

Pursuant to due call and notice thereof, a Council Workshop of the North Mankato City Council was held in the Council Chambers of the Municipal Building on October 15, 2012. Mayor Dehen called the meeting to order at 6 p.m. The following were present for the meeting: Mayor Dehen, Council Members Freyberg, Steiner, Norland and Schindle, Interim Administrator Fischer, Engineer Malm, Finance Director Thorne and City Clerk Gehrke.

**Five-Year Capital Improvement Plan, 2013-2017**

Interim Administrator Fischer presented information requested by the Council at the October 1, 2012 Council Workshop regarding various projects and equipment. He reported the tractor for the Park Department would be a mid-sized unit capable of plowing sidewalks and trails and would be used year-round by other departments as well. He reported the 16-foot wide mower would be used within the Caswell North Soccer Complex beginning in the summer of 2013 to prepare the fields for use in 2014. The mower would also be used to maintain the additional right-of-way for the extension of Howard Drive West, Carlson Drive and County State Aid Highway 41. Interim Administrator Fischer reported the request to reseal the trails in Benson Park and Spring Lake Park is preventative maintenance rather than a dilapidation issue. These items are the top priority for the Park Department. Council Member Schindle asked if the mower could be purchased later in 2013. Council Member Freyberg stated since there are many undeveloped parcels in the area near the extension of Howard Drive West, Carlson Drive and County State Aid Highway 41, the amount of mowing could be decreased.

Interim Administrator Fischer reported the Street Department is requesting the purchase of two (2) used 1-ton trucks to replace 1987 and 1990 1-ton vehicles. He reported that due to the poor condition of the existing vehicles there is no opportunity to shift vehicles among other departments. The purchase of a new street sweeper would replace an existing 1997 sweeper. The Interim Administrator reported discussion regarding the potential to share the cost and use of a street sweeper with the City of Mankato would be difficult since street sweepers are used after sealcoating which is done the same time of year, and for storm events and accidents. He reported these units are high maintenance and repair responsibility would be a concern. According to the Street Superintendent, the proposed backhoe would have priority over the street sweeper and the 1-ton vehicle replacements. In response to the Council's question regarding priority for infrastructure projects, the Interim Administrator reported priority was given to the installation of storm sewer and replacement of sanitary sewer from the end of Belgrade Avenue Hill to Roe Crest Drive.

Interim Administrator Fischer reported that regarding the request for Well No. 9 by the Water Department, the water capacity is needed on the hilltop and therefore obtaining water from the City of Mankato would be challenging. Engineer Malm gave background information on the Recommended Standards for Water Works reporting a City's water supply capacity should equal or exceed the maximum day demand with the largest producing well out of service. The capacity of a water supply system with the largest well out of service is also referred to as "firm capacity." He reported on the current interconnection between Mankato and North Mankato which is used for emergency situations. He stated that improvements to the water main and water meter system would be necessary to transfer water from Mankato to North Mankato costing between \$300,000 to \$500,000 for the lower system. Engineer Malm gave the Council a report from 2008 on the estimated future water usage trends for the upper and lower water

systems. He reported the current firm well capacity in the lower system is adequate to meet both average and maximum day demands for the 20-year design period assuming no transfer of water from the lower system. Engineer Malm reported there is a need for an additional water supply source for the upper system and is recommending a new 1,100 gallon per minute well be constructed for the upper system. In response to questions, the Engineer reported proposed Well No. 9 would be located at Caswell Park east of the volleyball courts. Council Member Freyberg asked what rate of population growth was used for the estimated future water usage trends. Engineer Malm reported the study was completed in March 2008 using a 2007 population of 12,777 and estimated population in 2017 of 13,724 and population in 2027 of 14,289 for a very moderate growth estimate. In response to a question about industrial growth water usage, Interim Administrator Fischer reported the Cemstone project will be a high water usage. Engineer Malm reported the Well No. 9 project could be spread over two years with the well done the first year and the pump house and other equipment done the second year.

Interim Administrator Fischer reported the Building Inspection Department is requesting the replacement of a two-wheel drive pickup with a four-wheel drive vehicle for the Building Inspector. The existing two-wheel drive vehicle would be transferred to the Park Department. The Construction Inspection Department is requesting GPS equipment which would allow staff to perform certain surveying, elevations and other monitoring.

The Interim Administrator reported the proposed auto-tie baler for the Recycling Center would allow for more efficient distribution of staff, not necessarily increase safety.

Finance Director Thorne reported she has compiled a list of equipment and capital facilities improvements for 2013 bonding. The Council requested the Finance Director provide a summary list of items for Equipment Certificates and G.O. Capital Improvements for the next Council Budget Workshop. She reported the estimated Equipment Certificates in the amount of \$994,000 includes the City's share of the chip spreader in the amount of \$125,000 and priority equipment. Some discussion was held regarding the informal policy of keeping the debt service at \$1.5 million.

The Finance Director reported she has reviewed the 2012 Budget and found available funds to purchase the HVAC. She recommended issuing equipment certificate bonds for the HVAC and using any additional money to fund the Capital Facilities Fund for future equipment and improvements.

Council Member Freyberg referenced the Comprehensive Annual Financial Report (CAFR) and expressed concern regarding the debt limit of 3 percent of total assessed value. The Finance Director will research this and report back to the Council. The Mayor asked if there were any bonds that could be refinanced in an effort to save interest. The Finance Director will be working with the City's bond consultant, Paul Donna of Northland Securities, regarding future equipment certificates and will ask him about any bonds eligible for refinancing.

Council Member Freyberg reported he has concerns about the auxiliary fund not in balance, the enterprise funds that are not cash flowing, the line item "housing and economic

development” which was new in 2009 and debt service for the Port Authority. Finance Director Thorne will research these items and report back.

The Mayor recapped the items to be prepared prior to the next Council Budget Workshop and brought back to the Council: 1) Rate Study for the Enterprise Funds; 2) Capital Improvement Plan List of Equipment; and 3) Recap of the debt capacity.

The next Council Budget Workshop is scheduled for 6 p.m. on Tuesday, November 13, 2012.

There being no further business, the Council Workshop was adjourned at 6:55 p.m.

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Mayor

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City Clerk