Pursuant to due call and notice thereof, a Council Budget Workshop of the North Mankato City Council was held in the Municipal Building Council Chambers on November 19, 2018. Mayor Dehen called the meeting to order at 6:00 p.m. The following were present for roll call: Mayor Dehen, Council Members Norland, Freyberg, Whitlock, and Steiener, City Administrator Harrenstein, Finance Director McCann, Community Development Director Fischer and City Clerk Van Genderen.

Discuss Proposed 2019-2029 Capital Improvement Plan

Finance Director McCann reviewed the proposed 2019 Budget. The City received an update from the County that reported a 9% increase in market value for \$102 million compared to what was previously reported as an 8% increase for \$89 million. Finance Director McCann noted all funds meet budget reserve policies as established by the City Council.

Finance Director McCann reported that there would be an overall increase in expenditures of \$992,000. He noted the actual spending increase is only \$652,000 or 3% with the net in transfers. The increases include a 2010C refunding payment of \$400,000. The refunding increase was due to a balloon payment the City established when the bond was refunded. Finance Director McCann noted a new category for Facilities Replacement had been established with a budget of \$250,000. Additional spending increases included a budget for the new street employee, an employee merit pool increase of 3%, increased budget for temporary laborers, Parks Plan budget increase, health insurance increase of 7%, swim facility operations increase and Pavement Management Plan increase.

Finance Director McCann reviewed the revenue highlights which included an increase in the utility fund of \$399,000. He noted there was a one-time transfer from the debt service fund that would be set up as an interfund loan and a repayment plan would be established.

Finance Director McCann reported the proposed total general property taxes in North Mankato for 2019 is \$6,934,509 with the General Fund receiving \$5,290,719, the Port Authority \$75,000, Debt Service Fund \$1,375,458 and the Abatement Levy \$193,332. Approximately \$645,758 in additional taxes is anticipated in 2019. He did note that the Tax Rate continues to decrease.

Finance Director McCann reported Council Member Freyberg had visited with City Administrator Harrenstein and him concerning the development of the budget and Council Member Freyberg would be presenting his ideas.

Council Member Freyberg reported he wanted to present a different way to look at the budget. He noted the General Fund revenue is proposed to increase by \$691,000 fueled by an 8% growth. He reported that the CAFR showed a population growth over the last five years of 2.6% showing that residential growth is slow. He stated the general levy increased by 50% in 10 years. Council Member Freyberg stated only new construction and annexation should be used in the growth calculation, not market value. He noted the local option sales tax and lodging tax are trending down. Council Member Freyberg reported a change in the demographics with the average age of the population increasing from 33.8 to 38.4 years. He stated the budget needs to reflect a modest increase by using only new construction for calculating tax rate and levy. By using only new construction, there would be a Market Value increase of \$15 million vs. \$102 million, a Tax Capacity increase of \$160,000 vs. \$1 million and a Tax Levy increase of \$178,000 vs. \$645,000. Using only new construction and annexations, the City would need to cut \$465,000 from the budget. He presented a redlined version of the expenditures which removed the Facilities Replacement Fund for \$250,000, removed the Parks Plan Budget increase of \$50,000 and removed the Pavement Management Plan increase of \$20,000 for a total of \$320,000 in decreased expenditures. He suggested that the purchase of the mower may not be necessary as it was an expensive piece of equipment and suggested privatizing the maintenance of the parks.

Council Member Freyberg also reviewed the overlapping debt which would include the Nicollet County and the School District. He noted the overlapping debt along with North Mankato's Direct Debt would amount to \$37,905,000 which is significantly higher than the legal debt margin of 3% for a total of \$29 million. To be clear legally the overlapping debt is not counted in the calculations for debt margin.

Council Member Freyberg reviewed the City's involvement with All Seasons Arena noting that while it is not listed in North Mankato's CAFR as an asset, it should be as the City owns 21.8%. He did note that the funds to support the Arena are noted in the expenditures.

Council Member Freyberg stated the practice of raising taxes curbs growth because people will move out of North Mankato to live where there is a lower tax rate. He stated since 2008 there has been 1.4% residential growth with 30% commercial growth and much of the commercial growth subsidized, so the balance of the taxes is falling on the residents.

Finance Director McCann noted that the City Council could determine how to manage the tax rate, but the rate is moving downward. The Council could create a budget philosophy that could lead to a budget manual. He noted there is an opportunity to set aside capital dollars to address projects that have been placed on the backburner. Council Member Freyberg noted that there is a "to be determined" (TBD) portion and the planned \$2 million bonding could be set aside for some of these other projects.

Mayor Dehen noted that North Mankato's commercial growth is 30% while Mankato's is larger allowing Mankato to keep their tax rates lower. He stated this is why North Mankato is working on increasing commercial. Council Member Freyberg noted that the City of North Mankato is a bedroom community. Mayor Dehen commented that this would not change unless the City took action to make those changes. Council Member Norland stated she was not interested in cutting the budget noting that the City needs to maintain its facilities. She also expressed concern over ravine maintenance. Council Member Steiner indicated he appreciated the information that Council Member Freyberg presented, but he supported the budget.

Mayor Dehen stated he appreciated a place in the middle and requested staff review what it would take to decrease another .5% to see what would happen. Mayor Dehen noted that there might be sacrifices to some amenities based on decreasing the tax rate. Council Member Whitlock agreed that it would not hurt to review a cut in the budget.

Finance Director McCann reported that decreasing the tax rate by .5% would place the rate at 51% and the City would need to cut \$67,000 from the budget. City Administrator Harrenstein stated if the City were to remove \$67,000 from the budget he recommended reducing the Facilities Replacement Fund by \$50,000 and cutting the increase to the pavement management plan which would save \$20,000.

Council Member Freyberg indicated it might be worthwhile to look at privatizing the mowing of the parks. City Administrator Harrenstein indicated he had been hesitant to pay for a \$90,000 mower but indicated the mower that would be replaced was an early 1980s mower that was used for both mowing and snow removal. He stated staff could review privatizing the mowing. He did note that maybe the City would change the system by which the mowers were sent out, maybe send them out on flatbeds and return at the end of the day. It was determined that City staff would decrease the tax rate to 51% and reduce the expenditures to reflect the \$67,000 decrease to the budget.

City Administrator Harrenstein reported that Council Member Freyberg has been a diligent Council Member and has helped shape the budget. He noted that the City recently was on a call with S&P Global to obtain a rating. The rating remains at AA, and this reflects the City's strong management and good financial policies, strong budgetary performance, very strong budgetary flexibility and strong liquidity along with the City's long history of good operation. City Administrator

Harrenstein stated the budget reflects the goals established by the Council. He noted the City is building cash balances for the replacement of vehicles, implementing the pavement management plan, the parks improvement plan, building and facility plan, while emphasizing solid cash management. City Administrator Harrenstein recognized the broader philosophical view of the budget presented by Council Member Freyberg. He stated there is a trend to decrease the tax rate. He indicated he does believe the City is growing and the less than rapid growth is a reflection of the clearing of the inventory. He reported that two new subdivisions are being built and the platting of areas in the Reserve and North Ridge. The Community Development Department is reporting \$41,000,000 in construction in 2018, the largest since 2013. He stated the determination of how much of the tax capacity to capture is an ongoing discussion.

Mayor Dehen closed the Council Workshop at 6:58 p.m.

	Mayor	
Give all 1		
City Clerk		

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 19, 2018. Mayor Dehen called the meeting to order at 7:00 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Mayor Dehen, Council Members Steiner, Norland, Freyberg, and Whitlock, City Administrator Harrenstein, Finance Director McCann, Community Development Director Fischer, Public Works Director Host, and City Clerk Van Genderen. Absent: Attorney Kennedy.

Approval of Agenda

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

Approval of Council Meeting Minutes

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of November 5, 2018. Vote on the motion: Steiner, Norland, Whitlock, and Dehen aye; Freyberg abstain. Motion carried.

Public Hearing, 7 pm-Project No. 18-05 DEF Commerce Drive Improvement Project.

Mayor Dehen invited City Engineer Dan Sarff to the podium to discuss the improvement. He asked clarification on when the project plans would be ready. City Engineer Sarff indicated they should be ready by late January and additional public hearings would be held.

City Engineer Sarff reviewed the proposed project. The plan is included in the City's Capital Improvement Plan for 2019, and significant State and Federal funds have been secured for the project. The project is on Commerce Drive from just east of Lookout Drive to just west of Lor Ray Drive. The improvements include removal and installation of bituminous pavement with aggregate base & edge drain, isolated replacement of curb and gutter, ADA pedestrian ramp and sidewalk improvements, concrete multi-use trail construction, driveway entrance construction modifications, street light improvements, and additional improvements. City Engineer Sarff noted the area is mixed use and provides access to approximately 44 businesses and is a primary access point for Taylor Corp businesses. The traffic vpd is 11,500 between Lor Ray Drive and Roe Crest Drive and 4,400 vpd between Roe Crest Drive and Lookout Drive. Between 2011 and 2015 there were a total of 15 crashes. City Engineer Sarff reviewed the street and surface structure of Commerce Drive and noted that the City utilities that were installed in the 1970s are in good condition. Commerce Drive has 73 access points, and with the high traffic volumes and numerous access points safety and mobility are degraded. Discussions with Commerce Drive businesses during the Commerce Drive Development Plan have included reducing the number of access points to businesses if they have multiple accesses. Reactions to these discussions varied widely with some interested or willing to discuss reducing accesses and other businesses rejecting the idea. City Engineer Sarff reviewed the proposed improvements including reconstruction of approximately 400' east of Commerce Lane to Lor Ray Drive and a bituminous overlay on the portion from Lookout Drive east of Commerce Lane to Lor Ray Drive. He indicated there were also proposed lighting and streetscaping improvements which include wider sidewalks and a multi-use trail, enhanced lighting, street trees, branding and wayfinding, gateway enhancements, pedestrian nodes and the inclusion of art. City Engineer Sarff reviewed the estimated cost of the project which totaled \$2,796,000, with federal funding of \$1,159,414, state funding of \$700,000 and City funding of \$936,586. City Engineer Sarff indicated it was anticipated that a portion of the cost would be assessed and invited Finance Director McCann to provide information on the proposed assessment process. Finance Director McCann reported if the City used the Assessment

Policy the assessment per linear foot would be \$158.00 with some parcels being assessed over \$100,000. Reviewing Council practice and how both the Roe Crest Drive and Jefferson Avenue projects were assessed and using that formula, Finance Director McCann reported the reduced rate would cost \$67.00 a linear square foot. Staff believes this would be an equitable way to assess the properties. City Engineer Sarff reported a public hearing would be held in April 2019 when the actual assessments were prepared. Mayor Dehen invited residents and property owners to speak.

Tom Hagen, 927 Lake Street, indicated he was concerned about assessing the business owners for the improvements when the downtown parking lot was not assessed to those business owners. Mayor Dehen responded that the parking lot project was a part of the downtown redevelopment project and was eligible for the use of Local Option Sales Taxes. Mr. Hagen expressed concerns about who maintained the parking lot.

Matthew Chmielewski, Executive Business Director, 1980 Commerce Drive, appeared before Council and reported the road was a unique street because his company does not need the foot or vehicle traffic and he expressed concern about being assessed for the improvements. He also reported revitalization could come from a grassroots effort.

Council Member Freyberg requested clarification on the communication system that would be in place to assist the businesses owners through the road closures. He requested businesses be well informed of the work that would be completed and the timing of that work. City Engineer Sarff indicated a process would be written into the contract. Mayor Dehen indicated there were a lot of pleased Jefferson Avenue citizens.

With no one else appearing before Council, Mayor Dehen closed the Public Hearing.

Consent Agenda

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

- A. Bills and Appropriations.
- B. Approved Monroe Color Run Large Group Application for Spring Lake Park Shelter #1 on May 18, 2019, from 6:00 am to 11:00 am.
- C. Approved Parade Permit for the Monroe Color Run at Spring Lake Park on May 18, 2019, from 6:00 am to 11:00 am.
- D. Approved Parade Permit for Business on Belgrade's Bells on Belgrade on December 1, 2018, from 6 p.m. to 7 p.m.
- E. Approved Large Group and Audio Permit for the MS Walk on May 11, 2019, from 8:00 a.m. to 2:00 p.m., Audio from 10:00 am to 12:30 pm.
- F. Approved Parade Permit for the MS Walk on May 11, 2019, from 10:00 am to 12:30 pm.
- G. Res. No. 87-18 Approving Consent Assessment Agreement-421 Range Street.
- H. Res. No. 88-18 Approving Consent Assessment Agreement-325 McKinley Avenue.
- I. Res. No. 89-18 Declaring Costs to be Assessed for Municipal Charges.

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

Public Comments Concerning Business Items on the Agenda None

Business Items

Res. No. 90-18 Ordering Improvement and Preparation of Plans Project No. 18-05 DEF Commerce Drive Improvement Project.

Council Member Steiner moved, seconded by Council Member Norland to adopt Res. No. 90-18 Ordering Improvement and Preparation of Plans Project No. 18-05 DEF Commerce Drive Improvement Project. Vote on the motion: Steiner, Norland, Freyberg, Whitlock, and Dehen aye; no nays. Motion carried.

Open Forum

<u>Barb Church 102 Wheeler Avenue</u>, appeared before Council and thanked Council Member Freyberg for his comments on the budget and encouraged Council to review the whole budget to locate areas to cut. She also indicated that the food and beverage tax that the City was looking to pass through legislation was already enough additional tax.

<u>Tom Hagen, 927 Lake Street</u>, appeared before Council and encouraged Council to implement Council Member Freyberg's budget ideas.

<u>Phil Henry, 1300 Noretta Drive</u>, appeared before Council and indicated there is always a recession on its way and the City needs to plan for a recession.

City Administrator and Staff Comments

Public Works Director Host indicated the sewer repair would be completed soon.

City Clerk Van Genderen reviewed the Election results and noted that 77% of registered voters voted at the General Election. She thanked the election judges for their hard work. Mayor Dehen noted that 65-70 judges volunteered and thanked them for their service.

Mayor and Council Comments

Council Member Norland stated during this time of thanks we should all be grateful for what we have.

Council Member Whitlock reported he had several Jefferson Avenue residents report that they had excellent communication during the reconstruction.

Council Member Whitlock invited everyone to Bells on Belgrade on December 1, 2018, from 2 pm to 6 pm with the Holiday Parade following at 6:30 pm.

Mayor Dehen requested clarification on leaf collection. Public Works Director Host noted they are still out picking up trouble spots.

Mayor Dehen thanked the Boy Scouts for presenting the flag at the beginning of the Council Meeting.

Mayor Dehen invited everyone out to shop on Shop Small Saturday on November 24, 2018.

There being no further business, on a motion by Council Member Norland, seconded by Council Member Steiner, the meeting adjourned at 7:45 p.m.

COUNCIL MINUTES November 19, 2018	

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	Mayor	
City Clerk		

CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 8	Dept: Finance Director	Council Meeting Date: 12/3/18		
TITLE OF ISSUE: Public Hearing, 7 p	p.m 2019 Budget and 2019-20	23 Five-Year Capital Improvement Plan.		
DA CACODOLINO AND CHINDA DA MANA	THE PARTY OF THE P			
		e Statute the City must hold a public hearing on and is also available to the public in the Taylor		
		on December 17, 2018 along with the 2019-		
2023 Capital Improvement Plan.	privite 2019 Buuguruna Tun 2019	on 2000moet 17, 2010 along wan the 2017		
-				
		If additional space is required, attach a separate sheet		
REQUESTED COUNCIL ACTION: N	V/A			
For Clerk's Use:	SUPPORT	TING DOCUMENTS ATTACHED		
Motion By:	Resolution Ordina	nce Contract Minutes Map		
Second By:				
Vote Record: Aye Nay Norland	Other (an asis)	Daniel Direction		
Freyberg	Other (specify) Notice of Hearing	PowerPoint Presentation		
Whitlock				
Steiner				
Dehen				
Workshop	Refe	r to:		
V				
X Regular Meeting		e until:		
Special Meeting	Othe	r:		
special watering		r.		

The Free Press THE LAND

P.O. Box 3287, Mankato, MN 56002 www.mankatofreepress.com phone: (507) 344-6314, fax: (507) 625-1149

Affidavit of Publication STATE OF MINNESOTA, COUNTY OF BLUE EARTH, SS.

