

**PRINCETON PUBLIC UTILITIES COMMISSION
REGULAR MEETING
Mille Lacs Historical Society Amdall Room
101 10th Avenue South
Princeton, MN 55371
February 23rd, 2022 1:00 P.M.**

- 1. Call to Order – Roll Call**
- 2. Approval of Agenda – Additions or Deletions**
- 3. Swearing in Commissioner Dan Erickson**
- 4. Election of Officers**
 - a. Chairman
 - b. Secretary
- 5. Approval of Minutes**
 - a. Public Utilities Commission – Regular Meeting – January 26th, 2022
- 6. Public Comment**

*(This agenda section is for the purpose of allowing customers to address the Commission.
Comments are limited to 3 minutes)*
- 7. Certification of Accounts Payable**
- 8. Reports and Presentations**
 - a. SMMPA Reports
 - i. Minutes and Key Metrics
 - b. Financial Reports
 - i. Income Statement, Balance Sheet, Trial Balance, and Cash Reserve
 - c. EV and ACH Reports
- 9. Updates**
 - a. Electric Department updates (Linden)
 - b. Water/Power Plant Department Updates (Schmit)
 - c. City of Princeton update (McPherson/Liaison)
 - d. General Manager’s update (Butcher)
- 10. Ongoing Business**
 - a. ACH Discussion
 - b. Convenience Fees
 - i. Memo 22-08: Convenience Fee Schedule
 - c. SMMPA Distribution
 - d. Tour Discussion
- 11. New Business**
 - a. Letter of Support Request from City of Princeton
 - b. City Joint Meeting Discussion
 - c. Annual Open Meeting Law Primer
- 12. Adjournment**



Oath of Office for Commissioners

"I, **Dan Erickson** do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, and to discharge faithfully the duties of the office of Princeton Public Utilities Commissioner of the city of Princeton, Minnesota, to the best of my judgment and ability."

Signed

Date

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

January 26, 2022, 1:00 P.M.

Pursuant to due call and notice thereof, the Regular Meeting of the Public Utilities Commission, City of Princeton, was held at the Mille Lacs County Historical Society Depot Museum in the Amdall Room, 202 10th Avenue South, on January 26, 2022, at 1:00 P.M.

Present: Chairman Greg Hanson and Commissioner Richard Schwartz.

Absent: Commissioner Dan Erickson.

Also Present: Manager Keith Butcher, Secretary Kathy Ohman, City Councilor Jules Zimmer, City Administrator Michele McPherson, Electric Superintendent Jeremy Linden, Water Supervisor Scott Schmit, City Community Development Manager Heather Brooks, and Nick Loehlein from Connexus Energy.

Meeting was called to order by Chairman Hanson at 1:04 P.M.

Chairman Hanson called for additions or deletions to the agenda. With the absence of Commissioner Dan Erickson, Chairman Hanson requested to remove the Swearing in of Commissioner Dan Erickson and the Election of Officers until the February 2022 Regular Commission Meeting.

Mr. Schwartz made a motion to approve the agenda of the January 26, 2022 Regular PUC Commission Meeting with deletions. Mr. Hanson seconded. Motion carried unanimously.

Chairman Hanson welcomed appointed PUC Liaison Jules Zimmer and City Administrator Michele McPherson to the meetings.

Mr. Schwartz moved to approve the Minutes for the December 15, 2021 Regular PUC Commission Meeting. Mr. Hanson seconded. Motion carried unanimously.

During the Public Comments portion of the meeting, newly hired City Community Development Manager Heather Brook was introduced and welcomed to the meeting.

Resolution 22-01 RESOLUTION OF THE PUBLIC UTILITIES COMMISSION OF THE CITY OF PRINCETON DESIGNINATION OF OFFICIAL DEPOSITORIES for the designation all local financial institutions as well as Northland Trust as official depositories of the Commission for the 2022 year. Mr. Hanson made a motion to accept Resolution 22-01. Mr. Schwartz seconded. Motion carried unanimously.

Resolution 22-02 RESOLUTION OF THE PUBLIC UTILITIES COMMISSION OF THE CITY OF PRINCETON DESIGNINATION OF OFFICIAL NEWSPAPERS for the designation of the Union-Times as well official newspaper of the Commission for the 2022 year. Mr. Hanson made a motion to accept Resolution 22-02. Mr. Schwartz seconded. Motion carried unanimously.

After a discussion, Mr. Schwartz made a motion to approve the certification of accounts payable for the period of December 1, 2021 through December 31, 2021. Mr. Hanson seconded. Motion carried unanimously.

11. REPORTS:

- a. The January SMMPA Key Metrics worksheet and December 8th Board Meeting minutes were presented. There was a discussion on SMMPA's financials prior to audit along with EV chargers.
- b. The December 2021 PUC financial reports were presented.

12. UPDATES:

- a. In the Electric Department, Electric Superintendent Jeremy Linden reported they repaired a light pole damaged on 21st Avenue. They have been working on a new solar project on a house on Highway 95. They also been doing tree trimming, have taken down the Christmas decorations, have attended a workshop and conference, and meter reading. MMUA Safety Training will be held tomorrow. Inventory counts has been completed for year end.
- b. In the Water Department, Water Superintendent Scott Schmit reported they had locator training with Minnesota Rural Water. They have had a few frozen water meters. Water samples for testing has been done. Water inventory is almost completed for 2021. Jim Bigger and Kenny Elton are testing for the Class D Water License. At this time, the anticipated ship date for the water nodes is April.

In the Generation Plant, Water Superintendent Scott Schmit reported Unit #7 was test run today and the older units will be test run tomorrow. SMMPA was at PPU to complete reports on engine runs. They have been attending the weekly meetings with SMMPA. The circulating pump on the boiler heat system was down. They repaired it and have it back up and running.

- c. City Administrator Michele McPherson reported the City of Princeton has approved changing the fees for the Fire Department from a flat rate to an hourly rate. They will be assessing unpaid fire calls to real property regardless of county. She has been working with Mille Lacs County on reconstructing 7th Avenue which is tentatively a 2024 project. The City Council will be presented WSB's proposal for the plan design and bidding process of the Business Park at the next City Council meeting. The new Tech Services Manager started two weeks ago. She updated the PPU Commission on other recent City activities and projects.

City Councilor Jules Zimmer reported on new developments in Princeton.

- d. General Manager Keith Butcher reported the following:
 - i. Due to significant changes in staffing, our worker's comp insurance has dropped for 2022.
 - ii. With the continued conversion to AMI, the January 2022 meter readings were the first without errors. Errors resulted in staff needing to return to the field with equipment to get proper readings. The billing software has been updated to accommodate the City's sewer rate increase for 2022. The computer servers have successfully been moved to a server room which provides external security and protection from accidents. Disconnections of service due to non-payment are planned for tomorrow.

- iii. December 2021 commercial rebates were issued to four business in Princeton
- iv. Regulatory reports have been filed including the SMMPA DER Reimbursement report, the Annual OSHA report and the annual APPA Safety report. All air permit reports have been filed to finish out 2021. The Wellhead Protection Implementation Strategy Form with the Minnesota Department of Health has been filed as part of our extension request. Upcoming reports include the Pay Equity Report and the MPARS report.
- v. Nancy Kelly, SMMPA ESR, is helping to coordinate check-ins with our largest customers. Two customers were visited in January and both meetings were very positive.
- vi. General Manager Keith Butcher reported with the extreme cold temperatures, a couple customers were concerned about the ground water temperature and frozen water lines. Information was posted on Facebook and PPU website with recommendations regarding concerns with frozen water lines.
- vii. Sherco was taken offline on December 1st for repairs on a tube leak and was brought back online on December 21st. Xcel completed all of the repairs. With continued coal deliveries through December and instituted coal conservation efforts, SMMPA now has sufficient coal inventory going into 2022.
- viii. SMMPA 2022 activities were discussed which include a Cost of Service Study, Sherco 3 coal purchased through Xcel Energy, 2021 IRP approval, Post 2030 generation resource discussion, Quick Start contact extension process, EV incentives, update their Disaster Recovery Plan and Business Continuity Plan, prepare for upcoming team member retirements, and monitor MPCA's treatment of one-hour NO2 permitting requirements.
- ix. General Manager Keith Butcher will be attending the MMUA Government Relations Advisory Committee which meets weekly.
- x. The House DFL has issued a Climate Action Plan in preparation for the start of the legislative session. The Climate Action Plan totals approximately \$1 billion dollars.
- xi. Areas that MMUA is monitoring this on the legislative front include renewables, interconnection, EVs, pay equity, cyber, salary cap, PFAS, bonding and broadband.
- xii. General Manager Keith Butcher will be attending the MMUA Legislative Rally on February 8th and 9th virtually and welcomed Commissioners to attend if they desire.

13. UNFINISHED BUSINESS:

a. ELECTRIC SYSTEM LONG-TERM PLAN

General Manager Keith Butcher went over the 10-year capital improvement plan to improve the distribution system in Princeton which is set in three phases. Two task orders were presented including one for the preliminary design phase in Phase 1 and the second one for a coordination study of the Generation Plant, North and South Substations for approval. Mr. Schwartz made a motion to approve as submitted Task Order #03 the Preliminary Design Phase for Phase 1 in the amount of \$14,500.00 and Task Order #04 the Coordination Study for \$17,700.00. Mr. Hanson seconded. Motion carried unanimously.

b. 2022 RATE STUDY

General Manager Keith Butcher reported DGR Engineers have started working on the 2022 Rate Study. Pre-audit figures from 2021 have been submitted to DGR.

c. ACH DISCUSSION

General Manager Keith Butcher presented Memo 22-01: ACH Credits to the PPU Commission regarding the 3% water credit to be given to customers signed up for ACH payments. There was a discussion on the length of time to run this promotion. The discussion continued with looking at the

results in six months. Mr. Schwartz made a motion for the 3% water credit given to ACH customers to run through August 31st, 2022. Mr. Hanson seconded. Motion carried unanimously.

d. CONVENIENCE FEE

General Manager Keith Butcher presented Memo 22-02: Convenience Fees to the PPU Commission for discussion. He has received a new user agreement with the credit card fee increasing from \$2.00 per transaction to 2.5% per transaction. The management company PPU uses for electronic payments will collect the fees and submit them to the credit card company. All PPU customers currently signed up for automatic payments with their credit card will be required to sign up again for automatic payments approving the 2.5% convenience fee charge. Mr. Schwartz made a motion to charge customers using a credit card a 2.5% convenience fee. Mr. Hanson seconded. Motion carried unanimously. Mr. Schwartz made a motion to accept the new user agreement with the change in transaction fees. Mr. Hanson seconded. Motion carried unanimously.

