

COUNCIL WORK SESSION February 21, 2023

Under due call and notice thereof, a Council Work Session of the North Mankato City Council was held in the Council Chambers on February 21, 2023. Mayor Carlson called the meeting to order at 6:00 pm. The following were present for roll call: Council Members Oachs, Peterson, Whitlock, City Administrator McCann, Finance Director Ryan, Public Works Director Arnold, Community Development Director Fischer, and City Clerk Van Genderen. Absent: Council Member Steiner

Receive Community Development 2022 Annual Report

Community Development Director Fischer reviewed the report. The Community Development staff interacts with the citizens, developers, realtors, contractors, attorneys, engineers, and business owners on a daily basis. The department's goals are to ensure North Mankato continues to be a place of growth and choice for residential, commercial, and industrial development. The department is comprised of the Community Development Director, a City Planner, a contracted Building Official, two Building Inspectors, and a Permit Technician. The Department oversees Planning and Zoning, housing initiatives, transportation planning, economic development, City Code enforcement, administration of the Wetland Conservation Act, issuance of building permits, issuance of rental licenses, building/plumbing inspections, review of building construction plans, computer mapping, planning study preparation, and various issues. The Department is involved in multiple committees, including the Regional Economic Development Alliance (REDA), Mankato/North Mankato Area Planning Organization (MAPO), the SW Chapter of Building Officials, and several other committees. In 2022, the Community Development Department either prepared or participated in the following studies: a Housing Study, the Highway 169 Corridor Study, a Comprehensive Plan update, Lookout Drive Corridor Study and Redevelopment Plan, and the Highway 14 Pedestrian Bridge Feasibility Study. The staff was involved in additional day-to-day work. The Planning Commission reviewed and approved several plats, zoned several properties, recommended conditional use permits, and reviewed studies and future land use maps. In 2022, 1,620 building permits were issued, 3,261 building inspections were conducted, 221 construction plan reviewed, 220 I & I's completed, 409 rental inspections completed, and building permits were issued for 23 new single-family homes, 38 new townhome units, and nine units of new apartments. Total building permit revenue was \$564,568. In 2023, priorities for Community Development Staff include a revision of the Sign Code, research for EV charger funding, continuing to work on the sale of the Norwood Inn, the sale of land in the Northport Industrial Park to Gordini, work on TIFs for both the Norwood Inn and Gordini, participate in the Mankato Transit Development Plan, work on an orderly annexation agreement with Belgrade Township, and work with the City of Mankato on the vision for Hwy 169 corridors.

Mayor Carlson asked how much Port Authority land was still available in the Northport Industrial Park. Community Development Director Fischer reported that after selling 10 acres to Gordini, the Port Authority would own approximately 30 acres. He did note that there were hundreds of privately owned acres in Northport for sale and development.

Water Meters

Public Works Director Arnold reported that the presentation would review the water meter basic information and proposed options for City Council consideration. He noted that City staff recently removed a water meter from a home that was installed in 1921, making it 102 years old. The meter operated fairly well but, with age, had lost accuracy. He stated that the

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purpose of the meter is to record the amount of water used by a property and determine the monthly bill, and they are the cash register of the water sales system.

Public Works Director Arnold noted two types of meters; mechanical and ultrasonic. Mechanical devices use the water flow to mechanically turn a register. Very low flows can pass through the meter without providing enough force to turn the mechanical system, and the accuracy of devices decreases annually by about .34% a year. Most meters in the city are mechanical and ultrasonic devices are only installed at 1.5 inches or greater size. Ultrasonic devices use sound frequencies to detect flow velocity and calculate the flow rate. An ultrasonic device will not be degraded, but batteries do stop working.

Public Works Director Arnold reviewed the recently presented water meter ordinance that made the replacement of meters mandatory. They included the sale of property, issuance of a plumbing permit, and failure of residents to provide meter readings for six months.