Steve Jameson, being duly sworn, on oath states as follows: 1. I am the publisher of The Free Press, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes \$331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

The printed notice which is attached was cut from the columns of said newspaper, and was printed and published the following dates: 11/22/18, and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrsluvwxyz

4. The Publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to §331A.06, is as follows: 30 0 0.
5. Pursuant to Minnesota Statutes §580.033 relating

5. Pursuant to Minnesota Statutes \$580.033 relating to the publication of mortgage foreclosure notice: The newspaper's known office is located in Blue Earth County. The newspaper complies with the conditions described in \$580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

Public Hearing Notice

November 22, 2018
NOTICE OF PUBLIC HEARING
ON 2019 BUDGET AND
FIVE-YEAR CAPITAL
IMPROVEMENT PLAN,
2019-2023
CITY OF NORTH MANKATO
NOTICE IS HEREBY GIVEN
that the City Council of the City
of North Mankato, Minnesota,

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 3rd day of December 2018, to hold a public hearing to consider the City's 2019 Budget and Five-Year Capital Improvement Plan, 2019-2023.

Such persons as desire to be heard with reference to the proposed 2019 Budget and Five-Year Capital Improvement Plan, 2019-2023 will be heard at this meeting. A copy of the 2019 Budget and Five-Year Capital Improvement Plan, 2019-2023 is available at the North Mankato Taylor Library at 1001 Belgrade Avenue, North Mankato or online at

www.northmankato.com/ citynorthmankato/budget April Van Genderen City Clerk City of North Mankato

FURTHER YOUR AFFIANT SAITH NOT.

By: Steve Jameson, Publisher

Sworn to and subscribed before me, this day 11/22/2018

Notary Public



NOTICE OF PUBLIC HEARING ON 2019 BUDGET AND FIVE-YEAR CAPITAL IMPROVEMENT PLAN, 2019-2023 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 3rd day of December 2018, to hold a public hearing to consider the City's 2019 Budget and Five-Year Capital Improvement Plan, 2019-2023.

Such persons as desire to be heard with reference to the proposed 2019 Budget and Five-Year Capital Improvement Plan, 2019-2023 will be heard at this meeting. A copy of the 2019 Budget and Five-Year Capital Improvement Plan, 2019-2023 is available at the North Mankato Taylor Library at 1001 Belgrade Avenue, North Mankato or online at www.northmankato.com/citynorthmankato/budget.

April Van Genderen City Clerk City of North Mankato



2019 Proposed Property Tax Levy, Budget, & CIP

December 3, 2018

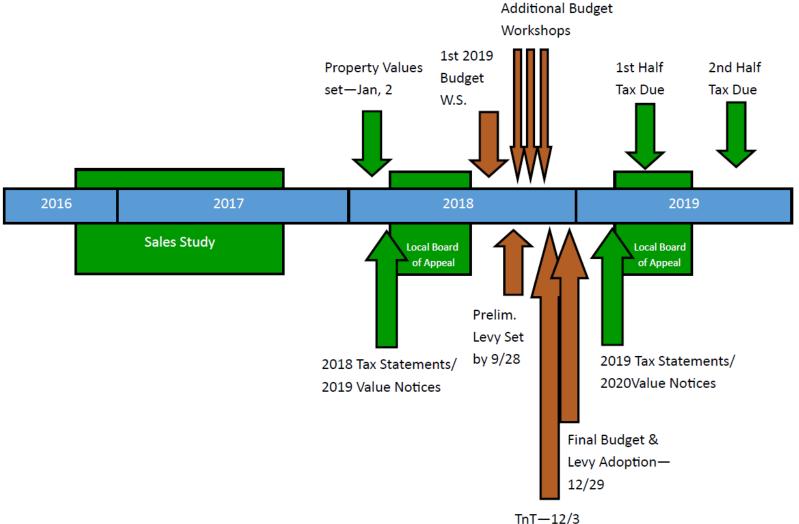


Purpose of Tonight's Meeting

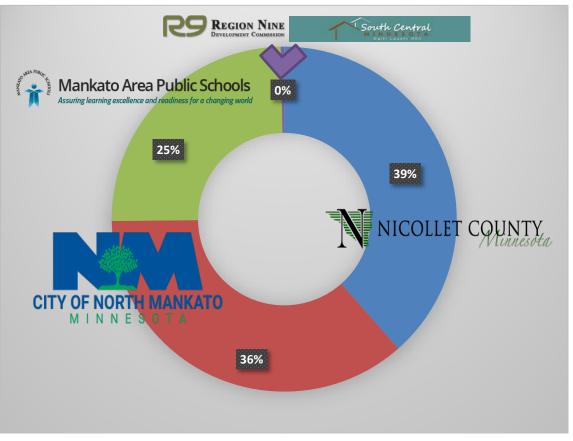
- Solicit input on the City's proposed tax levy and budget for 2019;
- State law requirement Truth-in-Taxation;
- Held after property owners receive their proposed property tax statements for 2019 –
 - Statement received is based up the preliminary budget and tax levy approved by the Council in September



Property Tax and Budget Process Timeline



Components of Your Property Taxes





Each component has its own Tax Rate

2019 Property Taxes

- Preliminary levy set in September (basis of tax notice received) with tax rate of 51.6%.
- Tax rate proposed to decrease to 51%
- Proposed levy decrease of \$80,000
- Proposed final 2019 levy dollar amount is \$565,000 (9%) more than the 2018 levy



2019 Property Taxes, cont.

- 9.0% growth in taxable market value. (approximately \$93 million)
 - 15% is new construction.
 - 28 new homes and five new or expanded commercial/ industrial buildings (Mankato Clinic, Building Fasteners, LJP, D&K, Blue Star)
 - 85% is increased property values.
- \$1 million increase in the tax capacity
- This growth is expected to offset the tax levy increase of \$565,000





2019 Property Taxes, cont.

 The total general property taxes needed by the City of North Mankato for 2019 is \$6,683,838

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    General Fund $ 5,040,048
    Port Authority $ 75,000
    Debt Service $ 1,375,458
    Abatement Levy $ 193,332
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- Tax Rate = Tax Levy/Total Tax Capacity
 - Total tax capacity increase is larger than the tax levy increase which means a decrease in tax rate

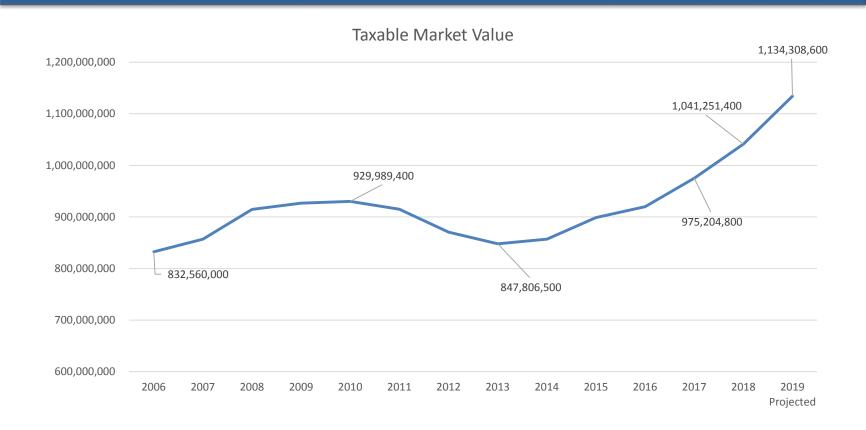


Levy Comparison

	2018 Amount	2019 Amount	Dollar Amount	% Change
General Fund Levy	\$ 4,621,889	\$ 5,040,048	\$ 418,159	9.05%
Port Authority	75,000	75,000	\$ -	0.00%
Debt Service	1,370,848	1,375,458	\$ 4,610	0.34%
Tax Abatement	221,014	193,332	\$ (27,682)	(12.52)%
Total Tax Levy	\$ 6,288,751	\$ 6,683,838	\$ 395,087	6.28%

CITY OF NORTH MANKATO

Taxable Market Value



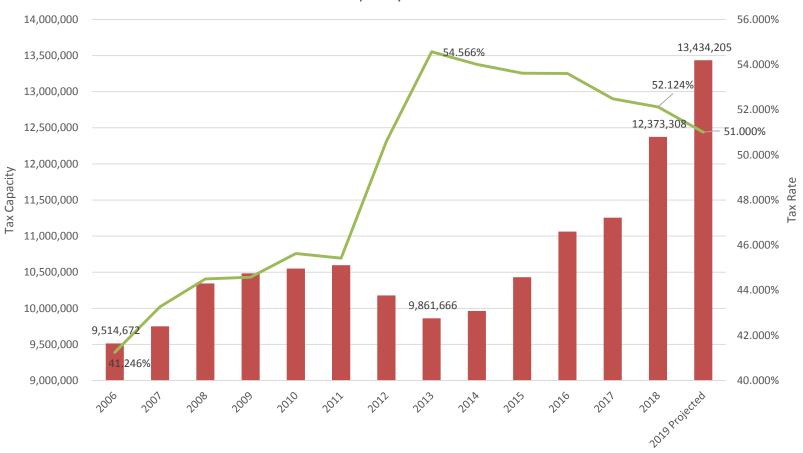


Tax Levy History – Dollar Amount vs. Rate



Tax Capacity vs. Tax Rate







Tax capacity is a unique property taxing tool that is equivalent to multiplying the taxable market value of a property by its relevant class rate. The local tax rate of a taxing jurisdiction is determined by dividing the jurisdiction's levy by the jurisdiction's taxable net tax capacity. Rates often move in the opposite direction of tax capacity as shown in the chart above.

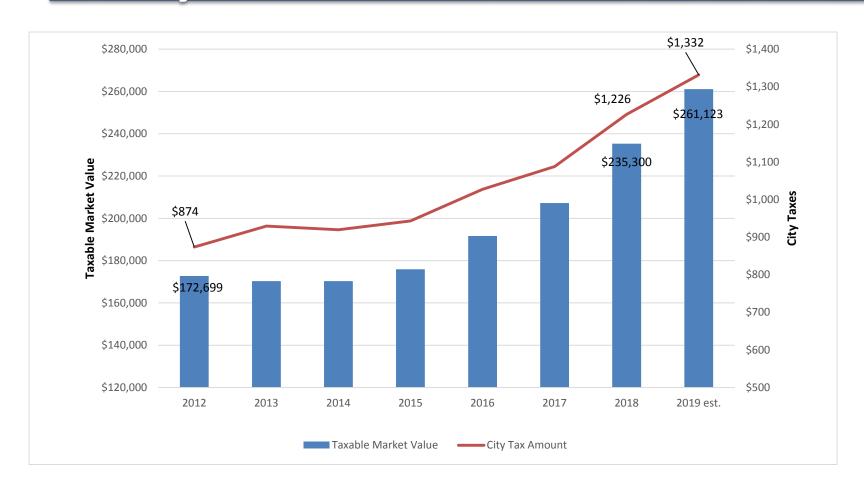
2019 Tax Base and Market Values



- Home Value increases ranged from 0% to 15%
- Majority saw 5-10% increase
- Tax levy impact will vary depending on home's value



City Tax vs. Taxable Home Value

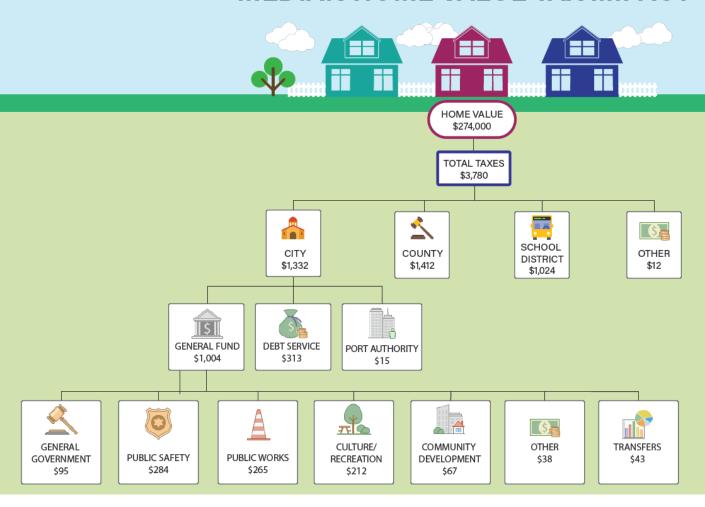




Eight year history of a median home in North Mankato (currently \$274,000) with taxable market value of \$261,123.

2019 Changes - Taxable value increase of \$25,823 & City tax increase of \$106.

MEDIAN HOME VALUE TAX IMPACT





Where do your General Fund tax dollars go?

Public Works \$0.26

General Gov. \$0.09 Other \$0.04

Public Safety \$0.28



Transfers \$0.04



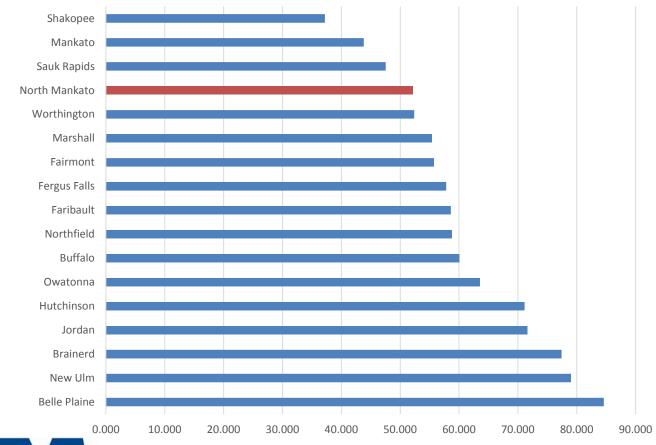
Parks, Rec, Leisure

\$0.21

Community
Development
\$0.07

2018 Comparable City Tax Rate

2018 Tax Rates for Area and Comparable Cities





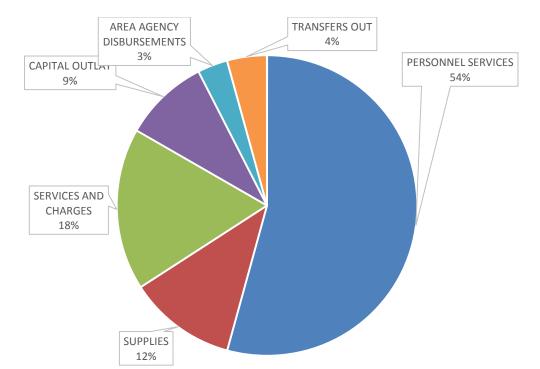
2019 Budget by Department

BUDGET SUMMARY FOR FY 2019											
2019 EXPENDITURES BY FUND											
Fund		2018	Pr	oposed 2019	2	2018/2019 +/-	Notes				
General Fund Expenditures By											
Department											
General Government	\$	831,743	\$	838,805	\$	7,062					
Public Safety	\$	2,443,994	\$	2,516,887	\$	72,893	New police officer added in 2018				
Public Works	\$	2,248,109	\$	2,348,361	\$	100,252	New employee in 2018 & Pavement Management				
Parks, Recreation, Leisure	\$	1,690,512	\$	1,872,183	\$	181,671	Temporary labor & increase in Park Improvement funding				
Community Development	\$	525,141	\$	590,484	\$	65,343	Planning studies and rental inspections				
Other	\$	335,395	\$	338,007	\$	2,612					
Transfers	\$	260,000	\$	381,000	\$	121,000	Capital set asides				
GENERAL FUND TOTAL	\$	8,334,895	\$	8,885,727	\$	550,832					



2019 Budget by Category

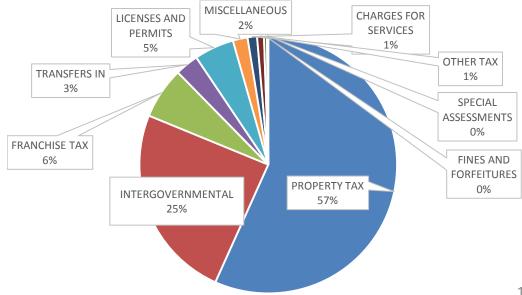
GF Expenditure Breakdown by Type	2018	2019	+/-	%+/-
PERSONNEL SERVICES	4,537,247	4,822,586	\$ 285,339	6%
SUPPLIES	1,038,475	1,031,040	\$ (7,435)	-1%
SERVICES AND CHARGES	1,458,878	1,548,784	\$ 89,906	6%
CAPITAL OUTLAY	752,700	814,710	\$ 62,010	8%
AREA AGENCY DISBURSEMENTS	287,595	287,707	\$ 112	0%
DEBT SERVICE	-	-	\$ -	
TRANSFERS OUT	260,000	381,000	\$ 121,000	47%
General Fund (Total)	\$ 8,334,895	\$ 8,885,827	\$ 550,932	7%





2019 General Fund Revenue Overview

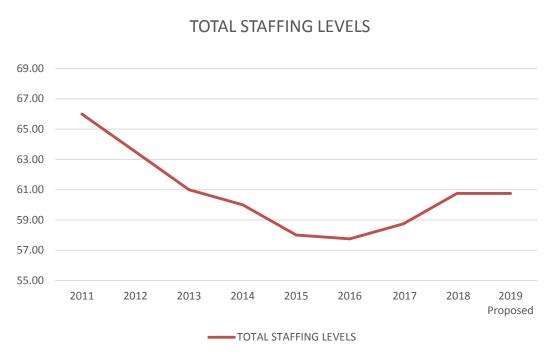
GF Revenue Breakdown by Source	2018	2019	+/-	%+/-
PROPERTY TAX	4,621,889	5,040,048	418,159	9%
INTERGOVERNMENTAL	2,144,846	2,174,583	29,737	1%
FRANCHISE TAX	502,000	574,000	72,000	14%
TRANSFERS IN	350,982	261,750	(89,232)	-25%
LICENSES AND PERMITS	402,148	443,470	41,322	
MISCELLANEOUS	145,868	163,267	17,399	12%
CHARGES FOR SERVICES	100,755	104,438	3,683	4%
OTHER TAX	90,800	77,300	(13,500)	-15%
FINES AND FORFEITURES	29,000	33,500	4,500	16%
SPECIAL ASSESSMENTS	17,650	13,800	(3,850)	-22%
General Fund (Total)	8,405,938	8,886,156	480,218	6%





2019 Personnel Costs

- Merit increases up to 3% for performance
- 7% increase in health insurance
- 2019 60.75 FTEs





2019 Utility Fund Expenditure Overview

BUDGET SUMMARY FOR FY 2019 2019 EXPENDITURES BY FUND										
Fund 2018 Adopted 2019 Proposed +/- %+/- Notes										
Water	\$ 2,208	,623 \$	2,083,219	\$	(125,404)	-6%	Debt retired			
Wastewater	\$ 2,436	,691 \$	2,460,108	\$	23,417	1%				
Solid Waste	\$ 812	,654 \$	800,741	\$	(11,913)	-1%				
Recycling	\$ 430	,782 \$	484,974	\$	54,192	13%	Spring and Fall Cleanup costs			
Storm Water	\$ 342	,801 \$	390,509	\$	47,708	14%	Software costs, flood station, ravine maint.			