14. NEW BUSINESS:

a. MEMMO 22-03: 2022 MINNESOTA PAY EQUITY REPORT

General Manager Keith Butcher presented Memo 22-03: 2022 Minnesota Pay Equity Report to the PPU Commission for approval. The Pay Equity report is filed every three years and due January 31, 2022. The report ensures PPU's underpayment ratio is greater than 80%. Mr. Hanson made a motion to approve the 2022 Minnesota Pay Equity Report. Mr. Schwartz seconded. Motion carried unanimously.

b. MEMO 22-04: DEPOSIT REFUND TERMS

General Manager Keith Butcher presented Memo 22-04: Deposit Refund Terms to the PPU Commission for approval. Currently when running a credit check on customers through our contractor, bankruptcies have been included in the credit score. Any references to bankruptcies can be removed from credit checks. Mr. Hanson made a motion to approve the removal the bankruptcy clause from credit checks. Mr. Schwartz seconded. Motion carried unanimously.

c. MEMO 22-05: DEPOSIT INTEREST RATES

General Manager Keith Butcher presented Memo 22-05: Deposit Interest Rates. The Utility Deposit Interest Rate for 2022 which is set by the Minnesota Department of Commerce is 0.2%. Past interest rate history was included in this memo. Mr. Schwartz made a motion to set PPU utility deposit interest rate for 2022 at 0.2% per Minnesota state guidelines. Mr. Hanson seconded. Motion carried unanimously.

d. MEMO 22-06: TORT LIABILITY WAIVER FORM

General Manager Keith Butcher presented Memo 22-06: Tort Liability Waiver Form for approval. Mr. Schwartz made a motion to approve the tort liability coverage limits of \$1,500,000 from the League of Minnesota Cities Insurance Trust for 2022, the PPU does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04. Mr. Hanson seconded. Motion carried unanimously.

e. MEMMO 22-07: COGENERATION AND SMALL POWER PRODUCER TARIFF ANNUAL UPDATE

General Manager Keith Butcher presented Memo 22-07: 2022 Cogeneration and Small Power Production Tariff for approval. The tariff includes Schedule 1 which shows the average retail utility energy rate for each class and Schedule 4 the average incremental cost. PPU is required to report on any customer owned generation as well as any exports. The updated tariff will take effect January

1, 2022. Schedule 4 from SMMPA is updated every year. Mr. Hanson made a motion to accept the 2022 Cogeneration and Small Power Production Tariff. Mr. Schwartz seconded. Motion carried unanimously.

f. 2022 ROOF REPLACEMENT SCHEDULE DISCUSSION

General Manager Keith Butcher updated the PPU Commission on the roof replacement schedule. Roofs 1 and 2 in the Generation Plant were budgeted to be replaced in 2022. SMMPA has requested delaying the replacement until 2023 as they will be paying half of the cost. After a discussion it was the consensus of the commission to postpone the roof replacement until 2023.

g. TOUR DISCUSSION

There was a discussion regarding the PPU Commissioners having a tour of PPU facilities and when they would like the tour to take place. It was the consensus of the Commission to have the tour at the end of March 2022 at the earliest, weather permitting.

There being no further business, Mr. Hanson made a motion to adjourn the meeting at 2:25 p.m. Mr. Schwartz seconded. Motion carried unanimously.

Gregory Hanson
Chairman

Kathy Ohman
Secretary

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
January 13, 2022

President Kotschevar called the meeting to order at 9:00 a.m. via internet meeting service due to the COVID-2019 pandemic.

Board Members Present Via Conference Call:

President Mark R. Kotschevar, Rochester; Vice President Bruce A. Reimers, New Prague; Secretary Peter T. Moulton, Saint Peter; Treasurer Roger E. Warehime, Owatonna; Mark E. Nibaur, Austin; Joseph A. Hoffman, Preston; and Chris Rolli, Spring Valley.

Others Present Via Conference Call:

David P. Geschwind, Executive Director & CEO; Jerry M. Mausbach, Blooming Prairie; Troy G. Nemmers, Fairmont; Shane Steele, Grand Marais; T. Scott Jensen, Lake City; Mike B. Geers, George Baldwin, Litchfield; Shawn Williams, North Branch; Keith R. Butcher, Princeton; Charles B. Heins, Redwood Falls; Jeremy Sutton, Rochester; Carl C. Sonnenberg, Waseca; Jeffery D. Amy, Wells; Beth A. Fondell, Naomi A. Goll, Mark S. Mitchell, and Christopher P. Schoenherr of the Agency staff.

#1 Agenda Approval:

Mr. Moulton moved to approve the agenda, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present.

#2 Consent Agenda:

Mr. Hoffman moved to approve the consent agenda, seconded by Mr. Rolli, passed upon a unanimous vote of the board members present.

APPROVED the December 8, 2021 board meeting minutes.

APPROVED the Spring Valley Substation RTU and Telecommunications Upgrades. (Attachment A.)

APPROVED the West Owatonna Substation 69 kV Circuit Breaker, Switch, and Relay Replacements. (Attachment B.)

APPROVED the Administrative Policy 402.6 – Sick Leave. (Attachment C.)

#3 Sherco 3 Operations Update-Mitchell:

Mr. Mitchell reported on the Sherco 3 operations update.

MISO took Sherco 3 offline for economics on December 1 and bought it back online December 21, 2021. The unit was forced offline on December 25, 2021 due to a tube leak caused by

exfoliation. The ruptured tube and collateral damage were repaired, and the unit was brought online on December 31, 2021.

Economics

Sherco 3 did not run many days in December 2021, but when it ran it created positive margins. Overall, the economic commitment offering approach is working well.

Coal Supply

BNSF kept SMMPA's train in service until December 20, 2021, which resulted in annual coal deliveries of 836,000 tons. The current Sherco 3 coal inventory is approximately 250,000 tons.

SMMPA provided draft Amendment #6 to the Sherco 3 Coal Agreement to Xcel Energy for review. The amendment clarifies that Xcel's Fuels Department is buying coal for Unit 3 in total, not separately for each owner, and it simplifies inventory and financial accounting.

SMMPA's coal train is being used by Sunflower Electric, a Western Fuels Association (WFA) member, in exchange for free train storage when not in use. SMMPA and WFA are developing a Train Management Agreement that defines the business terms under which WFA will manage the SMMPA train set.

Discussion.

Xcel Energy began supplying coal for SMMPA on January 1, 2022, and there are no coal supply inventory restrictions at this time.

#4 North Branch Update-Geschwind:

Mr. Geschwind reported on the proposed sale of the North Branch Municipal Water & Light electric system to East Central Energy (ECE).

On December 29, 2021, Great River Energy (GRE), ECE, SMMPA, and North Branch had a call to discuss the transactions.

Last month, a draft power sales agreement was provided to GRE. Under that agreement, GRE would purchase from SMMPA the power and energy that North Branch would have purchased from SMMPA, assuming the system sale moves forward. GRE would then supply that power and energy to ECE under their own contractual arrangements.

Mr. Geschwind highlighted provisions in the draft agreement with GRE relating to avoidable DSM expenses, treatment of MISO transmission costs, and defining the North Branch electric load.

Proposed Sale Approval

The proposed North Branch sale would require approval by GRE, ECE, SMMPA, and North Branch. If the sale moves forward, the Minnesota Public Utilities Commission would need to approve the service territory transfer and may schedule public hearings.

Discussion.

Power System Engineering, Inc. plans to complete an electric utility valuation study of the North Branch system by the end of January 2022.

GRE may be interested in purchasing the five generators at the North Branch power plant.

#5 Board Retreat Summary-Geschwind:

Mr. Geschwind reported that the SMMPA Board Retreat was held December 16-17, 2021 at the Mystic Lake Casino Hotel, Prior Lake, Minnesota.

Retreat topics and the discussion that took place at the retreat were summarized.

After a short break, the board reconvened at 10:11 a.m.

#6 2022 Year in Preview-Geschwind:

Mr. Geschwind presented on the 2022 year in preview. Various projects and activities that are planned for 2022 were highlighted. (Attachment D.)

Financial Report November 2021-Fondell:

Ms. Fondell summarized Agency financial results through November as provided in the board book materials.

SMMPA Financial Audit

Baker Tilly, outside auditor, will conduct the 2021 SMMPA financial audit the week of February 7, 2022.

Cost of Service Study

SMMPA staff met with Dave Berg Consulting for a Cost of Service Study planning meeting on December 29, 2021. 2021 will be used as the test year and forward-looking load projections will be incorporated.

Short-Term Borrowing

The short-term borrowing paydown of approximately \$2.2 million will be done by the end of January 2022.

Cyber Insurance Update

SMMPA's cyber insurance coverage renews on January 20, 2022. A quote received from Resilience Insurance reflected that deductibles and premiums have significantly increased, primarily due to the rising number of ransomware incidents. Many insurance companies are declining new business or moving out of the cyber insurance market altogether.

Government Affairs/Member Services Report-Schoenherr:

Mr. Schoenherr summarized the government affairs/member services report detailed in the board book.

MMUA Legislative Conference

Members were reminded of the MMUA Legislative Conference in St. Paul, Minnesota, February 8-9, 2022 and were asked to contact Mr. Schoenherr for scheduling purposes.

APPA Legislative Rally

Members were reminded of the APPA Legislative Rally in Washington, D.C. February 28 – March 1, 2022.

Distributed Generation Report

Members were reminded to file the reimbursement for net exports to SMMPA by January 22, 2022. The Annual PR-22-10 Report must be e-filed by March 1, 2022. The M-MIP Report needs to be filed by February 1, 2022.

2021 Electric Vehicles Charging Results

The 2021 electric vehicle (EV) charging results reflected that load factors were higher in the summer months. There were 4,424 charging sessions that provided 60,605 kWh to EVs.

