MANTORVILLE CITY COUNCIL MEETING AGENDA
MONDAY, MARCH 25, 2019
6:30 PM

1. **Call to Order** – Mayor Bradford called the meeting to order at 6:30 pm.

   Members Present: Chuck Bradford, Henry Blair, Ryan Christensen, and Sharon Davern.

   Others Present: Mike Bubany – David Drown Associates, Jim Strommen – Kennedy Graven Chartered, Tim Hruska – WHKS, Eric -RenSola, Ruth Pettey, Deborah Harrison, Ashley Brandeland, Rey Hernandez, Steph French – DCSO, Gretta Becay, Scott Larsen and Cami Reber.

2. **Pledge of Allegiance** - Done

3. **Additions/Deletions to Agenda** – Remove item 7. B

4. **Consent Agenda** – Motion made by Member Christensen, second by Member Blair to approve the consent agenda as follows:
   - **a)** City Council Meeting Minute's March 11, 2019
   - **b)** Warrant List March 25, 2019
   - **c)** Local Board of Appeal and Equalization Meeting Notice

   Motion passed unanimously.

5. **Public Concerns** - None

6. **Public Hearing** - None

7. **Old Business/New Business**
   - **a) ReneSola Solar Subscription**

     Jim Strommen, Kennedy & Graven, reviewed with the Council the subscription agreement/contract with ReneSola. He noted the subscription agreement which really consists of two parts, essentially. The legal stuff which protects the City and includes the required clauses and other provision's that ReneSola is familiar with. He noted not many changes being recommended. The second part relates to the "Deal" or what option do we take. That is up to Council to decide on and he is happy to answer any questions the Council has in making that selection. He reviewed the various subscription proposals with the Council.

     These are based on estimates from ReneSola. The higher the ARR rate is, the more savings we will realize, the lower it is the less we will realize. The ARR rate is tied to Xcel's utility rate; if their rates go up, the ARR goes up and vice versa. In his experience the 2.6% being projected is a reasonable estimate historically. We don't know what's going to happen in the next 25 years. He shared an additional perspective on it.

     Xcel wants to spend $600 – $800 million on technology that will help rate payers like you and I to save money such as interactive meters which are not currently installed. That type of technology and other electricity generation has the promise, down the road to possibly reduce utility rates that you and I pay. In the near term though, they will be putting a lot of money into the system to transform things in the next 10-15 years. It is not likely, in his view, that rates would go down. Not to say they can't or won't. The flat rate option is a safe option, in his opinion. If the Xcel credit goes under the subscription rate, we would be paying the operator and not getting a credit. It's extremely unlikely but that's the variable we are looking at.

     Xcel credits are regulated by the PUC but the agreements are not. The ARR rate is the earlier solar garden credit rate which has now been superseded by value of solar (VOS). It is not as generous as the ARR to the subscriber. The VOS is less of a savings, the ARR gives us a better savings but we are not likely to see those types of subscriptions in the future.

Member Davern questioned this being 25 years and that we have as much protection as possible in the contract. Jim noted that he added verbiage to help protect the City from the Solar garden liability and responsibility. These are legislatively protected incentives. Signing on makes us a beneficiary of the subsidy that is paid by other rate payers. If we chose not to subscribe to this one, he believes the next plans presented in the future are the VOS which are not as generous.

Mayor Bradford questioned the risk factors discussed and if there is anything else, we are missing. Jim noted if we don't enter into this, it is the status quo, we just continue to pay what are paying now. The only risk is if we're paying the operator more than we are getting back in the credit. The risk is low and rates tend to go up, not down.

Member Davern asked as a property owner in Mantorville what does this mean. Jim noted that it is a good thing for the City and the homeowner that pays taxes. Whatever credits the City receives may impact the overall budget. Mike Bubany noted that the utility bills will stay the same and in the grand scheme of things it will not affect the property tax bill.