2019 Utility Fund Revenue Overview

BUDGET SUMMARY FOR FY 2018 2019 REVENUES BY FUND									
Fund	201	lo Auopteu	20	J19 Keviseu		+/-	%+/-	Notes	
Water	\$	2,033,873	\$	2,128,600	\$	94,727	5%	Collections up	
Wastewater	\$	2,417,676	\$	2,461,000	\$	43,324	2%	Collections up	
Solid Waste	\$	811,000	\$	819,360	\$	8,360	1%		
Recycling	\$	467,021	\$	559,721	\$	92,700	20%	Recycling rate increase - \$1/month	
Storm Water	\$	381,500	\$	391,131	\$	9,631	3%		



2019 Recycling Fund Overview

- Riverbend Recycling Facility built in 2005 in a partnership with Nicollet County with bonds that mature in 2025
- Nicollet County has contributed approximately \$97,000/year toward the facility
- This agreement will end in 2019.
- In forecasting the cash balance, staff estimates \$1/month rate increase starting in 2019 to cover the shortfall.



CIP Policy

Purpose of the CIP

- CIP is a flexible planning tool to be reviewed and updated on an annual basis
- Major projects and equipment over \$15,000
- Incorporates needs and future goals from planning documents such as the comp plan
- Expanded to 10 years first 5 years are capital budget, last 5 years are for future consideration
- Goal Minimize fluctuations in expenses and create orderly replacement of facilities, infrastructure, and equipment



2019-2023 CIP

- 2018-2022 \$21.3 Million
- 2019-2023 \$20.1 Million (\$1.2 Million)
 - (\$0.10 Million) decrease in equipment purchases
 - \$1.00 Million increase in facility improvements
 - \$0.25 Million increase in parks and road funding
 - \$0.35 Million increase in water and sewer funding
 - (\$2.60) Million decrease in in projects (\$4.7 swim facility/Jefferson Ave. project; now \$2.0/annually)









2019-2023 Equipment/Facilities

Project or Activity	Strategic Program Area	2018-2022	2019-2023	Variance
Loader	Infrastructure	150,000	150,000	-
General Equipment - Trucks, Skid loaders, Mowers, etc.	Infrastructure	240,000	240,000	-
Police Cruiser	Public Safety	190,000	190,000	-
Squad Cameras	Public Safety	35,000	-	(35,000)
Detective Squad	Public Safety	40,000	40,000	-
Land purchase 233 Wheeler, 231 Wheeler	Comm. Dev.	284,000	272,000	(12,000)
Truck Community Development	Comm. Dev.		25,000	25,000
Sirens - Upgrade (from 2012), Plant #2, Expansion, City Shop	Public Safety	54,000	54,000	-
Tandem Dump Truck with Plow, Wing and Sander (3)	Infrastructure	675,000	500,000	(175,000)
Roller (2)	Infrastructure	60,000		(60,000)
Street department roof / Public Works Yard Evaluation	Infrastructure	20,000	-	(20,000)
Mechanics Shop - update doors	Infrastructure	15,000	-	(15,000)
Front Desk and Community Development Desk Remodel	Admin/Leg.	50,000	_	(50,000)
Lower Level Remodel	Admin/Leg.	15,000		(15,000)
Fire Engine	Public Safety	110,000	110,000	-
Overhaul Air Pack/Work Room	,	_	40,000	40,000
Overall FD Community Room Kitchen			25,000	25,000
Parks Mower Replacement			180,000	180,000
			ŕ	,
Sub-Total Cash / Equipment Replacement		1,938,000	1,826,000	(112,000)

2019 Equipment & Facilities Replacement

New for 2019-2023

CITY OF NORTH MANKATO

- \$1.0 Million toward facility improvements
- Mowers: \$90,000/unit 2019 & 2020
- One less snow plow (purchased one in 2018)
- Truck for Community Development: \$25,000
- Squad Cameras purchased in 2018
- Land purchase final payments
- Rollers allocated to future years
- Street shop part of bigger project

2019-2023 Debt Expenditures

Project or Activity	Strategic Program Area	2019 PROPOSED	2020 FORECAST	2021 FORECAST	2022 FORECAST	2023 FORECAST	Estimated 5 year costs
Tyler Ave. Reconstruct	Infrastructure	510,000					510,000
Harrison Ave. Reconstruct	Infrastructure	490,000					490,000
PW Building	Infrastructure						-
Caswell Park Improvements	Recreation						-
Safe Routes to School - Dakota Meadows	Infrastructure		151,000				151,000
McKinley Ave. Reconstruct	Infrastructure		1,500,000				1,500,000
Safe Routes to School - Monroe/Bridges	Infrastructure			168,000			168,000
Monroe Ave. Reconstruct	Infrastructure			1,060,000			1,060,000
Garfield Ave. Reconstruct	Infrastructure			650,000			650,000
Commerce Dr. City Portion	Infrastructure	1,000,000					1,000,000
TBD Project	Infrastructure		-				-
TBD Project	Infrastructure	-	349,000				349,000
TBD Project	Infrastructure			122,000			122,000
TBD Project	Infrastructure				2,000,000		2,000,000
TBD Project	Infrastructure					2,000,000	2,000,000
Sub-Total Bonds		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000

Sales Tax Project

- Citizens and Legislature approved sales tax extension
- \$5.0 Million in sales tax funding capacity is available in 2019 or an estimated \$8.0 million is available in 2020
- No project identified to date

CITY OF NORTH MANKATO

 Staff will work with Council on proposed project options

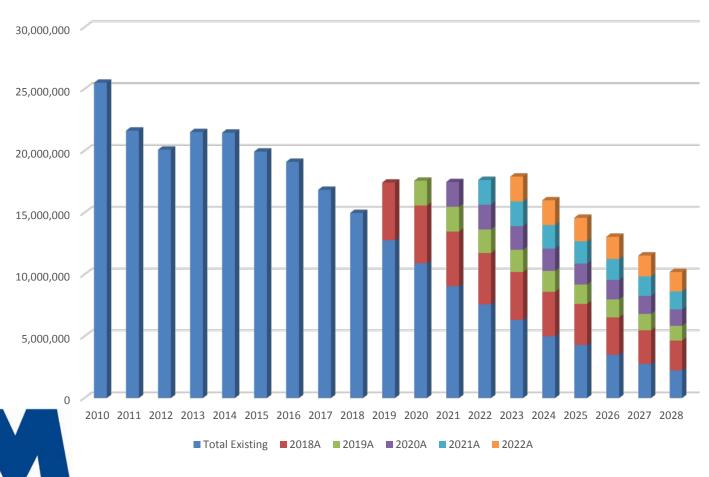
Parks Plan

						Parl	ks P	lan			
			2018	2019		2020		2021	2022		2023
ources of Fund	Is General Fund Parks Funding	\$	350,000	\$ 400,000	\$	400,000	\$	400,000	\$ 400,000	\$	400,000
		Total \$	350,000	\$ 400,000	\$	400,000	\$	400,000	\$ 400,000	\$	400,000
Uses of Func	Is Est. Environmental Reserves	\$	35,000	\$ 35,000	\$	35,000	\$	35,000	\$ 35,000	\$	35,000
	SLP Restroom	\$	40,000								
	SLP Rink	\$	24,000								
	Lady Bug Fishing Pier	\$	15,500								
	Playground equip.	\$	60,000	\$ 30,000	\$	30,000	\$	30,000	\$ 30,000	\$	30,000
	Other	\$	18,000								
	Swim Facility	\$	100,000								
	Benson Parking Lot			\$ 175,000							
	Benson Restroom/Shelter			\$ 100,000							
	Fallenstein Restroom			\$ 60,000							
	Benson Park Linear Pond Brid	dge		\$ 30,000							
	Bluff Park Overlook				\$	125,000					
	Benson Park Water Features						\$	209,000			
		Total \$	292,500	\$ 430,000	\$	190,000	\$	274,000	\$ 65,000	\$	65,000
	Net	\$	57,500	\$ (30,000)	\$	210,000	\$	126,000	\$ 335,000	\$	335,000
	Beginning Balance	\$	-	\$ 57,500	\$	27,500	\$	237,500	\$ 363,500	\$	698,500
	Ending Balance	\$	57,500	\$ 27,500	Ś	237,500	Ś	363,500	\$ 698,500	_	1,033,500



Debt Analysis

Current & Future G.O. Debt of \$2.0 Million/Annually



CITY OF NORTH MANKATO

What's Next

Final Budget Adoption

December 17, 2018 as part of the Regular City Council
 Meeting

Property Value Questions

Nicollet County Assessor (507) 934-7060

North Mankato Budget and Tax Levy Questions

- Kevin McCann, Finance Director (507) 625-4141
- kmccann@northmankato.com



Claims List - Regular

CITY OF NORTH MANKATO

City of North Mankato, MN

By Vendor Name
Date Range: 12-3-18

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-A 00093		12/02/2018	Dogular	0	474.50	00050
02757	ARNOLD'S OF MANKATO, INC. CINTAS	12/03/2018 12/03/2018	Regular	0	171.52	90259
00255	CITY OF MANKATO	12/03/2018	Regular Regular	0	178.46	90260 90261
02944	COMMUNITY PARTNERS RESEARCH, INC.	12/03/2018	Regular	0	124,914.96 5,250.00	90261
02275	DEM-CON MATERIALS & RECOVERY	12/03/2018	Regular	0	1,462.19	90263
00344	DIAMOND VOGEL PAINT CENTER	12/03/2018	Regular	0	59.00	90264
00401	EXPRESS SERVICES, INC.	12/03/2018	Regular	0	523.24	90265
00404	FASTENAL COMPANY	12/03/2018	Regular	0	0.99	90266
02942	FEDER, WILLIAM	11/28/2018	Regular	0	2,108.83	90258
00427	FLAGSHIP RECREATION, LLC	12/03/2018	Regular	0	4,824.95	90267
00433	FLEXIBLE PIPE TOOL COMPANY	12/03/2018	Regular	0	497.55	90268
00447	FREE PRESS	12/03/2018	Regular	0	75.95	90269
00508	GREEN TECH RECYCLING, LLC	12/03/2018	Regular	0	11,629.00	90270
00519	HACH COMPANY	12/03/2018	Regular	0	379.09	90271
02945	HOKKANEN, KARIN	12/03/2018	Regular	0	180.00	90272
00595	HY-VEE, INC.	12/03/2018	Regular	0	153.88	90273
00731	LAGER'S OF MANKATO, INC.	12/03/2018	Regular	0	1,656.95	90274
00746	LAW ENFORCEMENT LABOR SERVICES, INC.	11/20/2018	Regular	0	686.00	90252
00754	LEAGUE OF MINNESOTA CITIES	12/03/2018	Regular	0	450.00	90275
00812	MANKATO BEARING COMPANY	12/03/2018	Regular	0	123.76	90276
00815	MANKATO CLINIC, LTD.	12/03/2018	Regular	0	95.00	90277
00819	MANKATO FORD, INC.	12/03/2018	Regular	0	2,161.37	90278
00829	MANKATO PUBLIC SCHOOLS	12/03/2018	Regular	0	73.00	90279
00900	MINNESOTA DEPARTMENT OF AGRICULTURE	12/03/2018	Regular	0	225.00	90280
00920	MINNESOTA DEPARTMENT OF HEALTH	12/03/2018	Regular	0	8,244.00	90281
02842 00970	MINNESOTA LIFE INSURANCE COMPANY	11/19/2018	Regular	0	808.37	90248
02934	MOBILE GLASS SERVICE	12/03/2018	Regular	0	282.40	90282
01063	NORTHERN SEWER FOURDMENT CO. AND	12/03/2018	Regular	0	3,990.00	90283
01106	NORTHERN SEWER EQUIPMENT CO., INC.	12/03/2018	Regular	0	798.32	90284
01133	PETTY CASH BOWERDIAN/PRO FOLUDMENT	12/03/2018 12/03/2018	Regular	0	70.82	90285
01166	POWERPLAN/RDO EQUIPMENT RADIO MANKATO	12/03/2018	Regular Regular	0	6,280.65	90286 90287
01297	SOUTH CENTRAL COLLEGE	12/03/2018	Regular	0	1,875.00 2,250.00	90287
01344	STATE OF MINNESOTA	12/03/2018	Regular	0	2,230.00	90289
02943	THUL SPECIALTY CONTRACTING, INC.	12/03/2018	Regular	0	27,200.00	90290
01402	TIRE ASSOCIATES	12/03/2018	Regular	0	1,666.42	90291
01409	TOPPERS & TRAILERS PLUS	12/03/2018	Regular	0	222.34	90292
01411	TOSTENSON, PHILLIP	12/03/2018	Regular	0	81.76	90293
02041	ULINE	12/03/2018	Regular	0	388.60	90294
01441	UNITED RENTALS, INC.	12/03/2018	Regular	0	5,152.00	90295
01523	WENZEL AUTO ELECTRIC CO	12/03/2018	Regular	0	55.62	90296
02625	WHITLOCK, JAMES	11/19/2018	Regular	0	127.08	90249
02499	YWCA MANKATO	12/03/2018	Regular	0	1,000.00	90297
01562	ZAHL EQUIPMENT SERVICE, INC.	12/03/2018	Regular	0	32.00	90298
02058	CONSOLIDATED COMMUNICATIONS	11/16/2018	Bank Draft	0	209.70	DFT0002606
02058	CONSOLIDATED COMMUNICATIONS	11/26/2018	Bank Draft	0	14.24	DFT0002623
02058	CONSOLIDATED COMMUNICATIONS	11/26/2018	Bank Draft	0	31.03	DFT0002624
02058	CONSOLIDATED COMMUNICATIONS	11/26/2018	Bank Draft	0	28.84	DFT0002625
02058	CONSOLIDATED COMMUNICATIONS	11/26/2018	Bank Draft	0	47.98	DFT0002626
00412	FINDAWAY WORLD LLC	11/15/2018	Bank Draft	0	471.62	DFT0002610
00412	FINDAWAY WORLD LLC	11/26/2018	Bank Draft	0	69.99	DFT0002630
00608	INGRAM LIBRARY SERVICES	11/28/2018	Bank Draft	0	2,108.64	DFT0002636
00733	LAKES GAS CO #10	11/27/2018	Bank Draft	0	107.00	DFT0002628
00857	MC GOWAN WATER CONDITIONING, INC.	11/16/2018	Bank Draft	0	17.10	DFT0002605
00936	MINNESOTA POLLUTION CONTROL AGENCY	11/20/2018	Bank Draft	0	375.00	DFT0002611
01117	PLUNKETT'S PEST CONTROL, INC.	11/15/2018	Bank Draft	0	118.14	DFT0002603
01322	SPRINT	11/26/2018	Bank Draft	0	35.45	DFT0002627