Current City staff can install approximately 30 meters per month without working overtime or neglecting other duties. The City is currently replacing approximately 15-18 per month, so it can add 12-15 additional installs. In 2022, there were approximately 70 new accounts that occurred during the sale of homes. City staff could accommodate the additional replacements. In 2022, approximately 90-95 plumbing permits would require a new meter under the proposed ordinance. Current City staff would find it difficult to include those replacements in their schedules, especially as certain times of year would have higher installation rates. Currently, there are approximately 160 accounts that would qualify for replacement based on not reading their meters for six months. He stated that staff suggests contracting the replacement of those meters out to a contractor.

Public Works Director Arnold suggested the possibility of the City hiring a contractor to replace the remaining manual read meters. He noted that the City is currently at approximately 14% saturation of new water meters, and at the current rate, replacement would take 16 or more years. Potential methods to replace the meters include contracting the work, hiring additional limited-term employees, or requiring owners to pay plumbers to do the replacement instead of Water Department staff. Public Works Director Arnold stated he had received a verbal quote from Ferguson, a company that completes installs for cities. He noted the verbal quote was an \$85.00 installation fee per meter. Replacing all the meters could result in an estimated \$135,000 additional revenue per year, just in meter accuracy. Public Works Director Arnold thought the cost of paying a contractor to install all the new meters would be paid back in additional revenue and staff time-saving in approximately three years.

Public Works Director Arnold reported that currently, the meters are owned by the property owners. The homeowners pay for purchasing, replacing, and maintaining meters. A typical 5/8" residential meter costs the owner between \$270 and \$350 to install. He stated it is more common for the utility to own the water meters, not the property owner. The utility owns the water meters, allowing them to conduct periodic maintenance and calibration. If the City owned the meters, they could implement a maintenance schedule to prevent a mass replacement in the future. If the City decided to own the water meters, the City Code would need to be revised to reflect the City's ownership. The City could implement a water meter replacement fee on the utility bill. If a property owner has already replaced their meter at their own expense, the City could refund the cost through a buy-back program over several years. The smaller monthly water meter replacement fee would prevent a significant one-time payment, which may be easier for individuals on a fixed income.

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Public Works Director Arnold stated that the City Council has a few choices, including passing the currently proposed ordinance as is or with changes, hiring a contractor to replace the meters, or considering transferring ownership of the water meters to the water utility.

Mayor Carlson requested information on the number of cities that own the water meters. Public Works Director Arnold noted he does not have a percentage, but having the utility own the meter is more typical. City Administrator McCann stated that the City of Mankato owns its indoor meters, and the homeowner owns the outdoor meter. Public Works Director Arnold noted that the City of North Mankato would plan to own both indoor and outdoor meters. Council Member Oachs asked if a property owner would be charged the water meter replacement fee for all meters. Public Works Director Arnold stated that all meters would require the replacement fee on the bill. Mayor Carlson asked if an analysis had been completed concerning how much revenue the City loses yearly due to inaccurate meters. Public Works Director Arnold noted Ferguson conducted an analysis and estimated that the revenue loss would be approximately \$179,078 a year.

Council Member Peterson stated that he believes the replacement needs to be completed. He questioned the method to complete the process and questioned the need for the utility to test and calibrate meters every ten years because some current meters have not been touched in 100 years. Council Member Peterson stated that the project needs to be completed; the question is how to complete the project and satisfy the most residents. Public Works Director Arnold noted that reviewing the meters does not mean a meter will be replaced. Instead, it is maintenance and calibration. Council Member Peterson said he understands the need for maintenance, just how frequently it needs to be completed.

City Administrator McCann stated it was a lot of information, and staff could do additional research into exact costs and bring the topic back. It was determined to allow the Council time to consider the options.

Brewing New Ideas-Review

City Planner Lassonde appeared before Council and stated that the City conducted engagement sessions with the public to solicit input from residents on big ideas they may have for the future of the City. Two in-person sessions and an online survey and interaction options were held. He stated the information was provided in a memo format and provided to Council before the Strategic Planning sessions that would be held in March. Council was invited to contact him with specific questions.

Council Member Oach moved, seconded by Council Member Peterson, to adjourn the Council Work Session at 6:59 pm.

Mayor

City Clerk