Resource Report/Marketing Update-Mitchell:

Mr. Mitchell reported:

Emergency Operations Update

As part of its emergency preparedness process, MISO has started requiring weekly reports from generators on inventory levels for generation consumables (coal, fuel oil, urea, and lube oil). SMMPA is holding weekly calls with member plant operators to gather inventory data that SMMPA then submits to MISO. Weather forecasts, market conditions, potential generation runs, and emergency preparedness are also discussed on the calls. SMMPA has set up automated text/email notifications ready that can be sent to the members in the event of a NERC/MISO Energy Emergency Alert.

Market Price Update

A graph of recent natural gas and on-peak electricity prices was discussed.

Quarterly Wind and Solar Update

Mr. Mitchell presented information on the performance of the Agency's wind and solar resources, including capacity factor and costs relative to market energy prices and net margins.

President's Report:

Mr. Kotschevar reported:

- SMMPA Board Meeting: The SMMPA Board meeting scheduled for Thursday, February 10, 2022 will be held via internet meeting service.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- SMMPA Representative: The change of alternate representative for the City of Wells from Ron Hartman to Darin Magnuson was effective January 1, 2022. (Attachment E.)
- APPA Joint Action Conference: Mr. Kotschevar, Mr. Reimers, and Mr. Geschwind attended the APPA Joint Action Conference January 9-11, 2022 in Destin, Florida.

Member Forum:

None.

Other Business:

Mr. Schoenherr reported:

Community Solar Project

Saint Peter and Princeton have community solar programs with 5-year and 10-year terms that will need to be addressed in the near future.

Advanced Metering Infrastructure Program

SMMPA contacted Hometown Connections about their Advanced Metering Infrastructure Program. More information will be provided once we hear back from Hometown Connections.

SMMPA Annual Report

SMMPA is reaching out to kids to produce artwork for the SMMPA Annual Report that captures the theme of solar, wind, electric vehicles, reducing carbon, working together, and saving energy.

SMMPA Advertising Campaign Concept

The new SMMPA ads will be available at the end of January 2022.

Adjourn:

A motion to adjourn the meeting was made by Mr. Nibaur, seconded by Mr. Rolli, passed upon a unanimous vote of the board members present.

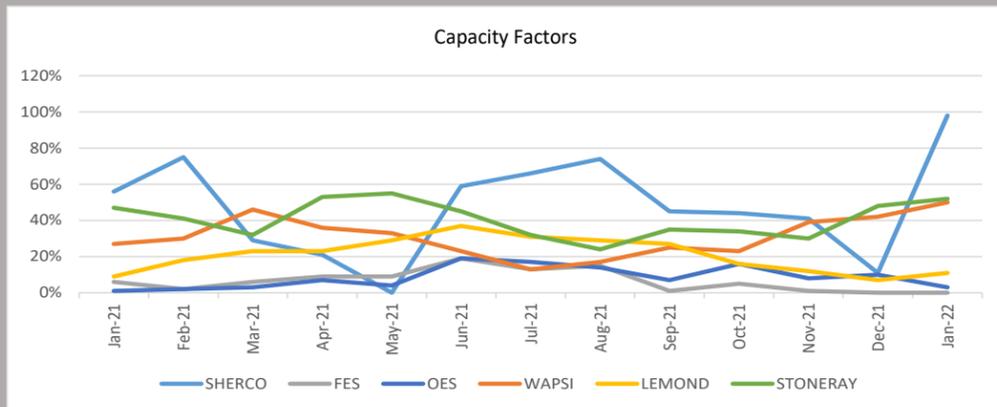
The meeting was adjourned at 11:05 a.m.

Secretary

SMPA Key Metrics

February 2022

PLANT OPERATIONS Performance Metrics

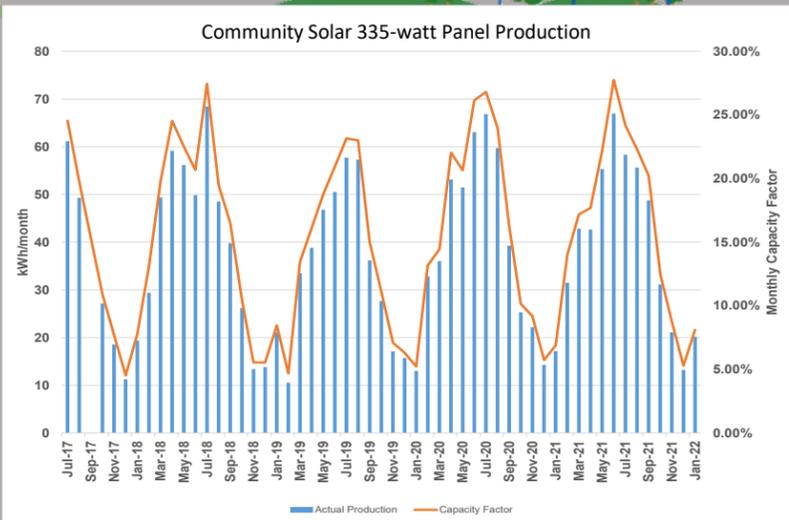


Availability Metrics

For January 2022

	FES January	OES January	MORA LFG January
Availability	57%	97%	100%
Industry Average Availability	93%	93%	N/A
Forced Outage	42%	0%	67%
Industry Average Forced Outage	7%	7%	N/A

Solar Production Metrics

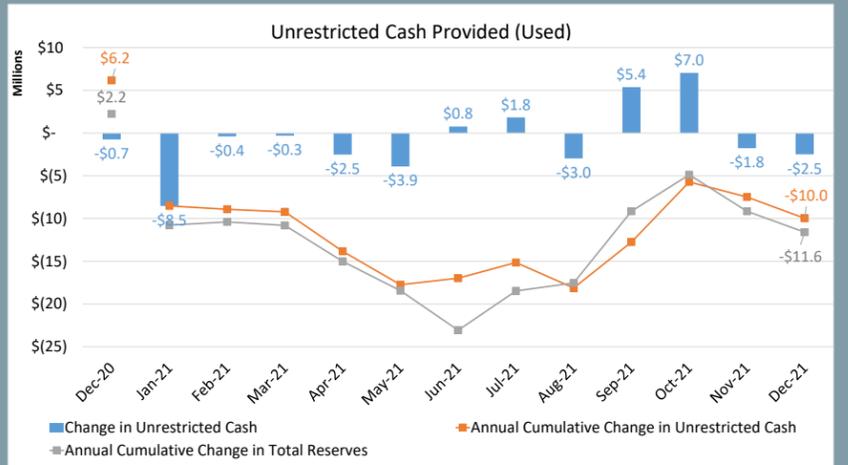
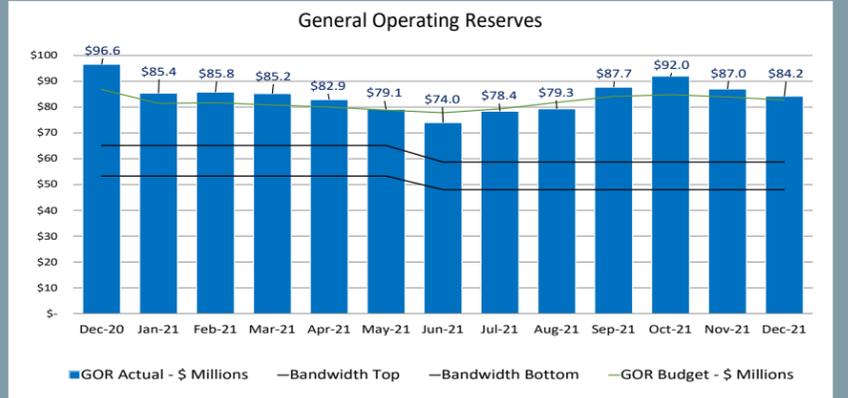
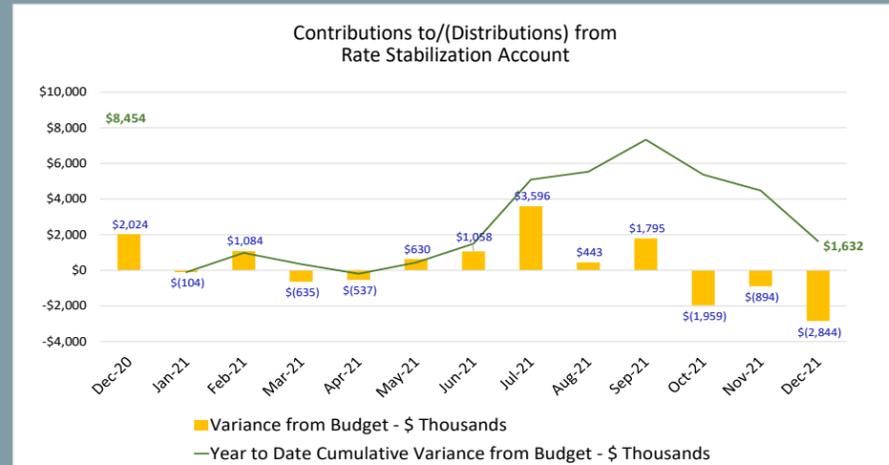
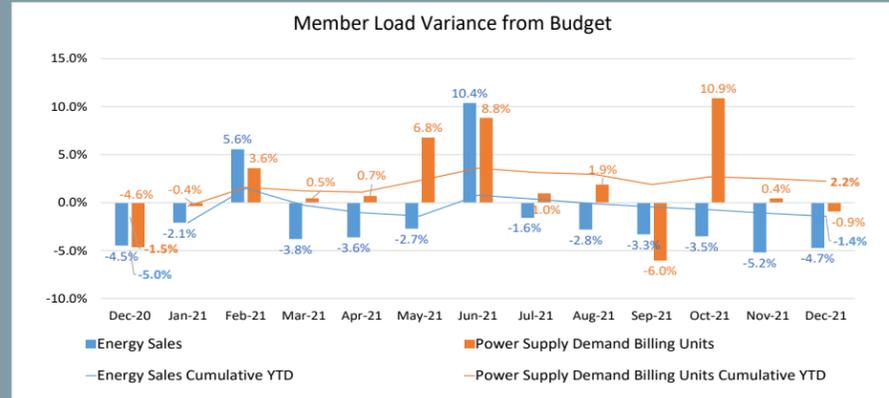