01335	STAPLES ADVANTAGE	11/14/2018	Bank Draft	0	121.82	DFT0002602
01335	STAPLES ADVANTAGE	11/26/2018	Bank Draft	0	200.68	DFT0002629
01377	TELRITE CORPORATION	11/20/2018	Bank Draft	0	269.20	DFT0002612
01470	VERIZON WIRELESS	11/15/2018	Bank Draft	0	876.85	DFT0002604
00036	ALEX AIR APPARATUS, INC.	12/05/2018	EFT	0	224.00	1362
00105	AUTO VALUE MANKATO	12/05/2018	EFT	0	489.38	1363
00174	BOLTON & MENK, INC.	12/05/2018	EFT	0	10,897.50	1364
00176	BORDER STATES ELECTRIC SUPPLY	12/05/2018	EFT	0	388.34	1365
00216	C & S SUPPLY CO, INC.	12/05/2018	EFT	0	496.39	1366
02706	CORE & MAIN LP	12/05/2018	EFT	0	23,023.35	1367
00322	DALCO	12/05/2018	EFT	0	1,038.60	1368
00348	DIRT MERCHANT, INC.	12/05/2018	EFT	0	443,974.08	1369
00439	FORSTER, DANIEL	12/05/2018	EFT	0	188.00	1370
00453	FREYBERG PETROLEUM SALES, INC.	12/05/2018	EFT	0	881.57	1371
00463	G & L AUTO SUPPLY, LLC	12/05/2018	EFT	0	378.48	1372
00482	GMS INDUSTRIAL SUPPLIES, INC.	12/05/2018	EFT	0	1,131.77	1373
00680	J.J. KELLER & ASSOCIATES, INC.	12/05/2018	EFT	0	1,104.74	1374
00743	LARKSTUR ENGINEERING & SUPPLY, INC.	12/05/2018	EFT	0	155.76	1375
00776	LLOYD LUMBER CO.	12/05/2018	EFT	0	494.92	1376
02644	MACQUEEN EMERGENCY GROUP	12/05/2018	EFT	0	257.95	1377
00796	MACQUEEN EQUIPMENT, INC.	12/05/2018	EFT	0	460.84	1378
00825	MANKATO MOTOR COMPANY	12/05/2018	EFT	0	1,404.63	1379
00874	MENARDS-MANKATO	12/05/2018	EFT	0	1,284.33	1380
02179	MES (MUNICIPAL EMERGENCY SERVICES)	12/05/2018	EFT	0	10,165.02	1381
02005	PANTHEON COMPUTERS	12/05/2018	EFT	0	1,757.95	1382
01093	PAULSON, ANDREAS	12/05/2018	EFT	0	49.99	1383
01211	RIVER BEND BUSINESS PRODUCTS	12/05/2018	EFT	0	606.70	1384
01281	SIGN PRO	12/05/2018	EFT	0	49.50	1385
01323	SPS COMPANIES, INC.	12/05/2018	EFT	0	64.60	1386
01552	WW BLACKTOPPING, INC	12/05/2018	EFT	0	65,848.77	1387
01568	ZIEGLER, INC.	12/05/2018	EFT	0	1,740.00	1388
00614	INTERNAL REVENUE SERVICE	11/20/2018	Bank Draft	0	4,041.76	DFT0002618
00614	INTERNAL REVENUE SERVICE	11/20/2018	Bank Draft	0	12,102.67	DFT0002620
00614	INTERNAL REVENUE SERVICE	11/20/2018	Bank Draft	0	11,795.66	DFT0002621
02003	MINNESOTA DEPT OF REVENUE	11/20/2018	Bank Draft	0	5,980.89	DFT0002619
01477	VIKING ELECTRIC SUPPLY, INC.	11/16/2018	Bank Draft	0	32.14	DFT0002607
01477	VIKING ELECTRIC SUPPLY, INC.	11/20/2018	Bank Draft	0	115.08	DFT0002613
				\$	826,359.71	94

Authorization Signatures

All Council

The above manual and regular claims lists for 12-3-18 are approved	d by:
MARK DEHEN- MAYOR	
DIANE NORLAND- COUNCIL MEMBER	17
WILLIAM STEINER- COUNCIL MEMBER	

JAMES WHITLOCK- COUNCIL MEMBER

ROBERT FREYBERG- 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
Traverse Des Sioux Library		
Cooperative	Summer Reading Program	775.00
Traverse Des Sioux Library		
Cooperative	Library-Art Splash	555.00
North Mankato Civic & Commerce		
Association	Special Programs-Library	500.00
Elaine Harkins	Squad Car Equipment	200.00
		\$2,030.00

Adopted by the City Council this 3rd day of December 2018.

	Mayor	
City Clerk	-	

CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 9C	Dept: City Clerk	Council Meeting Date: 12/4/18
TITLE OF ISSUE: License Renewals for	or 2019.	
		*
(growler). The Police Chief has reviewe licenses. All property taxes are current	ale liquor, club on-sale liquor ed these licenses and recomm on all liquor license premise	, pints-on-premise and off-sale intoxicating ends approval and issuance of the 2019 s. Other licenses to be renewed include soft lers, mobile home park, 3.2 beer off-sale and
DEOLIECTED COUNCIL ACTION A	1' 1 6 A	If additional space is required, attach a separate sheet
REQUESTED COUNCIL ACTION: A	pprove license renewals for 2	.019.
For Clerk's Use:	SUPPOR	TING DOCUMENTS ATTACHED
Motion By: Second By: Vote Record: Aye Norland Freyberg Whitlock Steiner Dehen	Resolution Ordin	
Workshop X Regular Meeting Special Meeting	Ta	fer to: ble until: her:

MEMORANDUM

TO:

Honorable Mayor and City Council

FROM:

April Van Genderen, City Clerk

DATE:

December 3, 2018

SUBJECT: Liquor License Renewals

This year the following listing of liquor license applications are presented for renewal. The Police Department recommends approval and issuance of the renewal applications for 2019. I have verified that all property taxes are current on all liquor license premises.

ON-SALE LIQUOR (*INCLUDES SUNDAY)

- *Nakato Bar & Grill, Inc., d/b/a Nakato Bar & Grill, 253 Belgrade Avenue
- *Big Dog Restaurants, Inc. d/b/a Big Dog Sports Café, 1712 Commerce Drive
- *O2 LLC, d/b/a Spinners Bar, 301 Belgrade Avenue
- *Dino's Gourmet Pizzeria, 239 Belgrade Avenue
- *J.T.S. Enterprise Inc. d/b/a Roadhouse 169, 1006 N. River Drive
- *Dave Dorland, d/b/a Belgrade Bar and Grill, 503 Belgrade Avenue

OFF-SALE LIQUOR

Nakato Bar & Grill, Inc., d/b/a Nakato Bar & Grill, 253 Belgrade Avenue Dembouski, Inc., d/b/a M.G.M. Liquor Warehouse, 1755 Commerce Drive BL Worldwide Investments, Inc., d/b/a PJ's Liquor Emporium, 407 1/2 Belgrade Avenue

Lor Ray Drive Enterprise, d/b/a Range Street Liquor, 1105 Range Street

CLUB ON-SALE LIQUOR (*INCLUDES SUNDAY)

*American Legion Post 518, 256 Belgrade Avenue

PINTS-ON-PREMISE AND OFF-SALE INTOXICATING (GROWLER) (*INCLUDES SUNDAY AND SUNDAY OFF-SALE)

*Mankato Brewery, LLC d/b/a Mankato Brewery, 1119 Center Street

WINE ON-SALE COMBINED WITH 3.2 ON-SALE LIQUOR

Vero's Tacos, LLC d/b/a Vero's Tacos, 1754 Commerce Drive, Suite 103

2019 LICENSE RENEWALS

Included is a list of all licenses to be renewed for 2019. Staff would recommend approval and issuance of all licenses, conditioned upon receipt of appropriate insurance certificates and license fees.

SOFT DRINK

American Legion Post 518, 256 Belgrade Avenue

Nakato Bar & Grill, Inc., d/b/a Nakato Bar & Grill, 253 Belgrade Avenue Walgreen, 1705 Commerce Drive

Dembouski, Inc., d/b/a M.G.M. Liquor Warehouse, 1755 Commerce Drive BL Worldwide Investments, Inc., d/b/a PJ's Liquor Emporium, 407 Belgrade Avenue

Vero's Tacos, LLC d/b/a Vero's Tacos, 1754 Commerce Drive, Suite 103 Northern Tier Retail LLC, d/b/a Speedway 201 Webster Avenue Big Dog Restaurants, Inc. d/b/a Big Dog Sports Café, 1712 Commerce Drive Sub Line Corporation, d/b/a Subway, 1102 N. River Drive Sub Line Corporation, d/b/a Subway, 1750 Commerce Drive Casey's General Stores, Inc., 1375 Lookout Drive Freyberg Management, d/b/a Shell on LorRay, 1711 Commerce Drive Duehring Enterprises, d/b/a Culver's, 1680 Commerce Drive O2 LLC, d/b/a Spinners Bar, 301 Belgrade Avenue Dino's Gourmet Pizzeria, 239 Belgrade Avenue Hunan Garden, 408 Belgrade Avenue J.T.S. Enterprise Inc. d/b/a Roadhouse 169, 1006 N. River Drive Kwik Trip, Inc. d/b/a Kwik Trip #615, 1740 Commerce Drive New Great Wall, Inc. d/b/a New Great Wall, 1814 Commerce Drive Mankato Brewery, LLC d/b/a Mankato Brewery, 1119 Center Street Dave Dorland, d/b/a Belgrade Bar and Grill, 503 Belgrade Avenue Lor Ray Drive Enterprise, d/b/a Range Street Liquor, 1105 Range Street

CIGARETTE

Dembouski, Inc., d/b/a M.G.M. Liquor Warehouse, 1755 Commerce Drive BL Worldwide Investments, Inc., d/b/a PJ's Liquor Emporium, 407 Belgrade Avenue

Northern Tier Retail LLC, d/b/a Speedway 201 Webster Avenue Casey's General Stores, Inc., 1375 Lookout Drive Freyberg Management, d/b/a Shell on LorRay, 1711 LorRay Drive Walgreen, 1705 Commerce Drive Kwik Trip, Inc. d/b/a Kwik Trip #615, 1740 Commerce Drive Tip Top Tobacco, LLC, 1710 Commerce Drive Suite 130

3.2 BEER OFF-SALE

Kwik Trip, Inc. d/b/a Kwik Trip #615, 1740 Commerce Drive Northern Tier Retail LLC, d/b/a Speedway 201 Webster Avenue

MECHANICAL AMUSEMENT DEVICES

Nakato Bar & Grill, Inc., d/b/a Nakato Bar & Grill, 253 Belgrade Avenue Big Dog Restaurants, Inc., d/b/a Big Dog Sports Café, 1712 Commerce Drive O2 LLC, d/b/a Spinners Bar, 301 Belgrade Avenue J.T.S. Enterprise Inc. d/b/a Roadhouse 169, 1006 N. River Drive Dave Dorland, d/b/a Belgrade Bar and Grill, 503 Belgrade Avenue

REFUSE HAULERS

Hansen Sanitation, 34426 470th Street, Kasota, MN 56050

Waste Management, P.O. Box 336, Mankato, MN 56002 LJP Enterprises, Inc., 31745 410th Street, St. Peter, MN 56082 West Central Sanitation, P.O. Box 796, 4089 Abbott Drive, Willmar, MN 56201

TAXI

Kato Cab, 711-1/2 N. Riverfront Drive, Mankato, MN 56001

CABARET (LIVE MUSIC)

O2 LLC, d/b/a Spinners Bar, 301 Belgrade Avenue American Legion Post 518, 256 Belgrade Avenue Nakato Bar & Grill, Inc., d/b/a Nakato Bar & Grill, 253 Belgrade Avenue Dave Dorland, d/b/a Belgrade Bar and Grill, 503 Belgrade Avenue Mankato Brewery, LLC d/b/a Mankato Brewery, 1119 Center Street

RESOLUTION NO.

RESOLUTION SETTING COUNCIL MEETING DATES FOR YEAR 2019

WHEREAS, the City Council of the City of North Mankato meets on the first and third Monday of each month; and

WHEREAS, since certain federal holidays fall on these appointed meeting dates;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following meetings will be held on the dates listed:

Second January meeting -Second February meeting -First September meetingTuesday, January 22, 2019 Tuesday, February 19, 2019

Tuesday, September 3, 2019

Adopted by the City Council this 3rd day of December 2018.

	Mayor	
City Clerk		

CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 9E	Dept: City Engineer	Council Meeting Date: 12/3/18
TITLE OF ISSUE: Set Public Hearing Program (SWPPP) Review.	-7 p.m. on December 17, 2018	Annual Stormwater Pollution Prevention
l		nual reporting requires that the City provide an he Stormwater Pollution Prevention Program If additional space is required, attach a separate sheet
REQUESTED COUNCIL ACTION: S	(-4 DLife II	If additional space is required, attach a separate sheet
Pollution Prevention Program (SWPPP		TOTAL AND THE PROPERTY OF THE
For Clerk's Use:	SUPPOR	TING DOCUMENTS ATTACHED
Motion By:Second By:	Resolution Ordin	ance Contract Minutes Map
Vote Record: Aye Nay ———————————————————————————————————	Other (specify) Notice of Hearin	
Whitlock		
Steiner Dehen	-	
Workshop	Ref	er to:
X Regular Meeting	Tab	le until:
Special Meeting	Oth	er:

NOTICE OF PUBLIC HEARING ON STORMWATER AND ANNUAL STORMWATER POLLUTION PREVENTION PROGRAM (SWPPP) REVIEW

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 17th day of December 2018, to hold a public hearing to provide an opportunity for the public to provide input on the adequacy of the City's Stormwater Pollution Prevention Program (SWPPP).

Such persons as desire to be heard with reference to the Stormwater Pollution Prevention Program will be heard at this meeting.

Dated this 3rd day of December 2018

April Van Genderen City Clerk City of North Mankato

CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item #9F	Department: Finance	Council Meeting Date: 12/3/18
TITLE OF ISSUE: Consider Approving	g Contract with Abdo Eick & I	Meyers to Complete the 2018 Audit.
Abdo, Eick & Meyers to complete the 2 the governmental activiteis, the busines	018 Audit. Abdo, Eick & Mey ss-type activities, each major for ting in accord with the Gover	d please find a proposed agreement with ers would audit the financial statements of und and the remaining fund information. In the remaining Standards Board or in last years contract of \$36,310.
REQUESTED COUNCIL ACTION: A	pprove Contract with Abdo, E	ick & Meyers to Complete the 2018 Audit.
	SUPPORT	TING DOCUMENTS ATTACHED
Motion By: Second By: Vote Record: Aye Nay	Resolution Ordina	nce Contract Minutes Map
Norland Freyberg Whitlock Steiner Dehen	Other (specify)	
Workshop X Regular Meeting Special Meeting	Refe	e until:
Special Meeting		



November 28, 2018

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

We are pleased to confirm our understanding of the services we are to provide the City of North Mankato (the City) for the year ended December 31, 2018. We will audit the financial statements of the the governmental activities, the businesstype activities, the discretely presented component unit, each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Funding Progress, Employer's Share of Net Pension Liability and Employer's Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1) Combining and Individual Fund Financial Statements and Schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information. The Statistical Section is required to be presented when a Comprehensive Annual Financial Report (CAFR) is issued.

- 1) Introductory Section
- 2) Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.



Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. We will also use the financial statements to complete the Office of the State Auditors' Reporting Forms. These nonaudit services do not constitute and audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.



Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Abdo, Eick & Meyers, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any Regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Abdo, Eick & Meyers, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately January 21, 2019 and to issue our reports no later than June 30, 2019. Kyle W. Meyers, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be as follows:

Audit		\$	32,750
2018 TIF Rep	porting Forms		2,860
GASB 75 Imp	plementation		750
2018 Office o	f the State Auditor's Reporting Form		950
Total	THE REPORT OF THE PROPERTY OF	<u>\$</u>	37,310

You may also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc if not included in the fee listed above. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of .66 percent per month (8 percent per year). If for any reason the account is turned over to collections, additional fees will be added to cover collections cost. In accordance with our Firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your audit. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Except in the event of your failure to make a payment when due, in the event of a dispute related in any way to our services, our Firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identify for purposes of the award of attorneys' fees. In the event you fail to make a payment for services or to reimburse for costs advanced by the Firm on your behalf, the Firm reserves the right to take all legally permissible action, including commencement of litigation in lieu of mediation, and shall have the right to collect its costs, including reasonable attorney's fees, incurred in any such collection or litigation activities.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2017 Peer Review Report accompanies this letter.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please electronically sign this letter.

Sincerely,

Oldo Euch Mayw, LP
ABDO, EICK & MEYERS, LLP
Certified Public Accountants & Consultants

RESPONSE:

This letter correctly sets forth the understanding of the City of North Mankato.

By:

Title:





REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

January 30, 2018

To the Partners of Abdo, Eick and Meyers, LLP and the Peer Review Committee of the Minnesota Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Abdo, Eick & Meyers, LLP (the firm) in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA and an examination of a SOC 2 service organization.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Abdo, Eick & Meyers, LLP in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Abdo, Eick & Meyers, LLP has received a peer review rating of pass.

Brady Martz and Associates, P.C.

Forady Martz

BRADY, WARTZ & 4550 CIATES, P.C.



CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item #11A	Department: Finance	Council Mee	ting Date: 12	/3/18
TITLE OF ISSUE: Consider Resolution	Ü	·		
Bonds, Series 2018A, Pledging for the Se Tax for the Payment Thereof.	ecurity Thereof Special A	Assessments and Tax	k Abatement	s and Levying a
BACKGROUND AND SUPPLEMENTA	AL INFORMATION: Fin	ance Director McC	onn and Ro	nd Counsol
Tammy Omdal will be present to discuss				
_				
		If additional space	e is required, atta	ch a separate sheet
REQUESTED COUNCIL ACTION: Ap	-	ing for the Issuance	e and Sale of	f \$4,670,000
REQUESTED COUNCIL ACTION: Ap General Obligation Bonds, Series 2018A Abatements and Levying a Tax for the P	, Pledging for the Securit	ing for the Issuance	e and Sale of	f \$4,670,000
General Obligation Bonds, Series 2018A	, Pledging for the Securit	ing for the Issuance	e and Sale of	f \$4,670,000
General Obligation Bonds, Series 2018A	, Pledging for the Securit ayment Thereof.	ing for the Issuance	e and Sale of Assessments	f \$4,670,000 and Tax
General Obligation Bonds, Series 2018A Abatements and Levying a Tax for the P Motion By:	, Pledging for the Securit ayment Thereof.	ling for the Issuance ty Thereof Special A	e and Sale of Assessments	f \$4,670,000 and Tax
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General Obligation Bonds, Series 2018A Abatements and Levying a Tax for the P Motion By: Second By: Vote Record: Aye Nay	Resolution (ty Thereof Special A PORTING DOCUM Ordinance Contract	e and Sale of Assessments ENTS ATT	f \$4,670,000 and Tax ACHED
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General Obligation Bonds, Series 2018A Abatements and Levying a Tax for the P Motion By: Second By: Vote Record: Aye Norland Freyberg	Resolution (ty Thereof Special A PORTING DOCUM Ordinance Contract	e and Sale of Assessments ENTS ATT	f \$4,670,000 and Tax ACHED
General Obligation Bonds, Series 2018A Abatements and Levying a Tax for the P Motion By: Second By: Vote Record: Aye Nay Norland Freyberg Whitlock Steiner	Resolution (ty Thereof Special A PORTING DOCUM Ordinance Contract	e and Sale of Assessments ENTS ATT	f \$4,670,000 and Tax ACHED
Motion By: Second By: Vote Record: Aye Norland Freyberg Whitlock Steiner Dehen	Resolution (ry Thereof Special A PORTING DOCUM Ordinance Contract Cify)	e and Sale of Assessments ENTS ATT	f \$4,670,000 and Tax ACHED
General Obligation Bonds, Series 2018A Abatements and Levying a Tax for the P Motion By: Second By: Vote Record: Aye Nay Norland Freyberg Whitlock Steiner	Resolution (PORTING DOCUM Ordinance Contract Eify)	e and Sale of Assessments ENTS ATT	f \$4,670,000 and Tax ACHED Map
Motion By: Second By: Vote Record: Aye Norland Freyberg Whitlock Steiner Dehen	Resolution (PORTING DOCUM Ordinance Contract Eify)	e and Sale of Assessments ENTS ATT Minutes	f \$4,670,000 and Tax ACHED Map

EXTRACT OF MINUTES OF A MEETING CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA

HELD: DECEMBER 3, 2018

Pursuant to due call, a regular or special meeting of the City Council of the City of North Mankato, Nicollet and Blue Earth Counties, Minnesota, was duly held at the City Hall on December 3, 2018, at 7:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$4,670,000 General Obligation Bonds, Series 2018A.

The fo	llowing members were present:
and the follow	ing were absent:
Memb	er introduced the following resolution and moved its adoption:
	RESOLUTION NO
OBLIGAT	ON PROVIDING FOR THE ISSUANCE AND SALE OF \$4,670,000 GENERAL ION BONDS, SERIES 2018A, PLEDGING FOR THE SECURITY THEREOF SSESSMENTS AND TAX ABATEMENTS AND LEVYING A TAX FOR THE PAYMENT THEREOF
"City"), has h \$4,670,000 G	WHEREAS, the City Council of the City of North Mankato, Minnesota (the retofore determined and declared that it is necessary and expedient to issue meral Obligation Bonds, Series 2018A (the "Bonds" or individually a "Bond"), nnesota Statutes, Chapter 475; and
	Chapter 429 to finance Jefferson Avenue improvements within the City (the s") in the amount of \$ (the "Improvement Portion of the Bonds");
	Section 469.1812 through 469.1815, particularly Section 469.1814 to finance ark improvements (the "Abatement Project") in the amount of \$ nt Portion of the Bonds"); and
to the date her	WHEREAS, the Improvements and all their components have been ordered prior cof, and have been or will be constructed by the City under contracts which the let, all pursuant to and in accordance with the applicable provisions of Minnesota ter 429; and
C.	WHEREAS, on August 6, 2018, following duly published notice thereof, the

Council held a public hearing on the proposed abatement to finance the Abatement Project and all persons who wished to speak or provide written information relative to the public hearing

were afforded an opportunity to do so; and

- D. WHEREAS, the City has heretofore established a tax abatement program (the "Program"), pursuant to the provisions of Minnesota Statutes, Sections 469.1812 through 469.1815, with respect to providing for the abatement of property taxes for a period of fifteen (15) years on various properties in the City, as described in the Resolution adopted by the City Council on August 6, 2018, approving the Program (the "Abatement Resolution"); and
- E. WHEREAS, the amount of the property taxes abated are estimated to be at least equal to the principal amount of the Abatement Portion of the Bonds and pursuant to the provisions of the Abatement Resolution, funds are to be expended to provide money to pay for the Abatement Project; and
- F. WHEREAS, the City has retained Northland Securities, Inc., in Minneapolis, Minnesota ("Northland"), as its independent municipal advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Northland; and
- G. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the Finance Director, or designee, at the offices of Northland at 10:30 A.M. this same day pursuant to the Preliminary Official Statement, dated November 21, 2018, established for the Bonds; and
- H. WHEREAS, it is in the best interests of the City that the Bonds be issued in bookentry form as hereinafter provided; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of North Mankato, Minnesota, as follows:

1. Acceptance of Proposal. The proposal of	
(the "Purchaser"), to purchase the Bonds, in accordance with the Preliminary Official Statement	t
established for the Bonds, at the rates of interest hereinafter set forth, and to pay therefor the sur	m
of \$, plus interest accrued to settlement, is hereby found, determined and declared t	0
be the most favorable proposal received, is hereby accepted and the Bonds are hereby awarded	to
the Purchaser.	

2. Bond Terms.

(a) <u>Original Issue Date; Denominations; Maturities; Term Bond Option</u>. The Bonds shall be dated December 20, 2018, as the date of original issue and shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature on February 1 in the years and amounts as follows:

Year	Amount	Year	Amount
2020 2021		2028 2029	

2022	2030
2023	2031
2024	2032
2025	2033
2026	2034
2027	

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Allocation. The Improvement Portion of the Bonds, being the aggregate principal amount of \$______, maturing in each of the years and amounts hereinafter set forth, is issued to finance the Improvements. The Abatement Portion of the Bonds, being the aggregate principal amount of \$______, maturing in each of the years and amounts hereinafter set forth, is issued to finance the Abatement Project.

Year	Improvement Portion	Abatement Portion	Total
1 car	TOTHOL	1 Official	Total
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of prepayment moneys is the general fund of the City, or other generally available source, including a tax levy, the prepayment may be allocated to any portion of debt service in such amounts as the City shall determine. If the source of the prepayment is special assessments pledged for the Improvements, the prepayment shall be allocated to the Improvement Portion of debt service.

(c) <u>Book Entry Only System</u>. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its

successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

- (i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.
- (ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").
- (iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.
- (iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

- (v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10 hereof, references to the Nominee hereunder shall refer to such new Nominee.
- (vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").
- (vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.
- (viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date to the extent possible.
- (ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.
- (d) <u>Termination of Book-Entry Only System</u>. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:
 - (i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

- (ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.
- (iii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.
- (e) <u>Letter of Representations</u>. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.
- 3. <u>Purpose</u>; <u>Findings</u>. The Improvement Portion of the Bonds shall provide funds to finance the Improvements. The Abatement Portion of the Bonds shall provide funds to finance construction of the Abatement Project. The Improvements and the Abatement Project are herein referred to together as the Project. Pursuant to the Abatement Resolution, the City's share of real estate taxes generated as a result of the Project and the Program (the "Tax Abatements") have been pledged to the payment of principal on the Abatement Portion of the Bond. The principal amount of the Abatement Portion of the Bonds does not exceed the estimated amount of Tax Abatements, presently estimated to be \$4,200,000. Proceeds of the Abatement Portion of the Bonds shall be expended on costs or uses permitted by Minnesota Statutes, Sections 469.1812 through 469.1815, and shall not be expended on any costs or devoted to any other uses. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.
- 4. <u>Interest</u>. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2019, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

Maturity Year	Interest Rate	Maturity Year	Interest Rate
2020		2028	
2021		2029	
2022		2030	
2023		2031	

2024	2032
2025	2033
2026	2034
2027	

5. Redemption. All Bonds maturing on February 1, 2027 and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2026, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds at least thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

- 6. <u>Bond Registrar</u>. U.S. Bank National Association, in St. Paul, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor-paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.
- 7. <u>Form of Bond</u>. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA STATE OF MINNESOTA NICOLLET AND BLUE EARTH COUNTIES CITY OF NORTH MANKATO

R			\$
	GENERAL OBLIGATION	ON BOND, SERIES 2018A	
Interest Rate	Maturity Date	Date of Original Issue	CUSIP
%	February 1, 20	December 20, 2018	
REGISTERED OWN	ER: CEDE & CO.		

PRINCIPAL AMOUNT:

The City of North Mankato, Nicollet and Blue Earth Counties, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2019, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of U.S. Bank National Association, in St. Paul, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing on February 1, 2027 and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2026, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds at least thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

<u>Issuance</u>; <u>Purpose</u>; <u>General Obligation</u>. This Bond is one of an issue in the total principal amount of \$4,670,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on December 3, 2018 (the "Resolution"), for the purpose of providing money to finance improvements to Spring Lake Park and improvements to Jefferson Avenue, all within the jurisdiction of the Issuer. This Bond is payable out of the General Obligation Bonds, Series 2018A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest

when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

<u>Denominations</u>; <u>Exchange</u>; <u>Resolution</u>. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the office of the Bond Registrar.

<u>Transfer</u>. This Bond is transferable by the Holder in person or the Holder's attorney duly authorized in writing at the office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

<u>Fees upon Transfer or Loss</u>. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

<u>Treatment of Registered Owners</u>. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

<u>Authentication</u>. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of North Mankato, Nicollet and Blue Earth Counties, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile

signatures of its Mayor and its Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:	Registrable by:	U.S. BANK NATIONAL ASSOCIATION
	Payable at:	U.S. BANK NATIONAL ASSOCIATION
BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION	CITY OF NORT NICOLLET ANI MINNESOTA	H MANKATO, O BLUE EARTH COUNTIES,
This Bond is one of the Bonds described in the Resolution mentioned within.	/s/ Facsimile Mayor	
U.S. BANK NATIONAL ASSOCIATION St. Paul, Minnesota Bond Registrar	/s/ Facsimile Administrator	
By:Authorized Signature	- 4	

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	1 - as tenants in	common				
TEN ENT	- as tenants by	the entireties			23	
			survivorship and no	t as tenants i	n common	
	as					
-	(Cust)		(Minor)			
under the		U:	niform Transfers to	Minors Act		
	(Sta					
	Additional al	breviations	may also be used the	ough not in t	he above list.	
			ASSIGNMENT		***************************************	
For	r value received	, the undersig	gned hereby sells, as	ssigns and tra		vithin Bond
			and appointtion thereof, with fu		attorney to the	
Dated:						
	Not	w B	The assignor's signatorith the name as it appoint on the country particular of the country parti	ppears upon	the face of the	within
Signature (Guaranteed:					
firm havin	` '	in one of the	d by a national bank e major stock exchar 7 Ad-15(a)(2).			_
	_		ect transfer of this B ow is provided.	Bond unless t	he information	l
Name and	Address:				<u>-</u> .	
,			::		=.	
(Include informa	tion for all ic	oint owners if the Bo	and is held b	v joint account	:)

- 8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Administrator and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.
- 9. <u>Authentication</u>. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of December 20, 2018. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.
- 10. <u>Registration; Transfer; Exchange</u>. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Administrator is hereby authorized to negotiate and execute the terms of said agreement.

- 11. <u>Rights Upon Transfer or Exchange</u>. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.
- 12. <u>Interest Payment; Record Date</u>. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.
- 13. <u>Treatment of Registered Owner</u>. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.
- 14. <u>Delivery</u>; <u>Application of Proceeds</u>. The Bonds when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.
- 15. <u>Fund and Accounts</u>. There is hereby established a special fund to be designated "General Obligation Bonds, Series 2018A Fund" (the "Fund") to be administered and maintained by the Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the

manner herein specified until all of the Bonds and the interest thereon have been fully paid. In such records there shall be established accounts or accounts shall continue to be maintained as the case may be, of the Fund for the purposes and in the amounts as follows

- Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds, plus any special assessments levied with respect to the Improvements and collected prior to completion of the Improvements and payment of the costs thereof. From the Construction Account there shall be paid all costs and expenses of making the Improvements listed in paragraph 16 and the Abatement Project listed in paragraph 17, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law. Proceeds of the Improvement Portion of the Bonds may also be used to the extent necessary to pay interest on the Improvement Portion of the Bonds due prior to the anticipated date of commencement of the collection of taxes or special assessments herein levied or covenanted to be levied; and provided further that if upon completion of the Improvements there shall remain any unexpended balance in the Construction Account, the balance (other than any special assessments) shall be transferred by the Council to the Debt Service Account, or in the case of any balance attributable to the Improvement Portion of the Bonds, the fund of any other improvement instituted pursuant to Minnesota Statutes, Chapter 429, and provided further that any special assessments credited to the Construction Account shall only be applied towards payment of the costs of the Improvements upon adoption of a resolution by the City Council determining that the application of the special assessments for such purpose will not cause the City to no longer be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1. Proceeds of the Abatement Portion of the Bonds may be used to the extent necessary to pay interest on the Abatement Portion of the Bonds due prior to the anticipated date of commencement of the collection of Tax Abatements and taxes herein levied or covenanted to be levied and if upon completion of the Abatement Project there shall remain any unexpended balance in the Construction Account, the balance shall be transferred to the Abatement Debt Service Subaccount.
- (b) <u>Debt Service Account</u>. There shall be maintained two separate subaccounts in the Debt Service Account to be designated the "Improvement Debt Service Subaccount" and the "Abatement Debt Service Subaccount". There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:
 - (i) Improvement Debt Service Subaccount. To the Improvement Debt Service Subaccount there shall be credited: (A) all collections of special assessments herein covenanted to be levied with respect to the Improvements and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal and interest due on the Improvement Portion of the Bonds or collected subsequent to the completion of the Improvements and payment of the costs thereof; (B) collections of all taxes herein and hereinafter levied for the payment of the Improvement Portion of the Bonds and interest thereon; (C) a pro rata share of all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof; (D) all investment earnings on funds held in the Improvement Debt Service Subaccount; and (E) any and all other moneys which are

properly available and are appropriated by the governing body of the City to the Improvement Debt Service Subaccount. The Improvement Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the Improvement Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

(ii) Abatement Debt Service Subaccount. To the Abatement Debt Service Subaccount there shall be credited: (A) Tax Abatements in an amount sufficient, to pay the annual principal payments on the Abatement Portion of the Bonds; (B) collections of all taxes herein and hereinafter levied for the payment of the Abatement Portion of the Bonds and interest thereon; (C) a pro rata share of all funds remaining in the Construction Account after completion of the Abatement Project and payment of the costs thereof; (D) all investment earnings on funds held in the Abatement Debt Service Subaccount; and (E) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Abatement Debt Service Subaccount. The Abatement Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the Abatement Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Covenants Relating to the Improvement Portion of the Bonds.