Member Christensen feels this is positive, risk is low, and it's not going to cost us anything to get in. Discussion on the proposals. Motion made by Member Davern, second by Member Christensen to move forward with the flat rate option (proposed $325,000 savings). Motion passed unanimously. Jim suggested a friendly amendment that approval is subject to Staff and Attorney approving the final agreement. There is no final agreement yet as the subscription information has to be entered into the agreement. If something is put into the agreement with the flat rate as Council hasn't approved, it can be brought back. It is a safety approach. Motion made by Member Christensen, second by Member Blair that final approval of the agreement subject to Staff and Attorney approval. Motion passed unanimously.

Member Davern asked to have a conversation about having the City Attorney present at the Council meetings and what the benefit is. Member Davern requested to put it on the agenda for the next meeting.

b) Mantorville Saloon Request – Pulled

c) 2019 CIP Projects Update– Mike Bubany
City Financial Consultant, Mike Bubany of David Drown Associates, presented the 2019 CIP Projects Plan. He explained how the worksheet works and then plugged in the projects for 2019 to show the impact it has on tax levy, utilities and funds. The projects he plugged in are as follows:

- 5th Street East Phase 2 - $610,000
- SE Sewer Project – paid for from all cash from Sewer Fund but we will collect connection fees over the next 15 years.
- 3rd Street Loop – $950,000 using water, sewer and tax revenues – no cash.
- General Streets Maintenance for 2019 - $200,000 from CIP Cash
- Highway 57 - $350,000 using all cash from CIP Fund.
- Highway 57 Construction in 2022 – using little cash, borrow rest.
- Water Tower Maintenance 2023 – majority from water fund.

We have spent $450,000 out of CIP in the last year. We have a large $350,000 project coming up for engineering costs on the Highway 57 project that we need cash for. We can replenish that through this bonding now instead of having to come back and do it later. This plan does not call for an increase in water and sewer rates right now. Member Davern asked about the streets and noted they need to be addressed quickly and how do we get this done. He noted the money being put in the CIP fund each year to address streets. We can increase that.

Mike discussed the bonding authority for the various projects. He suggested tax abatement bonding for the 5th Street East project. You are required to hold a public hearing and show that parcels that benefit from the road improvements generate enough taxes to cover the principal part of the bonds. It is only a paper trail; their taxes do not change in any way.

Sewer and Water authority – utility revenues have to make the payment. If you want to use taxes, you have to separate out the sewer and water as sewer allows you to use tax levies for bond payments. Water is strictly water. He is recommending a $1,560,000 15 year competitive sale bond. He reviewed the cash flow schedule.

d) **Resolution 2019-07 Setting Sale Date for Bonds**
Motion made by Member Blair, second by Member Christensen to approve RESOLUTION 2019-07 PROVIDING FOR THE COMPETETIVE NEGOTIATED SALE OF $1,560,000 GENERAL OBLIGATION BONDS, SERIES 2019A. Motion passed unanimously.

e) **Resolution 2019-08 Calling Public Hearing for Tax Abatement**
Motion made by Member Davern, second by Member Christensen to call for the public hearing on June 10 and approve RESOLUTION 2019-08, RESOLUTION SETTING DATE FOR A PUBLIC HEARING ON THE APPROVAL OF A TAX ABATEMENT FOR THE PURPOSE OF FINANCING 5TH STREET PHASE II IMPROVEMENTS. Motion passed unanimously.

f) **3rd Street Loop Project Bids**
Tim presented the bids for the 3rd Street Loop Project. Four bids were received; Elcor Construction, Sweke Ims, Edge Contracting and A-1 Excavating. Elcor Construction, out of Rochester, was low bid at $754,235.50. The project is slated to be constructed before the middle of August. He recommends Elcor construction. He noted that outside of the norm for Mantorville, is they are sodding for finish work due to the timing to Marigold Days. Motion made by Member Davern, second by Member Christensen to approve the awarding of the contract. Friendly amendment by Member Blair to Elcor Construction for the amount of $754,235.50. Motion passed unanimously.

g) **2019 Road Repair Projects Recommendation**
Tim presented the working document on the City Streets and Chip sealing. The Chip sealing recommendations amount to about $71,000. The areas involve 7th and 9th Streets. Chip Sealing extends the life of the roads; the top of the asphalt. It doesn't change the ride or structural defects. Typically lasts 5-8 years.

