

## **COUNCIL WORK SESSION April 17, 2023**

Under due call and notice thereof, a Council Work Session of the North Mankato City Council was held in the Council Chambers on April 17, 2023. Mayor Carlson called the meeting to order at 6:00 pm. The following were present for roll call: Council Members Steiner, Oachs, Peterson, Whitlock, City Administrator McCann, Finance Director Ryan, Community Development Director Fischer, Public Works Director Arnold, and City Clerk Van Genderen.

### **Emerald Ash Borer**

Jonathan Osthus from the Minnesota Department of Agriculture appeared before Council and reviewed the history of the Emerald Ash Borer in the United States. It is an invasive species from eastern Asia that appeared in the United States in the 1990s. It was first identified in 2012 in the Michigan area, and since then, it has been spreading through the United States. Mr. Osthus reported symptoms normally appear 2 to 3 years after infestation, with death likely within six years. It was noted that 1 in 5 trees on average in a community are ash trees, and Minnesota has over 1 billion ash trees. Some insecticides can be used on trees to prevent infestations, costing \$10.00 a diameter inch. The infestation has been found in North Mankato, and the City will need to continue management of the issue. Mayor Carlson requested clarification on if all ash is susceptible to infestation. Mr. Osthus stated yes, but some are more susceptible than others. He did note that trees become hazardous very quickly after they die, and management of the trees is necessary.

Mayor Carlson requested ideas for the replacement of the trees. Mr. Osthus stated that the best idea is to diversify. He did note that it would be a good idea not to plant more maple as there are a lot of maples.

### **Greater Mankato Growth**

Jessica Beyer, President and CEO of Greater Mankato Growth (GMG), and Ryan Vesey, the Economic Development & Research Manager, presented an update on the Greater Mankato Growth partnership. Ms. Beyer reported that GMG exists to support and promote its members' economic growth and vitality and the regional marketplace. Included with GMG are Visit Mankato, City Center Partnership, and Green Seam. GMG focuses on business growth and development, advocacy of the marketplace, talent growth, retention & attraction, and regional livability.

Mr. Vesey reported that GMG switched its focus from recruiting businesses to business retention and expansion and promoting new and emerging enterprises. Mr. Vesey reviewed REDA's Strategic Activity Highlights, which included Business retention and expansion through the development of [mankatotalent.com](http://mankatotalent.com), a resource for businesses to help attract talent. He noted that the new and emerging business development has programs like 1 Million Cups that increase entrepreneurship. Mr. Vesey noted that GMG advocates for the regional marketplace and noted that GMG fought to maintain the regional MSA status.

Mr. Vesey reviewed what the City's contributions to GMG garner, including the development of services for the overall regional marketplace, including cities and counties as outlined in the Joint Services Agreement. He noted that the Joint Services Agreement is currently in negotiations. Mr. Vesey pointed out that a per capita rate adjustment is part of the negotiations. The adjustment would increase from 2023's contribution of \$31,670 to \$55,769 by 2029. Each dollar North Mankato invests leverages \$21.65 in matching public and private contributions. The funds are used for economic development and marketing resource

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subscriptions, business development and recruitment, targeted marketing campaigns and promotional materials, and human capital and resources.

Mr. Vesey noted that every \$1.00 committed to REDA by public partners in 2021 resulted in \$198 of private capital investment in the region.

Ms. Beyer reported that the City Center Partnership is focused on development and livability, aesthetics and vitality, and CityArt.

City Administrator McCann noted that the current draft of the Joint Services Agreement was included, and GMGs partners would continue to work through the agreement, and it would be brought back to the Council for approval.

### **Continue Water Meter Discussion**

Public Works Director Arnold reported that two options would be presented and turned the presentation over to Finance Director Ryan. Finance Director Ryan reviewed the current process and the two possibilities prepared by staff. Option 1 would include the City hiring an installer and purchasing and owning the meters. The process could be completed by 2024, and the City would need to bond for \$2 million. The bond with a 3.335% interest and 15-year amortization would have an interest of \$632,523. If the City bonded for 3.649% amortized for 20 years, the City would pay \$928,235 in interest. The residents would not have an upfront cost, but the City would need to increase the water bill by \$1.75/per month/meter to cover the bond payments and \$1.83 per meter to fund a meter replacement account. The staff impacts include refunds of prior installed meters and handle swaps in the billing system. Option 2 would consist of the City hiring an installer. Still, the residents would pay for the meter and labor, and the City would be responsible for maintenance and replacements moving forward. The process could be completed by 2024. The City would need to buy the meters to have on hand, and the residents would pay for the meters. Residents would pay for the meter and installation, installation costs would increase by \$48.00 from current costs. The water bill would also increase by \$1.83 per meter to fund a meter replacement account. The City would offer financing options from 6 months to 2 years.

City Administrator McCann stated that City staff recommend option 2, eliminating the need to refund residents who have previously purchased meters. Council Member Peterson questioned the \$1.83 replacement fund. He was concerned that the City would be replacing current meters with inferior meters because they have lasted up to 100 years, and now we are replacing them with inferior meters. Public Works Director Arnold noted that it had become more of a throwaway, and there needs to be more interest in fixing meters.

A discussion was held on the process and the cost to residents. City Administrator McCann reported that the staff recommended option two, which is in many ways a continuation of the current practice but increasing the timeline. He noted that residents might be completing the transition to the new meters faster than they want, which is why there are financing options. The Council recommended adding additional years to the payment option to reduce the financial burden on residents.

Council reached a consensus for staff to pursue option two, which included hiring an installer and having residents purchase the meters.

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Council Member Oach moved, seconded by Council Member Peterson, to adjourn the Council Work Session at 7:00 pm.

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Mayor

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City Clerk