(a) Special Assessments. It is hereby determined that no less than twenty percent of the cost to the City of each Improvement financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be levied against every assessable lot, piece and parcel of land benefited by any of the Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each Improvement financed hereunder unless the resolution ordering the Improvement specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform as soon as they may be

done all acts and things necessary for the final and valid levy of such special assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the City or the City Council or any of the City officers or employees, either in the making of the assessments or in the performance of any condition precedent thereto, the City and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property. It is hereby determined that the assessments shall be payable in equal, consecutive, annual installments, with general taxes for the years shown below and with interest on the declining balance of all such assessments at a rate per annum not greater than the maximum permitted by law and not less than the rates per annum shown opposite their collection years specified:

Improvement Designation	Amount	Levy <u>Years</u>	Collection <u>Years</u>	Rate
Jefferson Avenue Improvements		2018-2032	2019-2033	5.00%

At the time the assessments are in fact levied the City Council shall, based on the thencurrent estimated collections of the assessments, make any adjustments in any ad valorem taxes required to be levied in order to assure that the City continues to be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

(b) <u>Tax Levy</u>. To provide moneys for payment of the principal and interest on the Improvement Portion of the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

Year of Tax	Year of Tax	
<u>Levy</u>	Collection	Amount

See Attached Schedule in Exhibit B

- (c) <u>Coverage Test</u>. The tax levies are such that if collected in full they, together with estimated collections of special assessments and other revenues herein pledged for the payment of the Improvement Portion of the Bonds, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Improvement Portion of the Bonds. The tax levies shall be irrepealable so long as any of the Improvement Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.
- (d) <u>General Obligation Pledge</u>. For the prompt and full payment of the principal of and interest on the Improvement Portion of the Bonds as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Improvement Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Improvement Portion of the Bonds payable therefrom, the deficiency

shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Improvement Debt Service Subaccount when a sufficient balance is available therein.

- 17. Covenants Relating to the Abatement Portion of the Bonds.
- (a) <u>Tax Abatements</u>; <u>Use of Tax Abatements</u>. The Council has adopted the Abatement Resolution and has thereby approved the Tax Abatements, including the pledge thereof to the payment of principal on the Abatement Portion of the Bonds. As provided in the Abatement Resolution, the estimated total amount of the Tax Abatements, if received as estimated for the full maximum term thereof, is \$4,200,000 and therefore the principal amount of the Abatement Portion of the Bonds does not exceed the maximum projected amount of the Tax Abatements. The Council hereby confirms the Abatement Resolution, which is hereby incorporated as though set forth herein.
- (b) <u>Tax Levies</u>; <u>Coverage Test</u>. To provide funds, for payment of the interest on the Abatement Portion of the Bonds, there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

Year of Tax Levy

Year of Tax Collection

Amount

See Attached Tax Levy Schedule

The tax levies are such that if collected in full they, together with estimated collections of Tax Abatements, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Abatement Portion of the Bonds. The tax levies shall be irrepealable so long as any of the Abatement Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

- (c) <u>General Obligation Pledge</u>. For the prompt and full payment of the principal of and interest on the Abatement Portion of the Bonds as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Abatement Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Abatement Portion of the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Abatement Debt Service Subaccount when a sufficient balance is available therein.
- 18. <u>Continuing Disclosure</u>. 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 (the "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 Administrator 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

- Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.
- 20. <u>Compliance With Reimbursement Bond Regulations</u>. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States

Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

- Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Bonds, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.
- (b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.
- (c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds and in all events within the period ending on the date which is the later of three years after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.
- (d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

21. <u>Certificate of Registration</u>. The Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Nicollet County, Minnesota and the County Auditor of Blue Earth County, Minnesota, together with such other information as each of the respective Auditor's shall require, and to obtain each respective County Auditor's certificate that

the Bonds have been entered in the County Auditor's Bond Register and the tax levy required by law has been made.

- 22. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.
- 23. <u>Negative Covenant as to Use of Bond Proceeds and Project</u>. The City hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.
- 24. <u>Tax-Exempt Status of the Bonds; Rebate</u>. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small issuer exception amount of \$5,000,000.

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bond is a private activity bond; (iii) ninety five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and (iv) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

- 25. <u>Designation of Qualified Tax-Exempt Obligations</u>. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:
 - (a) the Bonds are issued after August 7, 1986;
 - (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2018 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2018 have been designated for purposes of Section 265(b)(3) of the Code;
 - (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

- 26. <u>Severability</u>. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution
- 27. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Northland is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.
- 28. <u>Headings</u>. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

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

and the following voted against the same:

Whereupon the 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 Administrator of the City of North Mankato, Minnesota, do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to authorizing the issuance and awarding the sale of \$4,670,000 General Obligation Bonds, Series 2018A.

WITNESS my hand on December 3, 2018.

A desimilatestan	
Administrator	

EXHIBIT A

PROPOSALS

[To be supplied by Northland Securities, Inc.]

TAX LEVY SCHEDULE

[To be supplied by Northland Securities, Inc.]

CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item #11B Depa	rtment: Administration	Council Meeting Date: 12/3/18
TITLE OF ISSUE: Consider Resolution Aut Storm Sewer Fund.	horizing Interfund Loan	for Certain Costs in Connection with the
BACKGROUND AND SUPPLEMENTAL IT Fund to the Storm Water Fund to pay costs a Maintenance and costs associated with City I Storm Water Fund will reimburse the City's repayment schedule. REQUESTED COUNCIL ACTION: Approx Conncection with the Storm Sewer Fund.	related to the Lake Street Hall Parking Lot Project, General Fund for the loa	Flood Station Costs, Eagle Ridge Ravine in a revenue shortfall of \$149,205. The in in accordance with the attached
Motion By: Second By: Vote Record: Aye Norland Freyberg Whitlock Steiner Dehen	Resolution Ordina X Other (specify)	TING DOCUMENTS ATTACHED unce Contract Minutes Map
Workshop X Regular Meeting Special Meeting	Refe Tabl	e until:

CITY OF NORTH MANKATO, MINNESOTA

RESOLUTION AUTHORIZING INTERFUND LOAN FOR CERTAIN COSTS IN CONNECTION WITH THE STORM SEWER FUND

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA (the "City"), as follows:

Section 1. Background.

1.01. The City intends to advance funds from the General Fund to the Storm Water Fund (Fund No. 604) in order to cure certain deficits in Fund No. 604, and now proposes to designate such advance as an interfund loan in accordance with the terms of this resolution.

Section 2. Repayment of Interfund Loan.

- 2.01. The Storm Water Fund (Fund No. 604) shall borrow from the City's General Fund (Fund No. 101) moneys to pay costs related to the Lake Street Flood Station Costs, Eagle Ridge Ravine Maintenance, and costs associated with the City Hall Parking Lot Project, in a revenue shortfall of \$149,205. The Storm Water Fund (Fund No. 604) will reimburse the City's General Fund (Fund No. 101) for such loan (the "Interfund Loan") according to the repayment schedule listed in Attachment One of this resolution. No interest will accrue on the Interfund Loan.
- 2.02. The Interfund Loan is payable from (i) revenues received from storm water charges from the Storm Water Fund (the "Fund"); and (ii) from any other revenues available to the Storm Water Fund (Fund No. 604).
- 2.03. Principal payments (the "Payments") on the Interfund Loan shall be made at the times revenue sources are available to make installment payments. Payments will be credited to the respective City fund from which the Interfund Loan was drawn.
- 2.04. Principal payments may be made in larger amounts than proposed in Attachment One of this resolution if additional revenue becomes available to repay the Interfund Loan upon the discretion of the City Administrator.
- 2.05. Unless storm water fees from the Fund aren't sufficient to pay the Payments, principal payments may not be made in a lesser amount than proposed by this resolution without authorization by the City Council as part of the annual budget process or an amendment is made to this resolution by the City Council.
- 2.06. The City may at any time make a determination to forgive the outstanding principal amount on the Interfund Loan to the extent permissible under law.

	me amend the terms of this Resolution to the extent tion, amendment to the payment schedule and the
Section 3. Effective Date. This resolu	lution is effective upon approval.
Approved by the City Council of the, 201	City of North Mankato on the day of
	Mayor
Attest:	
City Clerk	

Attachment One

Interfund Loan Outstanding Payable from Storm Water Fund (Fund No. 604) to the General Fund (Fund No. 101)

Year	Payment		Balance
2019			\$ 149,205
2020	\$	9,205	\$ 140,000
2021	\$	10,000	\$ 130,000
2022	\$	10,000	\$ 120,000
2023	\$	15,000	\$ 105,000
2024	\$	15,000	\$ 90,000
2025	\$	15,000	\$ 75,000
2026	\$	15,000	\$ 60,000
2027	\$	15,000	\$ 45,000
2028	\$	15,000	\$ 30,000
2029	\$	15,000	\$ 15,000
2030	\$	15,000	\$ -

CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 11C	Dept: Community Dev. Director	Council Meeting Date: 12/3/18
TITLE OF ISSUE: Consider Request to from NKS Inc.	o Amend Comprehensive Plan	Figure 3-2: Future Land Use. A Request
BACKGROUND AND SUPPLEMENTA Community Development Director Fischer		nission's findings.
REQUESTED COUNCIL ACTION: A	approve the Planning Commiss	If additional space is required, attach a separate sheet ion's Recommendations.
For Clerk's Use: Motion By: Second By: Vote Record: Aye Norland Freyberg Whitlock Steiner Dehen	Resolution Ordina Other (specify)	ring DOCUMENTS ATTACHED nce Contract Minutes Map Report
Workshop X Regular Meeting Special Meeting	Refe	e until:

COMPREHENSIVE PLAN AMENDMENT - FUTURE LAND USE MAP

THE CITY OF NORTH MANKATO

SUBJECT:

Comprehensive Plan Amendment

APPLICANT:

NKS, Inc

LOCATION:

1901 Lee Boulevard

EXISTING ZONING:

I-1, Planned Industrial

DATE OF HEARING:

November 29, 2018

DATE OF REPORT:

November 21, 2018

REPORTED BY:

Mike Fischer, Community Development Director

APPLICATION SUBMITTED

Request to amend Figure 3-2, Future Land Use within Comprehensive Plan

COMMENT

The applicant owns the property and building addressed as 1901 Lee Boulevard which was the former location of Neubert Millwork. The location of the property is shown on Exhibit A. The building has been vacant for several years and has been marketed for sale or lease. The property is currently zoned I-1, Planned Industrial. According to the City Code "The Planned Industrial District is intended to establish a district for the purpose of industrial development which contributes beneficially to the integration of the surrounding residential business, and industrial uses".

Within the Comprehensive Plan, all property in and around the City is guided for future land use on Figure 3-2, Future Land Use. This figure is shown as Exhibit B. Regarding the property addresses as 1901 Lee Boulevard, the future guided land use is shown as Light Industrial.

As the applicant is proposing to lease the building to Riverbend Business Products, the sale of office equipment and supplies is listed as a permitted use within any business district. Therefore, the applicant is requesting to amend Figure 3-2, by changing the future land use from Light Industrial to General Commercial. The formal request from the applicant is shown on Exhibit C. The current zoning of the property and area zoning is shown on Exhibit D.

Should the applicant receive approval of the land use amendment, a rezoning application for the property is forthcoming.

RECOMMENDATION
Staff recommends approval of the amendment to Figure 3-2, Future Land Use





EXHIBIT A

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compitation of records, information, and data located in various crity, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of North Mankato is not resonable for any insarruparies herein contained. BOLTON & MENK

Real People. Real Solutions.

ROECRESTOR **JDEDYTTIA** HOOVERDR TOWER BLVD CLIFFOR COMMERCE LN SUFERMOS

Parcels (6-7-2018)

Roadways

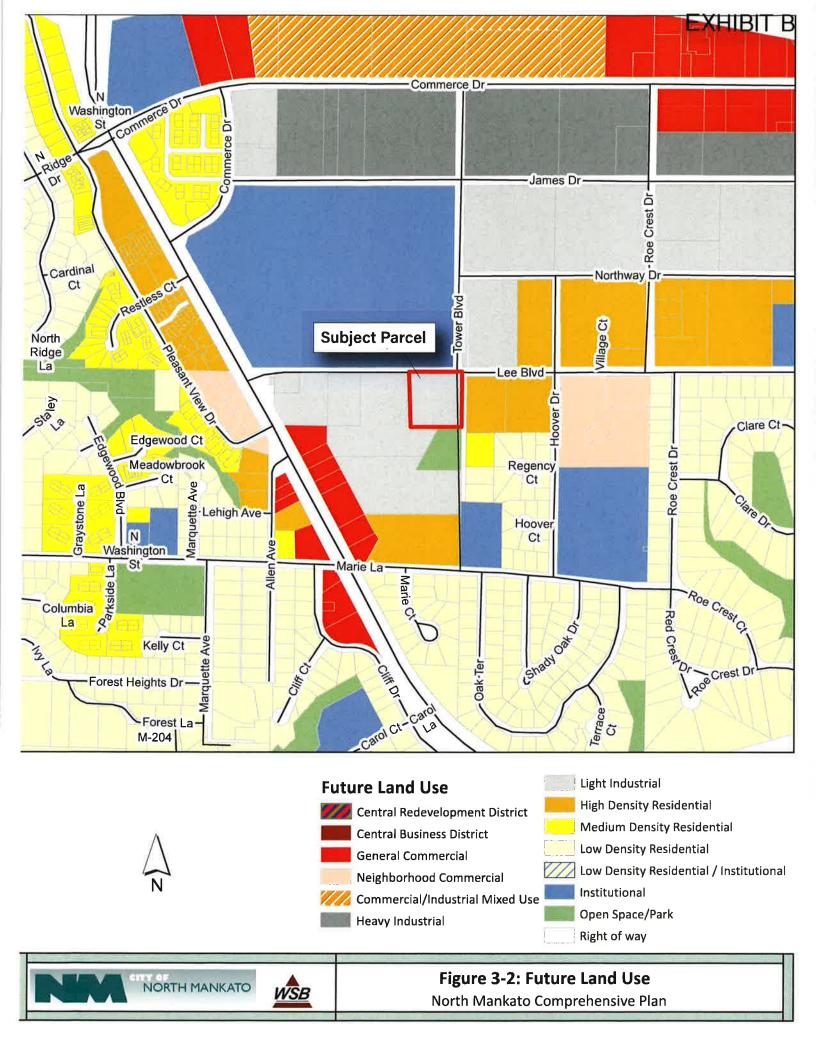
City Limits Medians

Legend

Minnesota River Lakes & Ponds

527 Feet

© Bolton & Menk, Inc - Web GIS 11/14/2018 3:01 PM



Michael Fischer

From:

Scott Haefner <shaefner@tectaamerica.com>

Sent:

Sunday, November 04, 2018 10:31 AM

To:

michaelf@northmankato.com

Cc:

Jim Hansen; Tim; Karla Jo; BHansen@riverbendbusiness.com;

'rhaefnerfamily@charter.net'

Subject:

FW: River Bend/Neubert Building

Attachments:

image001.png; image002.png; image003.png

Mike,

Jim forwarded this message to me.

I would like to make a formal request of the following for the property located at 1901 Lee Boulevard.

- 1. To amend the Future Land Use Map and change the guided zoning for the property from Planned Industrial to General Commercial.
- 2. To rezone the property from I-1, Planned Industrial to B-3, General Commercial.

This will be to accommodate a planned move by River Bend Business Products to North Mankato.