Number of working days since the last last time accident

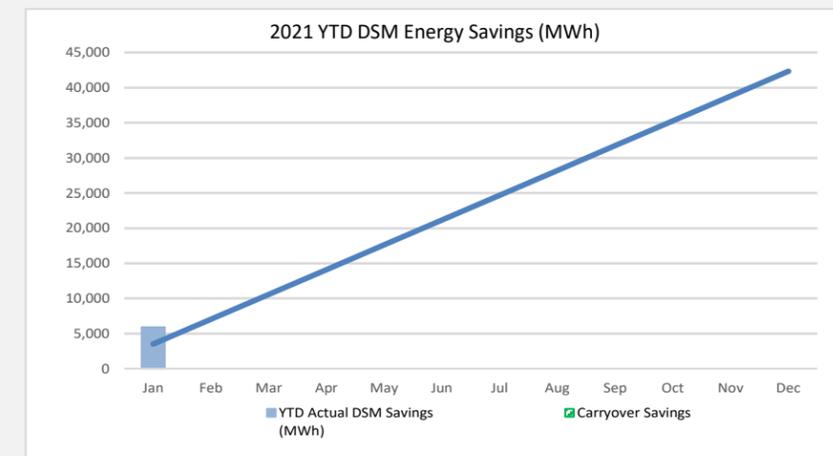
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(through 1/31/22)

FINANCIAL Performance Metrics



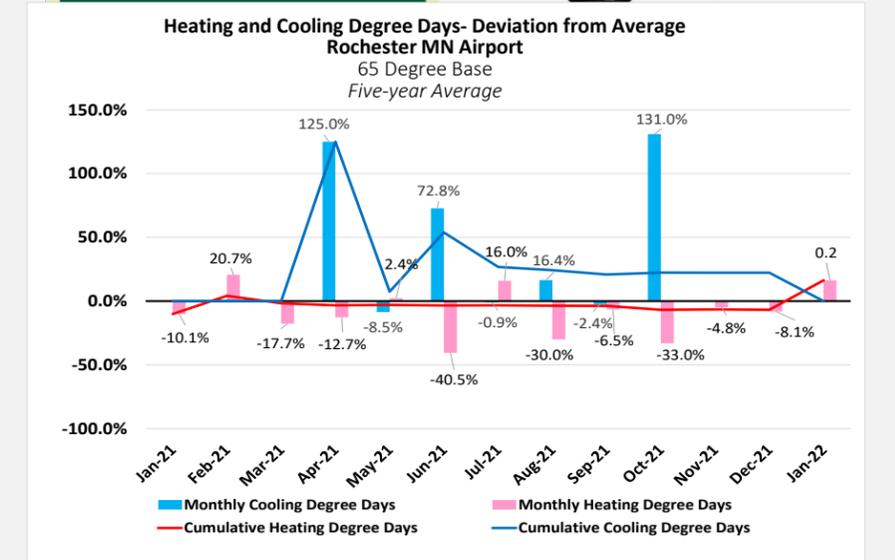
ADDITIONAL Metrics



SMMPA Member EV Charging Network

The SMMPA Member EV Charging Network provided over 60 MWh of charging in 2021

Since 2005, we've avoided 8.0 million tons of CO₂ gas emissions, which is equivalent to 20.1 billion miles driven by an average vehicle.



PRINCETON PUBLIC UTILITIES

Accounts Payable Listing

For 1/1/2022 to 1/31/2022

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
1	HealthPartners	January Health Insurance	22,355.51
2	Mille Lacs County Historical Society	1-22 to 6-22 Amdall Room Rental	2,700.00
3	Princeton Area Chamber of Commerce	2022 Membership Dues	475.00
4	The Lincoln National Life Insurance	January Life & Disability Insurance	683.39
5	American Solutions for Business	2021 1099 NEC & Envelopes	307.59
6	Aramark	Cleaning Supplies & Services	558.30
7	Cannon Technologies	2022 AMI Support	3,452.06
8	Capital One Trade Center	Scaffolding	724.99
9	Card Services (Coborns)	Supplies	103.38
10	Central McGowan, Inc.	Maintenance Fee 3 Cylinders	105.00
11	Core & Main LP	Inventory	1,626.78
12	CW Technologies, Inc.	Monthly IT Care Services Agreement	2,243.23
13	Dakota Supply Group	Inventory	701.39
14	Fairview Health Services	Pre-employment Drug Testing	45.00
15	Finken Water Solutions	Bottled Water	40.50
16	Gopher State One Call	Monthly Locates	29.70
17	Innovative Office Solutions	Supplies	728.46
18	Instrumental Research, Inc.	Monthly Water Testing	70.68
19	League of MN Cities	2022 Work Comp Insurance	18,111.00
20	Marv's True Value	Water Map Gas, Receptacles, Junction Boxes, Connectors	95.01
21	Midcontinent Communications	Monthly Internet & Telephone	209.15
22	NAPA Central MN	Service Charge	1.09
23	Online Information Services	Monthly Online Credit & ID Checks	100.15
24	Princeton Floral	Floral Arrangement	67.00
25	Princeton One Stop, LLC	Monthly Vehicle Fuel	708.77
26	Verizon Wireless	Monthly Cell Phone	678.44
27	Voyant Communications, LLC	Monthly Telephone	411.46
28	U.S. Bank Operations Center	2006 Bond Interest Pymt. & Admin. Fees	3,747.27
29	SMMPA	December Purchased Power	365,631.22
30	Postmaster	Postage for Monthly Billing	828.95
31	Amaril Uniform Company	FR Rated Clothing	1,910.22
32	American Water Works Assoc.	AWWA Membership	227.00
33	AmericInn	Commercial Rebate	42.95
34	Cardmember Service (Mastercard)	Drop Box, Software, Supplies	1,712.77
35	Centerpoint Energy	Monthly Natural Gas	4,493.26
36	City of Princeton	December Sewer Billing & Late Charges	106,990.60
37	City of Princeton	Qrtly. Franchise Fee	19,908.00
38	Connexus Energy	Monthly Utilities	1,894.34
39	Deputy Registrar	MN Vehicle Registrations	308.00
40	DGR Engineering	Engineer Fees	1,417.00
41	Elim Care & Rehab	Commercial Rebate	1,136.32
42	Gopher State One Call	2022 Annual Fee	50.00
43	Hawkins, Inc.	Water Treatment Chemicals	3,904.04
44	HealthPartners	February Health Insurance	22,355.51
45	Herc-U-Lift	Oil Change & Service Forklift	164.95
46	Kriss Premium Products, Inc.	Jacket Water Treatment & Maintenance	500.00
47	McGrann Shea Carnival Straughn	Legal Fees	3,924.50
48	MN Dept. of Health	Class D Water Operators License	23.00
49	MN Municipal Utilities	Dues, Safety Training, Drug & Alcohol Testing	6,308.75
50	NCPERS Group Life Insurance	December Life Insurance	80.00
51	Northland Securities, Inc.	2022 Continuing Disclosure Report	1,500.00
52	Optum	H S A Participant Fee	33.75
53	Princeton Rental	Clutch, Rim sprocket Kit, Oil Pump & Parts	175.19
54	Princeton School District #477	Commercial Rebate	965.01
55	Princeton Public Utilities	Monthly Utilities	3,163.56
56	Quadient Leasing USA, Inc.	2022 Maintenance Agreement	2,660.04
57	Salvation Army Heat Share	December Heat Share	12.00

58	Shred-It USA	Shredding Service	91.64
59	Stuart C. Irby Co.	Testing of Gloves	133.05
60	TASC	COBRA Admin. Fees	15.00
61	The Lincoln National Life Insurance	February Life & Disability Insurance	680.39
62	U.S. Bank Equipment Finance	Monthly Copier Lease Payment	207.09
63	Ulteig Engineers, Inc.	GIS Consulting	516.00
64	USA Blue Book	Water Testing Supplies	197.94
65	Waste Management	Monthly Trash Service	113.63
66	Complete Merchant Solutions	Monthly Credit Card Fees	1,518.00
67	VeriCheck	Monthly eCheck Fees	145.55
68	Neon Link	Monthly Online Management Fees	516.40
69	Delta Dental	January Dental Insurance	1,050.00
70	PERA	January PERA Contribution	5,632.91
71	TASC	January Flex Account Contributions	173.06
72	MN Dept. of Revenue	November Sales & Use Tax	27,108.00
73	Refunds	Customer Meter Deposits	2,030.04
74	Refunds	Overpayment Refunds on Final Bills	370.92
75	Rebates	Residential Energy Star Rebates	300.00
	TOTAL		654,200.85

