Management.

Council Member Steiner moved, seconded by Council Member Oachs, to Approve Res. No. 81-26 Approving the Sale of Real Property to the State of Minnesota for Transportation Purposes. Vote on the motion: Steiner, Oachs, Peterson, and Carlson aye, no nays. Motion carried.

Res. No. 82-26 Accepting Bid for the 2026 Industry Court Street and Utility Improvement Project No. 26-03 ABCDEF.

City Engineer Sarff appeared before Council and reported bids for Industry Court Street were received on July 21, 2026, with three bids.

Bidder	Base Bid	Alternate Bid	Total Base Bid Plus Alternate Bid
Dirt Merchant, Inc.	$607,917.03	$74,305.50	$682,222.53
Bromeling Excavating, Inc.	$625,914.65	$100,670.00	$726,584.65
GM Contracting, Inc.	$699,933.25	$273,585.10	$973,518.35

The low bidder for the base bid, alternate bid, and total is Dirt Merchant, Inc., from Mankato, MN. The total bid is approximately 21% under the Engineer's estimate.

Council Member Peterson moved, seconded by Council Member Steiner to Adopt Res. No. 82-26 Accepting Bid for the 2026 Industry Court Street and Utility Improvement Project No. 26-03 ABCDEF. Vote on the motion: Steiner, Peterson, and Carlson aye, Oachs nay. Motion carried.

Res. No. 83-26 Accepting Bid for the 2026 Storm Sewer Improvement Project, City Project No. 26-04 C.

City Engineer Sarff reported bids were opened on July 28th at 11 am with two bids received. The improvements would include an area adjacent to and behind 1627 and 1629 North Ridge Lane and along the rear lot lines of 1018/1020 Shady Oak Drive and 1020 Oak Terrace Drive.

Bidder	Bidding Section 1 - North Ridge Lane	Bidding Section 2 - Shady Oak Drive / Oak Terrace Drive	Total Bid Amount
Bromeling Excavating Inc.	$40,222.00	$15,272.00	$55,494.00
GM Contracting, Inc.	$58,118.83	$36,184.49	$94,303.32
Engineer's Estimate	$45,970.00	$16,660.00	$62,630.00

Bromeling Excavating Inc, is the low bidder, with a bid approximately 11% below the engineer's Estimate. Staff recommends awarding the bid to Bromeling Excavating Inc. for $55,494.00.

Council Member Oachs moved, seconded by Council Member Peterson to Adopt Res. No. 83-26 Accepting Bid for the 2026 Storm Sewer Improvement Project, City Project No. 26-04 C. Vote on the motion: Steiner, Oachs, Peterson, and Carlson aye, No nays. Motion carried.

Public Comments-Other City Matters

Tom Hagen, 927 Lake Street, appeared before the Council and commented on the Council Work Session discussion regarding the continued funding needs for the Public Works Facility project. He questioned the project's scope and requested that the size of the proposed Public Works Building be reduced.

Benton Bakke appeared before the Council and requested clarification on the dewatering process being used during reconstruction of the Swim Facility. He also questioned the City's purchase and use of fuel-powered vehicles and expressed support for electrifying the City's fleet.

Patrick Cusack, 1908 Haughton Drive, appeared before the Council and suggested the City conduct an audit of its bidding process.

Peter Garner, 805 Center Street, appeared before the Council and recommended installing a crosswalk across Judson Bottom Road to improve pedestrian safety.

Danielle Bollman, 515 Page Avenue, appeared before the Council and addressed comments made during a previous Council meeting regarding language she had used. She defended her First Amendment rights, stated she believed she had grown through her participation in Council meetings, and said she felt her efforts were helping to build communication between residents and the Council.

Duane Rader, 715 Lyndale Avenue, appeared before the Council and expressed concern about the suggestion to reduce the cost-of-living adjustment (COLA). He also noted that many projects have remained on the Capital Improvement Plan for several years and that project costs continue to increase over time.

Abbey Dierkson of Pine Island, Minnesota, appeared before the Council and recommended the *Strong Towns* podcast as a resource for innovative municipal planning ideas.

City Administrator and Staff Comments

Administrative Services Manager-City Clerk Van Genderen invited everyone to get out and vote at the Primary Election on August 11th. Polls are open between 7 am and 8 pm.

City Administrator McCann invited everyone out to Night to Unite on August 4th and National Night Out at the Library.

City Administrator McCann invited everyone out to Movies in the Park on August 7th; the movie will start at dusk with activities starting at 7 pm.

City Administrator McCann noted that the Summer Reading Finale is August 8, 2026.

Mayor and Council Comments

Council Member Peterson thanked everyone who came out.

Council Member Oachs requested additional public information on the AUARs and NDAs.

Council Member Steiner thanked everyone who came out.

Mayor Carlson noted the Council has received information on AUARs and NDAs and requested the information be addressed again.

Mayor Carlson noted that the Council works hard to listen to all sides. He noted it is difficult to be told that they are liars, that they would not gain trust and that they need to live with integrity, or they will be purposefully be destroying their relationships and reputations. The Council does their due diligence and tries to do what is best for the community.

At 8:45 p.m., on a motion by Council Member Steiner, seconded by Council Member Oachs, the Council Meeting adjourned to a closed meeting under State Statute 13D.03 Performance Evaluation City Administrator.

_____
Mayor

_____
City Clerk