I'm traveling out of state for business until November 13, but I'm available sporadically by phone or email. My cell is 507-251-2002 and the email is shaefner@tectaamerica.com

Thank you for your consideration, Scott Haefner

Scott Haefner | Steep Slope Roofing Project Manager Schwickert's Tecta America LLC 330 Poplar Street | Mankato, MN 56001 shaefner@tectaamerica.com

D: 937-723-9528 | C: 507-251-2002 | F: 937-723-9528





From: Jim Hansen [mailto:JHansen@riverbendbusiness.com]

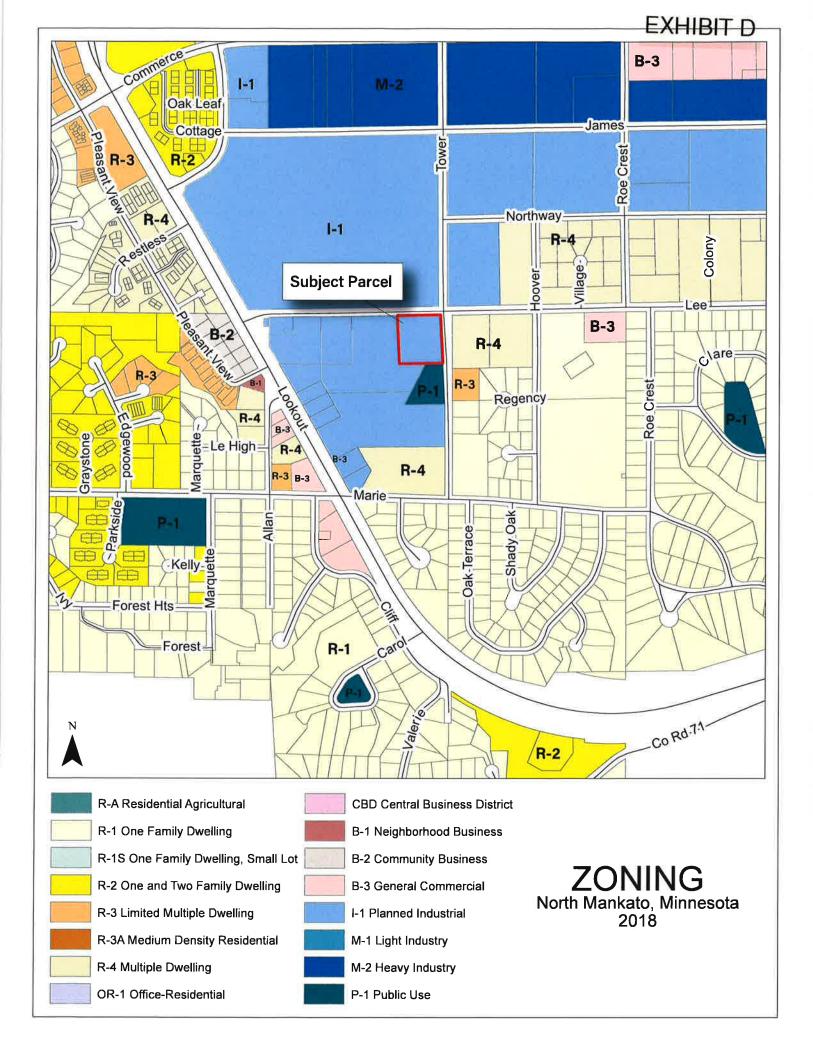
Sent: Friday, November 02, 2018 11:55 AM

To: Scott Haefner <shaefner@tectaamerica.com>

Cc: lidstrom@lidcomm.com

Subject: FW: River Bend/Neubert Building

Hi Scott,



CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 11D	Dept: Community Dev.	Director	Council Meet	ing Date: 12	2/3/18
TITLE OF ISSUE: Consider Z-3-18 Re	equest to Rezone 1901	Lee Boule	vard from I-1	to B-3: A	Request from
NKS, Inc. 1. Consider Ordinance No. 1	110, Fourth Series Rez	oning 190	1 Lee Bouleva	ard from I-	1 to B-3.
BACKGROUND AND SUPPLEMENT	AL INFORMATION:	Please rev	iew the Plann	ing Commis	ssion Report.
Community Development Director Fische	r will discuss the Plann	ing Comm	ission's finding	gs.	
			If additional space	is required, att	ach a separate sheet
REQUESTED COUNCIL ACTION: A No. 110, Fourth Series Rezoning 1901 L					
For Clerk's Use:	S	UPPORT	NG DOCUM	ENTS AT	ГАСНЕД
Motion By:	Resolutio	n Ordinan	ce Contract	Minutes	Мар
Second By:			_		
Vote Record: Aye Nay Norland Freyberg	Other (X specify)	Report		
Whitlock					
Steiner					
Dehen					
Workshop		Refer	to:		
X Regular Meeting		Table	until:		
Special Meeting		Other			

Z-3-18 1901 LEE BOULEVARD A REQUEST FROM NKS, INC.

THE CITY OF NORTH MANKATO

SUBJECT:

Z-3-18

APPLICANT:

NKS, Inc

LOCATION:

1901 Lee Boulevard

EXISTING ZONING:

I-1, Planned Industrial

DATE OF HEARING:

November 29, 2018

DATE OF REPORT:

November 21, 2018

REPORTED BY:

Mike Fischer, Community Development Director

APPLICATION SUBMITTED

Request to rezone the property addressed as 1901 Lee Boulevard from I-1, Planned Industrial to B-3, General Commercial

COMMENT

As requested on Exhibit A, the applicants are proposing to rezone the property addressed as 1901 Lee Boulevard from I-1, Planned Industrial to B-3, General Commercial. The building on the property was formally the location of Neubert Millwork and has been vacant for several years. The applicants are proposing to lease the building to River Bend Business Products as their new business location. According to the City Code, the sale of business equipment and products is a permitted use within any business zoning district. Therefore, the applicant is requesting a zoning change to accommodate River Bend Business Products.

Attached as Exhibit B is a zoning map which shows the location and current zoning of the property including existing area zoning. Located at the intersection of Lee Boulevard and Tower Boulevard, the property is adjacent to other I-1, R-3 R-4 and P-1 zoned property. Adjacent land uses include, South Central College, MICO, Oak Terrace Senior Living, Taylor Corporation, Terrace Villa Apartments and Tower Park. While there is no adjacent property zoned business/commercial, staff believes the use of the property for commercial purposes should be considered.

For reference, the I-1 permitted uses are listed on Exhibit C and the B-3 permitted uses are listed on Exhibit D.

To accommodate any rezoning of the property, it would be necessary to amend the Future Land Use Map within the Comprehensive Plan prior to rezoning.

RECOMMENDATION
Staff recommends approval of Z-3-18

Michael Fischer

From:

Scott Haefner <shaefner@tectaamerica.com>

Sent:

Sunday, November 04, 2018 10:31 AM

To:

michaelf@northmankato.com

Cc:

Jim Hansen; Tim; Karla Jo; BHansen@riverbendbusiness.com;

'rhaefnerfamily@charter.net'

Subject:

FW: River Bend/Neubert Building

Attachments:

image001.png; image002.png; image003.png

Mike,

Jim forwarded this message to me.

I would like to make a formal request of the following for the property located at 1901 Lee Boulevard.

- 1. To amend the Future Land Use Map and change the guided zoning for the property from Planned Industrial to General Commercial.
- 2. To rezone the property from i-1, Planned Industrial to B-3, General Commercial.

This will be to accommodate a planned move by River Bend Business Products to North Mankato.

I'm traveling out of state for business until November 13, but I'm available sporadically by phone or email. My cell is 507-251-2002 and the email is shaefner@tectaamerica.com

Thank you for your consideration, Scott Haefner

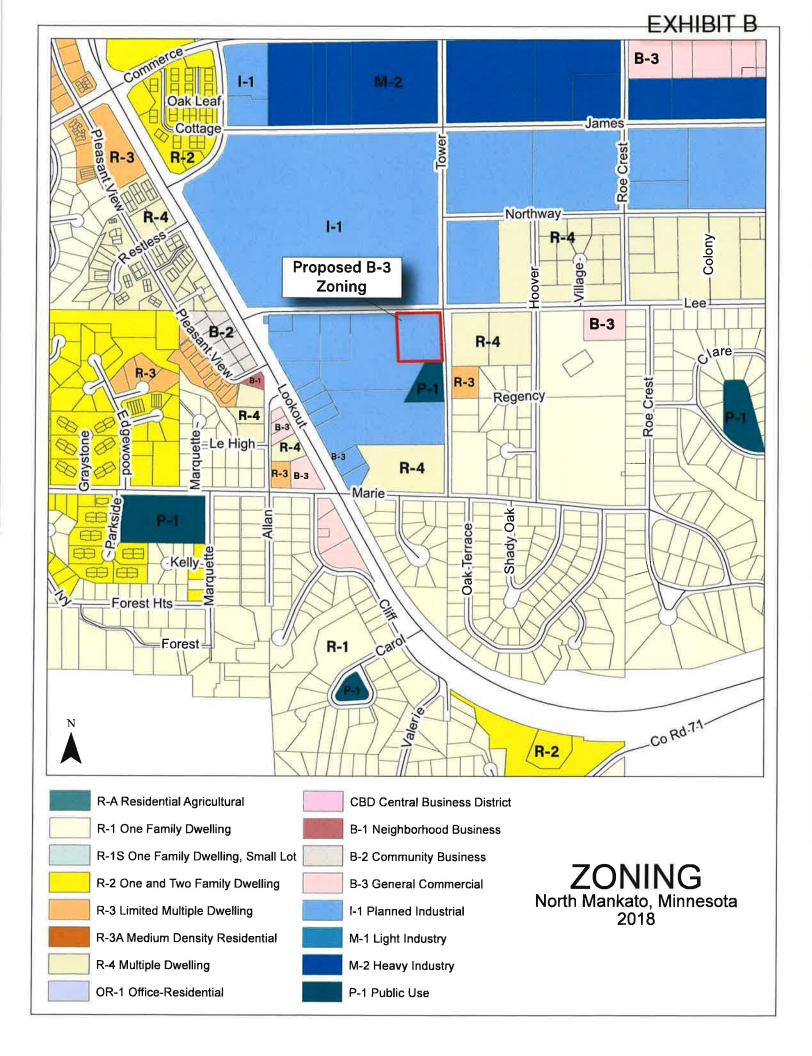
Scott Haefner | Steep Slope Roofing Project Manager Schwickert's Tecta America LLC 330 Poplar Street | Mankato, MN 56001 shaefner@tectaamerica.com
D: 937-723-9528 | C: 507-251-2002 | F: 937-723-9528







1



I-1, PLANNED INDUSTRIAL

- (C) Permitted uses. The following are permitted uses:
 - (1) Automobile accessories manufacturer;
 - (2) Cabinet and woodworking establishments;
 - (3) Camera and photographic manufacturing;
 - (4) Cold storage plants;
 - (5) Confectionery and related products, manufacturing and packaging;
 - (6) Electrical products and appliances, manufacture and assembly;
 - (7) Footwear manufacture:
 - (8) Jewelry manufacture;
 - (9) Luggage, handbags, and similar items manufacture and assembly;
 - (10) Medical and surgical instruments and supplies manufacture and assembly;
 - (11) Musical instruments manufacture:
 - (12) Newspaper plants and offices;
 - (13) Office furniture and suppliers manufacturing;
 - (14) Optical instruments and lenses manufacture and assembly;
 - (15) Parking of vehicles need not be enclosed;
 - (16) Pottery shops manufacture;
 - (17) Printing, publishing, and allied industries manufacturing;
 - (18) Precision instruments manufacturing;
 - (19) Plumbing fixture and equipment wholesale;
 - (20) Radio and television assembly and parts fabrication;
 - (21) Sport equipment manufacture and assembly;
 - (22) Scientific and research instruments and equipment manufacture and assembly;
 - (23) Storage garages and driveways;
 - (24) Telephone apparatus manufacture and assembly:
 - (25) Temperature controls fabrication and assembly;
 - (26) Tool- manufacture and assembly;
 - (27) Trade schools;
 - (28) Upholstery manufacturing;
 - (29) Warehousing and distribution operations;

B-3, GENERAL COMMERCIAL

- (C) Permitted uses.
 - (1) The following are permitted uses:
 - (a) Antique store.
 - (b) Apparel store.
 - (c) Appliance store.
 - (d) Art gallery, studio, school or supply store.
 - (e) Bakeries, retail.
 - (f) Banks, savings and loans or finance companies.
 - (g) Barber and beauty shops.
- (h) Bars, taverns and cocktail lounges licensed to sell soft drinks, beer malt, or alcoholic beverages on sale, off sale or both.
 - (i) Book store.
 - (j) Bowling alley.
 - (k) Business machine store.
 - (l) Business, trade or commercial school.
 - (m) Camera and photographic studio and supply.
 - (n) Candy, ice cream, confectionary store.
 - (o) Car sales lots, need not be enclosed.
 - (p) Catalog service and mail order house.
 - (q) Caterer.
 - (r) Cemetery, memorial garden, need not be enclosed.
 - (s) Churches.
 - (t) Clinic, dental or medical, but not animal clinic.
 - (u) Club or lodge.
 - (v) Community centers, parks or public buildings.
 - (w) Convent, monastery or similar institution for religious training.
 - (x) Conventions, or meeting facility.
 - (y) Dairy store.
 - (z) Dance studio.
 - (aa) Day cares.
 - (bb) Delicatessen.
 - (cc) Driveways.
 - (dd) Drug store.
 - (ee) Essential public utility and service structures.
 - (ff) Fences.
 - (gg) Floral and garden supply including nursery, need not be enclosed.
 - (hh) Gift, novelty or souvenir store.
 - (ii) Grocery store.
 - (jj) Hardware store.
 - (kk) Hobby store.
 - (ll) Hotels and motels.
 - (mm) Institution of religious, charitable or philanthropic nature.
 - (nn) Interior decorating store and supply.
 - (00) Janitorial services.

- (pp) Laboratory, medical or dental.
- (qq) Laundry or dry-cleaning.
- (rr) Leather goods store retail only.
- (ss) Libraries, auditoriums, museums, or other cultural institutions.
- (tt) Locksmith or key stand, need not be enclosed.
- (uu) Medical appliance sales and fittings.
- (vv) Medical intern or resident doctor's quarters.
- (ww) Mortuary, funeral home.
- (xx) Motorcycle shop.
- (yy) Office condominium.
- (zz) Office of any type.
- (aaa) Optical services and supply.
- (bbb) Parking of vehicles, need not be enclosed.
- (ccc) Pet store, including animal clinic.
- (ddd) Private recreation facilities; tennis court, golf club, swimming pool.
- (eee) Public and private utilities.
- (fff) Rehabilitation center for handicapped persons.
- (ggg) Restaurants or other eating places including drive-ins.
- (hhh) School, public or private.
- (iii) Shoe repair shops.
- (jjj) Sporting goods store.
- (kkk) Stationery store.
- (lll) Tailor shops.
- (mmm) Theater.
- (nnn) Toy store.
- (000) Travel bureau or ticket agency.
- (ppp) Variety stores.



November 16, 2018

Dear Property Owner:

The City has received the following requests from NKS, Inc. regarding the property addressed as 1901 Lee Boulevard (former Neubert Millwork building):

- 1. Amend the Future Land Use Map by changing the guided land use of the property from Light Industrial to General Commercial (see Exhibit A)
- 2. Rezone the property from I-1, Light Industrial to B-3, General Commercial (see Exhibit B)

The purpose of these requests is to accommodate the occupancy of the building by River Bend Business Products.

These requests will be considered by the Planning Commission on Thursday, November 29, 2018 and by the City Council on Monday, December 3, 2018. Both meetings begin at 7:00 p.m. in the Municipal Building Council Chambers located at 1001 Belgrade Avenue. As an area property owner, you have the opportunity to comment on these requests. You may send written comments by November 29, 2018 or appear at either or both meetings.