**PRINCETON PUBLIC UTILITIES COMMISSION
INCOME STATEMENT-ELECTRIC DEPARTMENT
FOR MONTH ENDING: JANUARY 31, 2022**

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year Current</u>	<u>Last Year YTD</u>
OPERATING REVENUE:				
Residential Electric	222,086.84	222,086.84	210,811.63	210,811.63
Residential Solar Energy Credit	(6.56)	(6.56)	(7.12)	(7.12)
Residential ECA	0.00	0.00	0.00	0.00
Small General Service	58,006.18	58,006.18	58,513.04	58,513.04
Small Commercial Solar Energy Credit	(10.26)	(10.26)	(11.11)	(11.11)
Small General ECA	0.00	0.00	0.00	0.00
Large General Service	139,213.17	139,213.17	120,174.89	120,174.89
Large Commercial Solar Energy Credit	(24.02)	(24.02)	(26.03)	(26.03)
Large General ECA	0.00	0.00	0.00	0.00
Large Power Service	132,268.25	132,268.25	108,068.23	108,068.23
Large Power ECA	0.00	0.00	0.00	0.00
Security Lights	1,682.59	1,682.59	1,666.57	1,666.57
Street Light Fees	2,412.00	2,412.00	2,384.00	2,384.00
Service Line Repair Fee	1,765.00	1,765.00	1,749.00	1,749.00
Late Charges	5,327.10	5,327.10	4,834.18	4,834.18
Hook-Up & NSF Charges	120.00	120.00	30.00	30.00
Connection Fees	600.00	600.00	0.00	0.00
Construction Fees	722.00	722.00	80.00	80.00
Rate Stabilization Revenue	0.00	0.00	0.00	0.00
Operating & Maintenance	50,164.25	50,164.25	42,164.50	42,164.50
Excess Equity	0.00	0.00	0.00	0.00
Quick Start Diesel Payment	14,520.00	14,520.00	14,520.00	14,520.00
Solar Subscriptions	1,581.36	1,581.36	1,695.08	1,695.08
Pole Attachment Fee	0.00	0.00	0.00	0.00
Operating Transfers	0.00	0.00	0.00	0.00
Merchandise Sales	0.00	0.00	0.00	0.00
Other Operating Revenue	1,550.00	1,550.00	204,895.72	204,895.72
TOTAL OPERATING REVENUE:	631,977.90	631,977.90	771,542.58	771,542.58
OPERATING EXPENSES:				
Production Plant:				
Salaries & Supervision	11,732.67	11,732.67	11,916.10	11,916.10
Purchased Power	416,994.76	416,994.76	334,896.13	334,896.13
Natural Gas	2,645.88	2,645.88	1,727.70	1,727.70
Lube Oil & Lubricants	0.00	0.00	0.00	0.00
Chemicals	500.00	500.00	508.44	508.44
Equipment Repairs	0.00	0.00	3,551.80	3,551.80
Production Supplies	150.77	150.77	134.12	134.12
Plant Shop Supplies	0.00	0.00	65.78	65.78
Small Tools Expense	0.00	0.00	25.00	25.00
Communications Expense	34.44	34.44	34.39	34.39
Scada & Computer Equipment	0.00	0.00	0.00	0.00
Safety Equipment	0.00	0.00	423.28	423.28
Safety & Education Training	0.00	0.00	0.00	0.00
Outside Services	0.00	0.00	92.50	92.50
Insurance Expense	9,344.05	9,344.05	8,036.10	8,036.10
Transportation Fuel & Oil	0.00	0.00	0.00	0.00
Vehicle Repair & Maint.	0.00	0.00	0.00	0.00
Equip. Maint., Inspec. & Serv Agreements	1,579.75	1,579.75	1,579.75	1,579.75
Building & Grounds Maint.	845.88	845.88	819.29	819.29
Misc. Plant Expense	0.00	0.00	0.00	0.00
Total Production Plant:	443,828.20	443,828.20	363,810.38	363,810.38

INCOME STATEMENT-ELECTRIC

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year Current</u>	<u>Last Year YTD</u>
Substation:				
Substation	0.00	0.00	0.00	0.00
Chemicals	0.00	0.00	0.00	0.00
Equipment Repairs	0.00	0.00	0.00	0.00
Equip. Maint. & Inspections	0.00	0.00	0.00	0.00
Building & Grounds Maint.	600.00	600.00	600.00	600.00
Utilities	0.00	0.00	0.00	0.00
Total Substation:	600.00	600.00	600.00	600.00
Distribution System:				
Salaries & Supervision	21,749.33	21,749.33	21,971.23	21,971.23
System & Shop Supplies	0.00	0.00	0.00	0.00
Small Tools Expense	0.00	0.00	0.00	0.00
GIS Data & Maintenance Exp.	105.03	105.03	105.03	105.03
Computer Equip. & Maintenance	0.00	0.00	0.00	0.00
Load Control Expense	0.00	0.00	0.00	0.00
Safety Equip., Testing	560.49	560.49	1,153.67	1,153.67
Education & Safety Training	0.00	0.00	755.00	755.00
Outside Services	0.00	0.00	0.00	0.00
OH Line Expense	0.00	0.00	6.65	6.65
UG Line Expense	8.91	8.91	138.23	138.23
St. Lights & Signal Exp.	0.00	0.00	0.00	0.00
Sec. Light Repair Exp.	0.00	0.00	925.93	925.93
Meter Expense	0.00	0.00	0.00	0.00
Customer Service Line Repair Exp.	0.00	0.00	0.00	0.00
Customer Owned Service Exp.	0.00	0.00	0.00	0.00
Transportation Fuel & Oil	479.59	479.59	255.67	255.67
Vehicle Repair & Maint.	175.19	175.19	0.00	0.00
Equipment Repair & Maint.	292.43	292.43	362.40	362.40
Storm Damage	0.00	0.00	0.00	0.00
Utilities	2,507.18	2,507.18	1,996.64	1,996.64
Building & Grounds Maint.	0.00	0.00	0.00	0.00
Line Maintenance/Trimming	0.00	0.00	2.93	2.93
Habitat, Right of Way Expense	0.00	0.00	0.00	0.00
Transformer Maintenance	0.00	0.00	0.00	0.00
Misc. Distribution Exp.	0.00	0.00	0.00	0.00
Total Distribution:	25,878.15	25,878.15	27,673.38	27,673.38
Customer Accts Expenses:				
Customer Accts. Salaries	7,214.15	7,214.15	7,040.09	7,040.09
Meter Reading Salaries	58.00	58.00	332.82	332.82
Postage Expense	704.61	704.61	1,428.64	1,428.64
Collection Expense	0.00	0.00	0.00	0.00
Forms & Supplies	709.91	709.91	732.08	732.08
Communications Expense	392.03	392.03	421.42	421.42
Uncollectible Accts. Exp.	0.00	0.00	0.00	0.00
Total Customer Acct. Expenses:	9,078.70	9,078.70	9,955.05	9,955.05

INCOME STATEMENT-ELECTRIC

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year Current</u>	<u>Last Year YTD</u>
General & Administrative Expenses:				
Salaries & Supervision	8,364.72	8,364.72	7,372.52	7,372.52
Newsads, Website, Subscriptions & Promos	0.00	0.00	0.00	0.00
Office Supplies, Computer Exp., & Sm. Equip.	1,964.46	1,964.46	1,610.54	1,610.54
Communications Expense	278.19	278.19	279.66	279.66
Membership Fees & Dues	3,105.00	3,105.00	2,995.25	2,995.25
Maint. Contracts, Licenses, & Permits	5,621.56	5,621.56	2,455.57	2,455.57
State & Federal Assessments	0.00	0.00	0.00	0.00
Professional Fees	0.00	0.00	1,445.00	1,445.00
Outside Services	4,375.88	4,375.88	4,429.78	4,429.78
Meals, Travel, & Meetings	2,295.00	2,295.00	255.00	255.00
Prop. & Liab. Insurance	2,327.00	2,327.00	2,012.12	2,012.12
Employee Pensions & Benefits	48,480.81	48,480.81	50,188.92	50,188.92
Education & Safety Training	3,070.62	3,070.62	3,123.75	3,123.75
Heat Share Expense	0.00	0.00	0.00	0.00
Sales Tax Expense	0.00	0.00	0.00	0.00
Lighting Rebates	2,213.75	2,213.75	50.00	50.00
Conservation Improvement Exp	75.00	75.00	75.00	75.00
Christmas Lighting Expenses	0.00	0.00	0.00	0.00
Transportation Fuel & Oil	28.25	28.25	0.00	0.00
Vehicle Repair & Maint.	0.00	0.00	0.00	0.00
Building & Grounds Maint.	212.50	212.50	212.50	212.50
Service Territory Expense	0.00	0.00	0.00	0.00
Misc. G&A Expense	46.48	46.48	259.76	259.76
Total General & Administrative:	82,459.22	82,459.22	76,765.37	76,765.37
Depreciation	58,000.00	58,000.00	58,000.00	58,000.00
TOTAL OPERATING EXPENSES:	619,844.27	619,844.27	536,804.18	536,804.18
OPERATING INCOME/(LOSS)	12,133.63	12,133.63	234,738.40	234,738.40
NONOPERATING REVENUE (EXPENSE)				
Interest Income	189.94	189.94	326.97	326.97
Change in Fair Value of Investments	0.00	0.00	0.00	0.00
Misc. Non Oper Income	1,497.75	1,497.75	1,321.75	1,321.75
Gain/(Loss) Disposal of Property	0.00	0.00	0.00	0.00
Gain/(Loss) Sale of Bonds	0.00	0.00	0.00	0.00
Interest Expense	(0.82)	(0.82)	(36.30)	(36.30)
Interest on Long Term Debt	(4,717.50)	(4,717.50)	(6,157.71)	(6,157.71)
Fines & Penalties	0.00	0.00	0.00	0.00
Amortization of Bond Discount	0.00	0.00	0.00	0.00
General Fund Expense	0.00	0.00	0.00	0.00
Total NonOperating Rev(Exp)	(3,030.63)	(3,030.63)	(4,545.29)	(4,545.29)
NET INCOME/(LOSS)	9,103.00	9,103.00	230,193.11	230,193.11

PRINCETON PUBLIC UTILITIES COMMISSION
BALANCE SHEET-ELECTRIC DEPARTMENT
January 31, 2022

ASSETS

CURRENT ASSETS:

Cash	2,729,950.60
Temp Rate Stab Investments	1,211,898.00
Customer Accounts Receivable	680,213.95
Other Accounts Receivable	65,585.24
Sales Tax Receivable	0.00
Accrued Interest Receivable	0.00
Inventory	430,127.41
Prepaid Interest	0.00
Prepaid Insurance	123,224.83
Deferred Outflows of Resources	72,379.00

Total Current Assets	5,313,379.03
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RESTRICTED ASSETS:

Construction in Progress	0.00
MCMU Construction Fund	0.00
Reserve Fund	465,831.77
MCMU Reserve Fund	248,313.94
Debt Service Fund	331,922.49
Capital Improvements Fund	996,898.61

Total Restricted Assets	2,042,966.81
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FIXED ASSETS:

Land & Land Improvements	273,683.84	
Buildings	1,893,374.01	
Generation Plant	6,117,286.73	
Substations	3,838,331.61	
Distribution System	7,917,365.40	
Street Lights & Signals	378,411.18	
Trucks & Vehicles	710,070.77	
Office Furniture & Equipment	171,216.21	
Tools, Shop & Garage Equipment	109,460.92	
Miscellaneous Equipment	358,847.94	21,768,048.61
Less: Accumulated Depreciation		<u>(14,227,712.24)</u>

Total Fixed Assets	7,540,336.37
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TOTAL ASSETS	<u>14,896,682.21</u>
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**PRINCETON PUBLIC UTILITIES COMMISSION
BALANCE SHEET-ELECTRIC DEPARTMENT
January 31, 2022**