There are a few areas that need some reconstruction work where the pavement has totally alligator cracked and is in need of repair. Jefferson Street from 9th to Stagecoach, Leprechaun Lane, Golf View, and Eagle Court. Golf view and Eagle Court are in very poor condition. Recommending to reclaim existing pavement, grind it up, lay it out and do a double chip seal on it. Not a structural fix, prone to ripping and tearing but it is a band aid fix that will take care of dust. Based on past Council decisions, and with the future sewer extension to this area, they don't want to put the money in to reconstruct something that could be torn out in 10 years. Member Davern asked if this can be communicated to the home owners. Tim noted that a letter to them is important to let them know what we are doing and why if the Council moves in this direction.

Council took a short recess.

h) **City Council Bylaws**
Member Davern requesting if we can update/review these and also suggest that all committees update/review theirs if they want to. The comprehensive plan hasn't been done since 2011. Mayor Bradford noted the general principal is that once set they are a guiding principal. Member Blair noted an issue when reviewing something, if there's not an actual change, avoid changing the date, tracking and going back historically becomes interesting. Discussion on just noting a tag when it was reviewed as a tracking option.

Mayor Bradford noted how we interact with the Public in general is important and our job is to listen, not debate with them. We as elected officials set the tone. If we have the message that Mantorville is a great town and community, we can build on that and on each other. Council Members discussed. Member Christensen noted making decisions not on a personal level but on a level as a whole. Member Davern noted to allow the questions to be asked without assuming there is an ulterior motive.

Christensen noted our social media policy and use of Facebook. Maybe we need to include something in our bylaws addressing being respectful on the internet. All agreed to bring the Social Media Policy and Bylaws back for further discussion and recommendation for any changes.

i) **City Facebook Page**
Discussion on the EDA recommendation for the creation of a City Facebook page. Member Davern noted she would like to see us live stream our City Council meetings on Facebook. We are one of the few cities that don't do this. Member Blair noted that if the Facebook page turns into a business meeting, people won't care; don't oversaturate the page. Motion made by Member Christensen, second by Member Blair to approve to go live with the City Facebook page. Member Christensen noted to make sure that Cami and Patti are the leads on that. Motion passed unanimously.

8. TBD

a) **Public Works Report** – Scott reported on the following:
- Handed out his report and asked for any questions.
- Met with the MN Dept of Health as they toured our water facilities.
- Discussed the port a potty rental; On Site came in at $1,092 for 6 months, Affordable portables came in at $1,200. Dennison Field is the ADA one and the campground one is a regular one. Motion made by Member Christensen, second by Member Blair to approve the expenditure of $1,092 to On Site portables for the 2 locations. Motion passed unanimously.

b) **City Clerk Report** – Cami reported on the following:
- A reminder of the Local Board of Appeal and Equalization on April 8 starting at 6:00 pm. She will need to have everyone here then.
- Auditors here next week.

c) **Consultant Report** – Tim Hruska, WHKS, noted the Safety Committee meeting which involved slowing traffic on 9th Street. Cost estimate of $1,200 for Tim to put together some rough preliminary layouts for 9th Street. Davern noted she has been looking into and found some grants she hopes to apply to this project. Motion made by Member Davern, second by Member Blair to approve Tim to look into it. Member Davern noted that if they get the grants they are looking into, they can always reimburse the costs. Member Blair noted this is information that can be used in the future on other roads. All approved.

d) **Committee Report**
- MRA – Member Christensen noted their talk of some recent bingo events and the Art Guild is designing a new sign for the front of their building.
- Safety – Member Davern noted the hard work on the 9th Street project and potential grants they are looking into.

e) **Council Member Report -** None

f) **Mayor Report** – Mayor Bradford reported that he did publish his state of the City address.

9. Executive Session - None

10. Adjourn – Motion made by Member Christensen, second by Member Blair to adjourn the meeting at 9:30 pm. Motion passed unanimously.