Sincerely,

THE CITY OF NORTH MANKATO

mile Frak

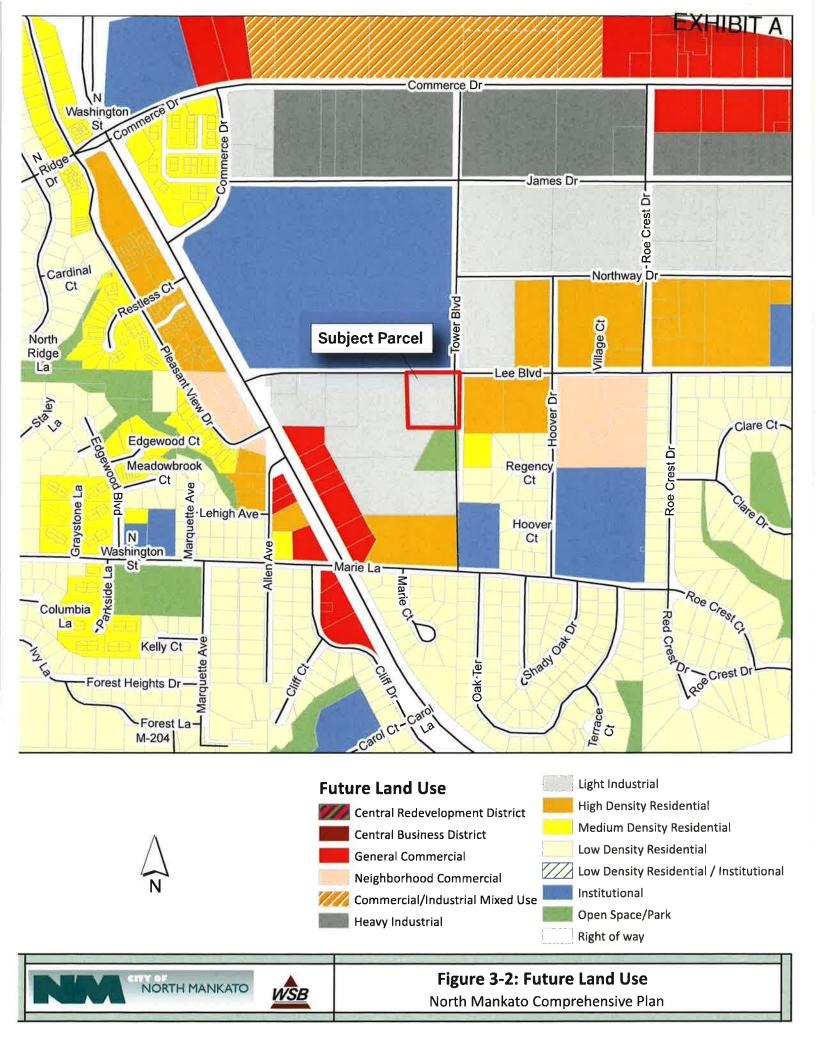
Mike Fischer

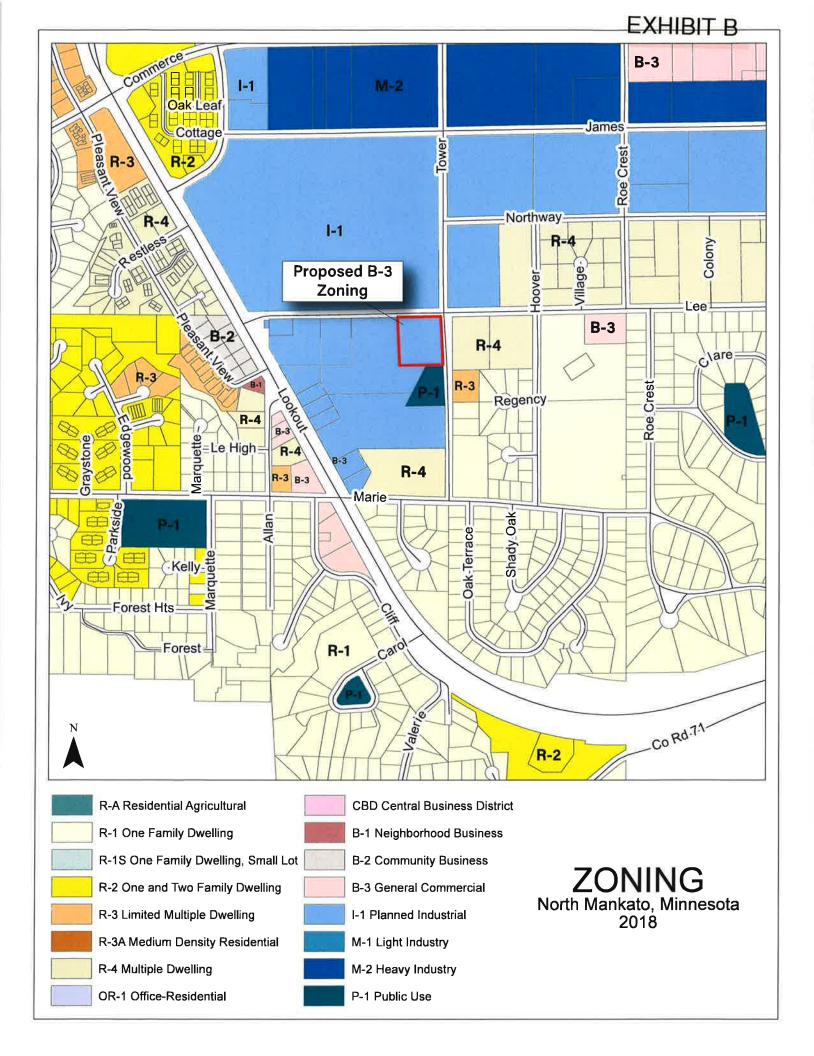
Community Development Director

Encls









Scott A & Marsha K Madigan 1546 Tower Boulevard North Mankato, MN 56003 Villa Terrace, LLC 533 Harrison Avenue North Mankato, MN 56003 Brandon R & Samantha D Boeck 22 Regency Court North Mankato, MN 56003

Kristin & Robert Mattson 18 Regency Court North Mankato, MN 56003 Oak Terrace Senior Housing 1575 Hoover Drive North Mankato, MN 56003 MICO, Inc. P.O. Box 8118 Mankato, MN 56002-8118

Corporate Graphics International P.O. Box 3728 Mankato, MN 56002-3728 MN Higher Education Board 1920 Lee Boulevard North Mankato, MN 56003

Application for REZONING

Pursuant to Chapter 156 of the North Mankato City Code, application is hereby made to amend the City of North Mankato Zoning Map as described herein.

LEGAL DESCRIPTION OF	PROPERTY:	s.			
Lot # Section 11-108-27 Pt. o	f NW 1/4 of SW	1/4 3.26 acres	Block #		
Subdivision	=57356XXIII		Address 1901 Lee Bo	oulevard	
APPLICANT:			<u>) į</u>		
Name NKS, Inc.		Address	105 Alexander Court	Phone	507-251-2002
PROPERTY OWNER (If Ot	her Than Appl	icant):	Mankato, MN 56001		
Name		Address		Phone	www.viii ====)nns.ii=tiir:=
CURRENT ZONING: I-1	CURREN	T USE OF PR	ROPERTY: Commercia	al/Industrial Bu	ilding
PROPOSED ZONING: B-3	3, General Co	mmercial			
REASON ZONING CHANG	GE NEEDED:	Accommod	date business use		
REQUEST PREVIOUSLY	CONSIDEREL	<u>2</u> ? Yes	No X If Yes, date		
Comments:					
SUPPORTING DOCUMEN	<u>TS:</u>				
Plot Plan	Required	Attached	Comment Letters	Required	Attached
Floor Plan		-	Performance Test		A
Landscaping Plan		Milestra -	Petition		
Parking/Loading Plan		1921	Development Schedule		*********
Survey		(4):	Proposed Regulations		<u> </u>
Other		300			
FEES: Application Fee	\$_335.00				
Notice Charge #_9_	@	\$_2.00	= \$ 18.00		
Total Fee \$_353.00 Receipt #					
I hereby certify that the information both described in and attached to this application is correct and true.					
Signature of Applicant	v			Date	

Pursuant to the requirements of me or my duly designated repre all the necessary application req	sentative or	6 of the North Mankato City Code, thin November 4, 2018, and I hereby cert	is application was received by lify that this application meets
Signature of Zoning Administra	utor		Date
PLANNING COMMISSION A	CTION:	Date_November 29, 2018	
Approved	Additiona	l Conditions:	
Denied	Reason:		
CITY COUNCIL ACTION:		Date_December 3, 2018	
Approved	Additiona	al Conditions:	
Denied	Reason:		
OTHER COMMENTS			
		8	
STATE OF MINNESOTA COUNTY OF NICOLLET)		

I, the undersigned, being the duly qualified and acting City Clerk of the City of North Mankato, Minnesota, hereby certify that I have carefully compared the attached variance approved by the City of North Mankato with the original thereof on file and of record in my office, and that the same is a full, true and completed copy of said original.

WITNESS my hand and the official seal of said	d City	of North	Mankato	this	day of
, 20					

CITY OF NORTH MANKATO

ORDINANCE NO. 110, FOURTH SERIES AN ORDINANCE OF THE CITY OF NORTH MANAKTO, MINNESOTA AMENDING NORTH MANKATO CITY CODE, CHAPTER 156, ENTITLED "ZONING CODE", BY CHANGING THE ZONING DISTRICT MAP AND, BY ADOPTING BY REFERENCE NORTH MANKATO CITY CODE, CHAPTER 10 AND SECTION 10.99 WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS

THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, ORDAINS:

Section 1. North Mankato City Code, Section 156.021, entitled "Zoning District Map," is hereby amended by changing the zoning as follows:

A. To Re-Zone the property addressed as 1901 Lee Boulevard from I-1, Planned Industrial to B-3, General Commercial.

Section 2. North Mankato City Code, Chapter 10, entitled "General Provisions" are hereby adopted in their entirety, by reference, as though repeated verbatim herein.

Section 3. After adoption, signing, attestation, and successful annexation of the property this Ordinance shall be published once in the official newspaper of the City and shall be in effect on or after the date following such publication.

Adopted by the Council this 3rd day of December 2018.

	Mayor	
ATTEST:		
City Clerk		

CITY OF NORTH MANKATO





Agenda Item #11E	Department: Administration	Council Meeting Date: 12/3/18	
TITLE OF ISSUE: Receive an Update from Mankato Area Zero Waste-Kathy Felt.			
BACKGROUND AND SUPPLEMENT	AL INFORMATION: The Ma	nkato Area Zero Waste Grant ended at the	
end of June. Volunteer Kathy Felt will			
future of the program.			
10			
		k	
		If additional space is required, attach a separate sheet	
REQUESTED COUNCIL ACTION: RO	eceive an Update from Mankat	o Area Zero Waste-Kathy Felt.	
	SUPPORT	ING DOCUMENTS ATTACHED	
Motion By:	Resolution Ordina	nce Contract Minutes Map	
Second By:			
Vote Record: Aye Nay			
——— Norland Freyberg	Other (specify)	Report, Pictures	
Whitlock	***************************************		
Steiner Dehen	***************************************		
Workshop	Refe	r to:	
X Regular Meeting	Table	e until:	
Special Meeting	Othe		
Gpecial Meeting			

City of North Mankato Council Meeting 12.03.18

Organics Recycling

- 1. North Mankato citizens are interested. As of the grant report in Nov. 2017, there were 81 signed up. We signed up 22 at Fall Drop Off Days. At the end of Oct. 2018, we had 188 citizens signed up to recycle organics.
- 2. Amount of Organics Recycled (2 yard dumpster = 630 lbs.)

Year 1 (09.16-11.17) 11.24 tons 4.5 metric tons carbon dioxide equivalent

Year 2 (11.17-06.18) 9.4 tons 3.76 mt CO2e

July 2018-Nov 2018 7.74 tons about 17 tons total or 1.41 tons per month

- 3. Volunteer hours for me came to 94.5 hours for Jan.-Nov. 2018 or about 9 hours per month. This includes:
 - a. Communication with Mankato Area Zero Waste/Attending their presentations, Communications with Mail Chimp Coordinator
 - b. Communication with April and Vicky at the city
 - c. Walking in parade, making packets, calling volunteers, having a sign-up table at North Mankato Drop Off
 - d. Helping make the organics recycling video
 - e. Sending Welcome Letters and Brochures to sign ups
 - f. Checking the dumpster for amounts and problems
 - g. Delivering brochures to businesses, yard signs, etc.
- 4. The grant ended this year and Mankato Area Zero Waste spent the final money on items to benefit all three participating communities. Each received:
 - a. Portable composting/recycling bins and bags which can be shared between the cities
 - b. T-shirts for volunteers at events ("Lettuce help you compost") to be shared
 - c. Starter kits with compostable bags
 - d. Donations of two adult and two children's books to each library

- e. Free compost for anyone signed up in any city in the spring of 2018
- f. Parade fee for Fun Days

5. Problems I encountered

- a. People need to bag what they put in the dumpster. The video is very specific about what to put in and how to bag.
- b. Improper items have been in the dumpster: Clothing, soiled carpet after sewage leak, non-compostable (plastic) bags, and recently a paper bag full of smoke detectors.

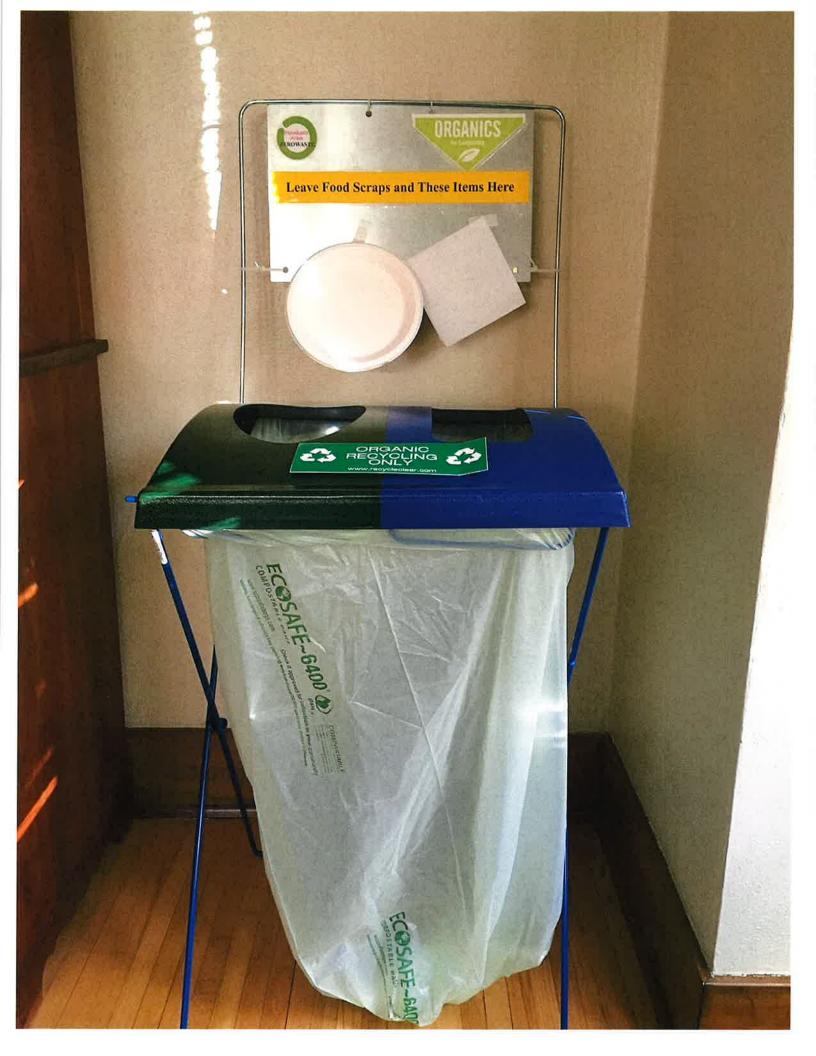
6. The future?

a. Curbside recycling?—When Mankato Area Zero Waste presented to you last year, Mankato had been given an estimate of \$4.87 per household for organics recycling from West Central.

For now, having twice a week pick up of organics recycling keeps the dumpster from overflowing. The city has picked up this cost since the grant ended. This costs the city per month.

- b. These might encourage more people to recycle organics:
- * An educator for Mankato, North Mankato, and Lake Crystal. (Mankato looked at hiring a full time position in Nov. 2018 with part time recycling and part time water management responsibilities)
- * Coordinated ordering of compostable goods for all vendors for all events such as Blues on Belgrade, Fun Days, etc. Compostable goods may cost more but will save on trash hauled out. People want to do the right thing and event containers should be clearly marked for Recycling, Composting and Trash.
 - * Budget for printing educational materials such as more starter kits.
- c. What can the city do now?
- *Security at the dumpster to avoid contamination. Legal looking signage that the dumpster is for Organics Only. No Illegal Dumping.
 - *A security camera or sign that the area is under surveillance etc.

- *City can take on more responsibility: Check the dumpster before pick up, promote the instructive video on the city website, and put reminders in newsletter about recycling organics and bagging organics correctly.
- *Use city Mail Chimp system for Zero Waste information to sign ups and perhaps have online sign up.
- 7. Conclusion--Many citizens clearly value and use this service. Hopefully the City of North Mankato will continue to include Organics Recycling in the budget.



COMPOST!

mankato area zero waste