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts Payable	511,635.38	
Employee Insurance Payable	(3,032.97)	
Employee Savings & Taxes Payable	21,448.79	
Heat Share Payable	12.00	
Sewer Payable	119,390.73	
City Franchise Fee	6,703.50	
Wind Power	0.00	
Garbage Collections Payable	229.96	
Customer Meter Deposits	277,078.62	
Sales Tax Payable	56,173.63	
Accrued Interest Payable	6,922.53	
Severance Payable	78,758.40	
Current Bonds Payable	555,000.00	
Accrued Wages Payable	0.00	
Deferred Revenue	175.57	
Deferred Solar	6,882.77	
Net Pension Liability	781,645.00	
Deferred Inflows of Resources	56,954.00	
Total Current Liabilities		2,475,977.91

NONCURRENT LIABILITIES:

Contracts Payable	0.00	
Revenue Bonds Payable	1,055,000.00	
Less: Unamortized Bond Discount	<u>0.00</u>	1,055,000.00
Deferred Rate Stabilization	<u>1,133,033.10</u>	
Total NonCurrent Liabilities		<u>2,188,033.10</u>

TOTAL LIABILITIES

4,664,011.01

FUND EQUITY

Unappropriated Retained Earnings	9,389,033.06	
Net Income (Loss)	<u>843,638.14</u>	
Total Equity		<u>10,232,671.20</u>

TOTAL LIABILITIES & EQUITY

14,896,682.21

Trial Balance

PRINCETON PUBLIC UTILITIES

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0001-1071	Asset	CONSTRUCTION IN PROGRESS					0.00
64-0001-1073	Asset	MCMU CONSTRUCTION FUND					0.00
64-0001-1251	Asset	RESERVE FUND	465,831.77				465,831.77
64-0001-1252	Asset	DEBT SERVICE FUND	284,358.53	50,550.84	2,986.88	47,563.96	331,922.49
64-0001-1255	Asset	MCMU RESERVE FUND	248,313.94				248,313.94
64-0001-1291	Asset	CAPITAL IMPROVEMENTS FUND	996,283.37	615.24		615.24	996,898.61
64-0001-1301	Asset	PETTY CASH	300.00				300.00
64-0001-1302	Asset	CASH ON HAND	1,835.00				1,835.00
64-0001-1311	Asset	CASH ON DEPOSIT CHECKING	2,682,577.59	810,368.54	765,130.53	45,238.01	2,727,815.60
64-0001-1312	Asset	CASH ON DEPOSIT SAVINGS					0.00
64-0001-1313	Asset	CASH ON DEPOSIT PAYROLL ACCT.					0.00
64-0001-1361	Asset	TEMP RATE STAB INVESTMENT	1,211,898.00				1,211,898.00
64-0001-1421	Asset	CUSTOMER ACCOUNTS RECEIVABLE	654,248.02	726,011.65	700,045.72	25,965.93	680,213.95
64-0001-1431	Asset	OTHER ACCOUNTS RECEIVABLE	58,137.32	64,685.30	57,237.38	7,447.92	65,585.24
64-0001-1432	Asset	SALES TAX RECEIVABLE					0.00
64-0001-1451	Asset	DUE FROM WATER FUND					0.00
64-0001-1511	Asset	FUEL STOCKS					0.00
64-0001-1512	Asset	PLANT MATERIALS & SUPPLIES	430,127.41				430,127.41
64-0001-1520	Fixed Asset	GENERATION PLANT	6,117,286.73				6,117,286.73
64-0001-1525	Fixed Asset	SUBSTATIONS	3,838,331.61				3,838,331.61
64-0001-1530	Fixed Asset	DISTRIBUTION SYSTEM	7,887,551.40	29,814.00		29,814.00	7,917,365.40
64-0001-1531	Fixed Asset	STREET LIGHTS & SIGNALS	378,411.18				378,411.18
64-0001-1540	Fixed Asset	LAND & LAND IMPROVEMENTS	273,683.84				273,683.84
64-0001-1550	Fixed Asset	BUILDINGS	1,893,374.01				1,893,374.01
64-0001-1560	Fixed Asset	OFFICE FURNITURE & EQUIPMENT	171,216.21				171,216.21
64-0001-1571	Fixed Asset	TRUCKS & VEHICLES	710,070.77				710,070.77
64-0001-1580	Fixed Asset	TOOLS, SHOP & GARAGE EQUIP.	109,460.92				109,460.92
64-0001-1590	Fixed Asset	MISCELLANEOUS EQUIPMENT	358,847.94				358,847.94
64-0001-1651	Asset	PREPAID INTEREST					0.00
64-0001-1652	Asset	PREPAID INSURANCE	63,649.17	74,109.35	14,533.69	59,575.66	123,224.83
64-0001-1710	Fixed Asset	ACCUMULATED DEPRECIATION	(14,169,712.24)		58,000.00	(58,000.00)	(14,227,712.24)
64-0001-1711	Asset	ACCRUED INTEREST RECEIVABLE					0.00
64-0001-1712	Asset	DEFERRED OUTFLOWS OF RESOURCES	72,379.00				72,379.00
64-0001-2160	Equity	CONTRIBUTED					0.00
64-0001-2161	Equity	BALANCE FROM INCOME STATEMENT					0.00
64-0001-2162	Equity	UNAPPROPRIATED EARNINGS (END)	(9,389,033.06)				(9,389,033.06)
64-0001-2211	Liability	REVENUE BONDS PAYABLE	(1,055,000.00)				(1,055,000.00)
64-0001-2261	Asset	UNAMORTIZED BOND DISCOUNT					0.00
64-0001-2281	Liability	SEVERANCE PAYABLE	(78,758.40)				(78,758.40)
64-0001-2311	Liability	CONTRACTS PAYABLE					0.00
64-0001-2315	Liability	CURRENT BONDS PAYABLE	(555,000.00)				(555,000.00)
64-0001-2321	Liability	ACCOUNTS PAYABLE	(379,191.29)	696,623.29	829,067.38	(132,444.09)	(511,635.38)

Trial Balance

PRINCETON PUBLIC UTILITIES

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Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0001-2322	Liability	EMPLOYEE DEDUCTIONS PAYABLE	565.73	5,550.72	3,083.48	2,467.24	3,032.97
64-0001-2323	Liability	EMPLOYEE PAYROLL SAVINGS					0.00
64-0001-2324	Liability	ACCRUED WAGES & TAXES	(12,729.10)	12,729.10		12,729.10	0.00
64-0001-2325	Liability	EMPLOYEE HEALTH SAVINGS PAY	86.51	173.06	4,806.94	(4,633.88)	(4,547.37)
64-0001-2340	Liability	HEAT SHARE PAYABLE	(12.00)	12.00	12.00		(12.00)
64-0001-2341	Liability	SEWER COLLECTIONS PAYABLE	(108,308.35)	108,616.03	119,698.41	(11,082.38)	(119,390.73)
64-0001-2342	Liability	WIND POWER PAYABLE					0.00
64-0001-2343	Liability	CITY PRINCETON FRANCHISE FEE	(19,908.00)	19,908.00	6,703.50	13,204.50	(6,703.50)
64-0001-2344	Liability	GARBAGE COLLECTIONS PAYABLE	(184.66)		45.30	(45.30)	(229.96)
64-0001-2345	Liability	DUE TO WATER FUND					0.00
64-0001-2351	Liability	CUSTOMER METER DEPOSITS	(275,712.84)	2,029.39	3,395.17	(1,365.78)	(277,078.62)
64-0001-2361	Liability	MN STATE SALES TAX PAYABLE	(50,279.24)	50,288.44	52,352.28	(2,063.84)	(52,343.08)
64-0001-2363	Liability	MLC LOCAL SALES TAX PAYABLE	(3,195.08)	3,195.50	3,325.87	(130.37)	(3,325.45)
64-0001-2365	Liability	SHERBURNE CTY LOCAL TAX PAY	(487.60)	485.24	502.74	(17.50)	(505.10)
64-0001-2371	Liability	ACCRUED INTEREST PAYABLE	(5,191.91)	2,986.88	4,717.50	(1,730.62)	(6,922.53)
64-0001-2421	Liability	FEDERAL WITHHOLDING TAX		3,587.00	7,295.00	(3,708.00)	(3,708.00)
64-0001-2422	Liability	STATE WITHHOLDING TAX		1,628.00	3,298.00	(1,670.00)	(1,670.00)
64-0001-2423	Liability	F.I.C.A. PAYABLE		4,633.28	9,340.04	(4,706.76)	(4,706.76)
64-0001-2424	Liability	PERA PAYABLE		5,632.91	11,348.79	(5,715.88)	(5,715.88)
64-0001-2426	Liability	MEDICARE WITHHOLDING		1,083.58	2,184.36	(1,100.78)	(1,100.78)
64-0001-2428	Liability	DEFERRED RATE STABILIZATION	(1,133,033.10)				(1,133,033.10)
64-0001-2429	Liability	DEFERRED REVENUE	8,509.17		8,684.74	(8,684.74)	(175.57)
64-0001-2430	Liability	NET PENSION LIABILITY	(781,645.00)				(781,645.00)
64-0001-2431	Liability	DEFERRED INFLOWS OF RESOURCES	(56,954.00)				(56,954.00)
64-0001-2432	Liability	DEFERRED SOLAR	(8,464.13)	1,581.36		1,581.36	(6,882.77)
64-0403-4031	Expense	DEPRECIATION EXPENSE	696,000.00	58,000.00		58,000.00	754,000.00
64-0419-4191	Expense	INTEREST EXPENSE	6.09				6.09
64-0419-4192	Expense	INTEREST PAID ON METER DEPOSIT	298.85	0.82		0.82	299.67
64-0419-4290	Revenue	INTEREST INCOME	(29,770.08)		189.94	(189.94)	(29,960.02)
64-0419-4295	Revenue	CHANGE IN FAIR VALUE OF INVEST	(122.42)				(122.42)
64-0420-4201	Revenue	MAINTENANCE INCOME					0.00
64-0420-4202	Revenue	STREET LIGHTING INCOME					0.00
64-0421-4210	Revenue	MISC. NON OPERATING INCOME	(19,707.63)		1,497.75	(1,497.75)	(21,205.38)
64-0421-4211	Revenue	GAIN/LOSS ON DISPOSAL OF ASSET					0.00
64-0424-4264	Revenue	GAIN OR LOSS RESALE OF BONDS					0.00
64-0426-4263	Expense	FINES & PENALTIES					0.00
64-0427-4271	Expense	INTEREST ON LONG TERM DEBT	64,271.93	4,717.50		4,717.50	68,989.43
64-0428-4281	Expense	AMORTIZATION OF BOND DISCOUNT					0.00
64-0440-4401	Revenue	RESIDENTIAL SALES	(2,501,984.28)		222,086.84	(222,086.84)	(2,724,071.12)
64-0440-4402	Revenue	SECURITY LIGHTS	(20,016.29)		1,682.59	(1,682.59)	(21,698.88)
64-0440-4405	Revenue	SERVICE LINE REPAIR FEE	(21,058.00)		1,765.00	(1,765.00)	(22,823.00)
64-0440-4410	Revenue	RESIDENTIAL ECA					0.00

Trial Balance

PRINCETON PUBLIC UTILITIES

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Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0440-4412	Revenue	SMALL GENERAL ECA					0.00
64-0440-4413	Revenue	LARGE GENERAL ECA					0.00
64-0440-4414	Revenue	LARGE POWER ECA					0.00
64-0440-4420	Revenue	SMALL GENERAL SERVICE	(705,784.69)		58,006.18	(58,006.18)	(763,790.87)
64-0440-4421	Revenue	COMMERCIAL SALES					0.00
64-0440-4422	Revenue	LARGE GENERAL SERVICE	(1,713,921.73)		139,213.17	(139,213.17)	(1,853,134.90)
64-0440-4423	Revenue	LARGE POWER SERVICE	(1,795,424.65)		132,268.25	(132,268.25)	(1,927,692.90)
64-0440-4425	Revenue	RESIDENTIAL SOLAR CREDIT	241.84	6.56		6.56	248.40
64-0440-4426	Revenue	SMALL GENERAL SOLAR CREDIT	377.25	10.26		10.26	387.51
64-0440-4427	Revenue	LARGE GEN/POWER SOLAR CREDIT	883.68	24.02		24.02	907.70
64-0440-4435	Revenue	STREET LIGHT FEES	(28,752.00)		2,412.00	(2,412.00)	(31,164.00)
64-0440-4441	Revenue	OPERATING TRANSFERS					0.00
64-0440-4491	Revenue	NON-METERED SALES					0.00
64-0440-4493	Revenue	RATE STABILIZATION REVENUE	(78,865.00)				(78,865.00)
64-0450-4501	Revenue	LATE CHARGES	(54,463.66)	729.66	6,056.76	(5,327.10)	(59,790.76)
64-0450-4502	Revenue	HOOK-UP & NSF CHECK CHARGES	(6,872.92)		120.00	(120.00)	(6,992.92)
64-0450-4503	Revenue	CONNECTION FEE	(26,020.00)		600.00	(600.00)	(26,620.00)
64-0450-4504	Revenue	CONSTRUCTION FEES	(55,095.57)		722.00	(722.00)	(55,817.57)
64-0450-4506	Revenue	SOLAR SUBSCRIPTIONS	(1,695.08)		1,581.36	(1,581.36)	(3,276.44)
64-0450-4541	Revenue	RENT/LEASE INCOME					0.00
64-0450-4550	Revenue	OPERATING & MAINTENANCE	(366,867.28)		50,164.25	(50,164.25)	(417,031.53)
64-0450-4560	Revenue	EXCESS EQUITY PAYMENT					0.00
64-0450-4561	Revenue	QUICK START DIESEL PAYMENT	(174,240.00)		14,520.00	(14,520.00)	(188,760.00)
64-0450-4562	Revenue	GASOLINE STATION					0.00
64-0450-4563	Revenue	OTHER OPERATING REVENUE	(302,523.59)		1,550.00	(1,550.00)	(304,073.59)
64-0450-4564	Revenue	POLE ATTACHMENT FEE	(3,752.50)				(3,752.50)
64-0450-4565	Revenue	MERCHANDISE SALES	(2,417.99)				(2,417.99)
64-0540-5461	Expense	PRODUCTION PLANT SALARIES	203,972.01	14,325.41	2,592.74	11,732.67	215,704.68
64-0540-5470	Expense	FUEL OIL					0.00
64-0540-5472	Expense	NATURAL GAS	12,476.61	2,645.88		2,645.88	15,122.49
64-0540-5481	Expense	LUBE OIL & LUBRICANTS	1,574.24				1,574.24
64-0540-5482	Expense	CHEMICALS	3,907.94	500.00		500.00	4,407.94
64-0540-5501	Expense	PRODUCTION SUPPLIES	2,661.90	150.77		150.77	2,812.67
64-0540-5505	Expense	PLANT SHOP SUPPLIES	594.74				594.74
64-0540-5510	Expense	SAFETY EQUIPMENT	2,049.38				2,049.38
64-0540-5511	Expense	COMMUNICATIONS EXPENSE	410.78	34.44		34.44	445.22
64-0540-5512	Expense	COMPUTER, AUDIO & SCADA EQUIP	96.17				96.17
64-0540-5513	Expense	SMALL TOOLS EXPENSE	1,265.52				1,265.52
64-0540-5514	Expense	EDUCATION & SAFETY TRAINING					0.00
64-0540-5515	Expense	OUTSIDE SERVICES	154.50				154.50
64-0540-5516	Expense	BOILER & MACHINERY INSURANCE	80,816.81	6,778.17		6,778.17	87,594.98
64-0540-5517	Expense	PROP & LIAB INSURANCE	12,867.28	2,565.88		2,565.88	15,433.16

Trial Balance

PRINCETON PUBLIC UTILITIES

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Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0540-5541	Expense	EQUIPMENT REPAIRS	45,936.53				45,936.53
64-0540-5882	Expense	TRANSPORTATION FUEL & OIL	375.28				375.28
64-0540-5883	Expense	VEHICLE REPAIR & EXPENSE	45.25				45.25
64-0550-5531	Expense	BUILDING & GROUNDS MAINTENANCE	13,662.09	845.88		845.88	14,507.97
64-0550-5542	Expense	EQUIP MAINT,SERV AGREE, INSPEC	25,941.77	1,579.75		1,579.75	27,521.52
64-0550-5551	Expense	PURCHASED POWER	4,471,124.81	416,994.76		416,994.76	4,888,119.57
64-0550-5571	Expense	MISCELLANEOUS PLANT EXPENSE	66.80				66.80
64-0560-5482	Expense	CHEMICALS					0.00
64-0560-5531	Expense	BUILDING & GROUNDS MAINTENANCE	799.97	600.00		600.00	1,399.97
64-0560-5541	Expense	EQUIPMENT REPAIRS					0.00
64-0560-5542	Expense	EQUIP MAINT,SERV AGREE, INSPEC	25.62				25.62
64-0560-5888	Expense	UTILITIES					0.00
64-0580-5801	Expense	DISTRIBUTION SALARIES	360,631.07	27,156.58	5,407.25	21,749.33	382,380.40
64-0580-5811	Expense	SYSTEM & SHOP SUPPLIES	622.45				622.45
64-0580-5812	Expense	SAFETY EQUIP,RUBBER GOODS,TEST	8,978.23	560.49		560.49	9,538.72
64-0580-5813	Expense	SMALL TOOLS EXPENSE	1,053.98				1,053.98
64-0580-5814	Expense	EDUCATION & SAFETY TRAINING	3,748.40				3,748.40
64-0580-5815	Expense	OUTSIDE SERVICES	24,989.76				24,989.76
64-0580-5816	Expense	GIS DATA & MAINTENANCE EXP.	7,650.13	105.03		105.03	7,755.16
64-0580-5817	Expense	COMPUTER EQUIP. & MAINT. EXP.	559.39				559.39
64-0580-5821	Expense	LOAD CONTROL EXPENSE					0.00
64-0580-5831	Expense	OVERHEAD LINE EXPENSE	4,248.31				4,248.31
64-0580-5841	Expense	UNDERGROUND LINE EXPENSE	18,898.62	8.91		8.91	18,907.53
64-0580-5851	Expense	STREET LIGHTS & SIGNAL EXP.	9,377.33				9,377.33
64-0580-5852	Expense	SEC. LIGHT REPAIR EXPENSE	3,439.17				3,439.17
64-0580-5862	Expense	METER EXPENSE	863.26				863.26
64-0580-5870	Expense	CUSTOMER SERVICE LINE REPAIR	487.29				487.29
64-0580-5871	Expense	CUSTOMER OWNED SERVICE EXP.	19,982.15				19,982.15
64-0580-5881	Expense	MISC. DISTRIBUTION EXPENSE	4,058.33				4,058.33
64-0580-5882	Expense	TRANSPORTATION FUEL & OIL	4,987.30	479.59		479.59	5,466.89
64-0580-5883	Expense	VEHICLE REPAIR & EXPENSE	4,480.30	175.19		175.19	4,655.49
64-0580-5886	Expense	EQUIPMENT REPAIR & EXPENSE	2,875.30	292.43		292.43	3,167.73
64-0580-5887	Expense	STORM DAMAGE					0.00
64-0580-5888	Expense	UTILITIES	18,030.77	2,507.18		2,507.18	20,537.95
64-0590-5921	Expense	BUILDING & GROUNDS MAINTENANCE	1,953.71				1,953.71
64-0590-5941	Expense	LINE MAINTENANCE TRIMMING	25,302.93				25,302.93
64-0590-5945	Expense	HABITAT, RIGHT OF WAY EXPENSE					0.00
64-0590-5951	Expense	MAINTENANCE OF TRANSFORMERS	718.76				718.76
64-0590-5961	Expense	STREET LIGHT & SIGNALS					0.00
64-0590-5971	Expense	METER MAINTENANCE					0.00
64-0902-9021	Expense	METER READING SALARIES	3,890.39	58.00		58.00	3,948.39
64-0903-9031	Expense	CUSTOMER ACCOUNTS SALARIES	112,077.61	9,223.25	2,009.10	7,214.15	119,291.76

Trial Balance

PRINCETON PUBLIC UTILITIES

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Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0903-9032	Expense	POSTAGE EXPENSE	12,724.63	704.61		704.61	13,429.24
64-0903-9033	Expense	COLLECTION EXPENSE					0.00
64-0903-9034	Expense	FORMS & SUPPLIES	3,005.43	235.14		235.14	3,240.57
64-0903-9035	Expense	COMMUNICATIONS EXPENSE	4,829.72	392.03		392.03	5,221.75
64-0903-9036	Expense	MISC. SUPPLIES & STATIONERY	4,025.95	474.77		474.77	4,500.72
64-0904-9004	Expense	UNCOLLECTIBLE ACCOUNTS	1,918.30				1,918.30
64-0920-9201	Expense	GENERAL & ADMIN. SALARIES	109,536.57	9,554.19	1,189.47	8,364.72	117,901.29
64-0921-9210	Expense	NEWSADS & PROMOTIONS	3,486.06				3,486.06
64-0921-9211	Expense	COMPUTER SUPPLIES & LABOR	27,039.91	1,906.75		1,906.75	28,946.66
64-0921-9212	Expense	WEBSITE, BOOKS & SUBSCRIPTIONS	2,149.62				2,149.62
64-0921-9213	Expense	COMMUNICATIONS EXPENSE	4,244.82	278.19		278.19	4,523.01
64-0921-9214	Expense	MEMBERSHIP FEES & DUES	11,109.75	3,105.00		3,105.00	14,214.75
64-0921-9215	Expense	SUPPLIES & EXPENSES	777.66	57.71		57.71	835.37
64-0921-9216	Expense	MEALS, TRAVEL, MEETINGS	6,729.15	2,295.00		2,295.00	9,024.15
64-0921-9217	Expense	MAINTENANCE CONTRACTS & LEASES	16,296.00	5,371.31		5,371.31	21,667.31
64-0921-9218	Expense	LICENSES & PERMITS	1,050.50	250.25		250.25	1,300.75
64-0921-9219	Expense	STATE & FED ASSESS./REQUIRE.	3,050.57				3,050.57
64-0921-9220	Expense	SMALL OFFICE EQUIPMENT					0.00
64-0923-9231	Expense	ATTORNEY/LEGAL EXPENSES	9,593.30				9,593.30
64-0923-9232	Expense	AUDITOR EXPENSE	9,137.50				9,137.50
64-0923-9233	Expense	ENGINEERING & CONSULTANTS	864.00				864.00
64-0923-9234	Expense	OUTSIDE SERVICES	38,670.55	4,259.61		4,259.61	42,930.16
64-0923-9235	Expense	CLEANING SERVICES	4,890.47	116.27		116.27	5,006.74
64-0923-9236	Expense	BUILDING & GROUNDS MAINTENANCE	437.31	212.50		212.50	649.81
64-0924-9241	Expense	PROPERTY & LIABILITY EXPENSE	14,358.40	2,327.00		2,327.00	16,685.40
64-0925-9251	Expense	WORKMANS COMP. INSURANCE	24,327.85	1,282.89		1,282.89	25,610.74
64-0926-9260	Expense	FICA INSURANCE	45,408.90	3,463.33	602.61	2,860.72	48,269.62
64-0926-9261	Expense	PERA EXPENSE	58,261.35	4,523.82	787.00	3,736.82	61,998.17
64-0926-9262	Expense	EMPLOYEE HOSPITALIZATION EXP.	242,994.55	38,680.87		38,680.87	281,675.42
64-0926-9263	Expense	EMPL LIFE & DISABILITY INS.	10,221.44	1,250.44		1,250.44	11,471.88
64-0926-9264	Expense	EDUCATION & SAFETY TRAINING	12,466.87	3,070.62		3,070.62	15,537.49
64-0926-9265	Expense	MEDICARE EXPENSE	10,620.05	810.00	140.93	669.07	11,289.12
64-0926-9266	Expense	UNEMPLOYMENT EXPENSE					0.00
64-0926-9267	Expense	HEAT SHARE EXPENSE	96.00				96.00
64-0930-9302	Expense	MISCELLANEOUS GENERAL EXPENSE	3,086.45	46.48		46.48	3,132.93
64-0930-9303	Expense	SERVICE TERRITORY EXPENSE	6,456.50				6,456.50
64-0930-9304	Expense	GENERAL FUND EXPENSE					0.00
64-0930-9305	Expense	REAL ESTATE TAXES					0.00
64-0930-9306	Expense	SALES TAX EXPENSE	1,493.31	122.40	122.40		1,493.31
64-0930-9307	Expense	COMMERCIAL REBATES	70,567.17	2,144.28		2,144.28	72,711.45
64-0930-9308	Expense	CONSERVATION IMPROVEMENT EXP	6,436.03	75.00		75.00	6,511.03
64-0930-9309	Expense	RESIDENTIAL REBATES	2,069.45	69.47		69.47	2,138.92

Trial Balance

PRINCETON PUBLIC UTILITIES

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0930-9311	Expense	CHRISTIMAS LIGHTING EXPENSE	2,528.81				2,528.81
64-0933-9034	Expense	FORMS & SUPPLIES					0.00
64-0933-9330	Expense	TRANSPORTATION FUEL & LUBE	179.27	28.25		28.25	207.52
64-0933-9331	Expense	TRANSPORTATION REPAIRS & MAINT	869.47				869.47
64-0940-9402	Expense	EXTRAORDINARY EXPENSE					0.00
			0.00	3,315,083.29	3,315,083.29	0.00	0.00

Report Setup
 Sort By:
 Includes only active accounts
 Includes accounts from 64-0001-1071 to 64-0940-9402
 Printed for 1/1/2022 to 1/31/2022
 Printed for all sources.

**PRINCETON PUBLIC UTILITIES COMMISSION
INCOME STATEMENT-WATER DEPARTMENT
FOR MONTH ENDING: JANUARY 31, 2022**

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year Current</u>	<u>Last Year YTD</u>
OPERATING REVENUE:				
Residential Sales	52,027.05	52,027.05	51,162.05	51,162.05
Commercial Sales	17,606.73	17,606.73	15,446.73	15,446.73
Industrial Sales	8,297.33	8,297.33	7,694.32	7,694.32
Non Metered Sales	31.50	31.50	0.00	0.00
Service Line Repair Fee	1,481.00	1,481.00	1,467.00	1,467.00
Late Charges	910.44	910.44	1,522.57	1,522.57
Rent/Lease Income	22,037.77	22,037.77	20,728.50	20,728.50
Availability/Connection Fees	0.00	0.00	0.00	0.00
Construction Fees	0.00	0.00	0.00	0.00
Trunk Facilities Fees	0.00	0.00	0.00	0.00
Operating Transfers	0.00	0.00	0.00	0.00
Merchandise Sales	1,170.34	1,170.34	0.00	0.00
Other Operating Revenue	0.00	0.00	0.00	0.00
TOTAL OPERATING REVENUE:	103,562.16	103,562.16	98,021.17	98,021.17
OPERATING EXPENSES:				
Production Plant:				
Salaries & Supervision	4,056.07	4,056.07	5,219.55	5,219.55
Power for Pumping	2,417.25	2,417.25	2,486.64	2,486.64
Natural Gas	1,138.38	1,138.38	871.09	871.09
Utilities & Generator Expense	0.00	0.00	0.00	0.00
Lube Oil & Lubricants	0.00	0.00	0.00	0.00
Chemicals	3,904.04	3,904.04	1,420.67	1,420.67
Water Testing	75.76	75.76	397.33	397.33
Communications Expense	38.00	38.00	38.34	38.34
Scada & Computer Equipment	430.34	430.34	220.22	220.22
Equipment Repairs	637.89	637.89	52.63	52.63
Equip. Maint. & Inspections	0.00	0.00	0.00	0.00
Building & Grounds Maint.	0.00	0.00	0.00	0.00
Misc. Plant Expense	0.00	0.00	0.00	0.00
Total Production Plant:	12,697.73	12,697.73	10,706.47	10,706.47
Distribution System:				
Salaries & Supervision	5,241.91	5,241.91	8,919.58	8,919.58
System & Shop Supplies	0.00	0.00	0.00	0.00
Small Tools Expense	0.00	0.00	102.54	102.54
GIS Data & Maintenance Exp.	35.01	35.01	35.01	35.01
Computer Equip. & Maintenance	0.00	0.00	0.00	0.00
Safety Equipment	1,512.14	1,512.14	0.00	0.00
Education & Safety Training	0.00	0.00	0.00	0.00
Outside Services	43.44	43.44	4.05	4.05
Meter Expense	201.27	201.27	247.54	247.54
Customer Service Line Repair Exp.	0.00	0.00	0.00	0.00
Customer Owned Service Exp.	0.00	0.00	0.00	0.00
Dist. Repairs & Maintenance	0.00	0.00	0.00	0.00
Transportation Fuel & Oil	415.17	415.17	348.21	348.21
Vehicle Repair & Maint.	0.00	0.00	0.00	0.00
Equipment Repair & Maint.	0.00	0.00	0.00	0.00
Utilities	841.54	841.54	720.48	720.48
Building & Grounds Maint.	9.41	9.41	0.00	0.00
Misc. Dist. & Tower Maint. & Exp.	0.00	0.00	0.00	0.00
Total Distribution:	8,299.89	8,299.89	10,377.41	10,377.41

INCOME STATEMENT-WATER

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year</u> <u>Current</u>	<u>Last Year YTD</u>
Customer Accts. Expenses:				
Customer Accts. Salaries	3,565.26	3,565.26	3,501.98	3,501.98
Meter Reading Salaries	552.71	552.71	150.15	150.15
Postage Expense	124.34	124.34	256.71	256.71
Collection Expense	0.00	0.00	0.00	0.00
Forms & Supplies	125.28	125.28	129.19	129.19
Communications Expense	151.85	151.85	153.25	153.25
Uncollectible Accts. Expense	0.00	0.00	0.00	0.00
Total Customer Acct. Expenses:	4,519.44	4,519.44	4,191.28	4,191.28
General & Administrative Expenses:				
Salaries & Supervision	4,282.43	4,282.43	3,829.41	3,829.41
Newads, Website, Subscriptions & Promos	0.00	0.00	0.00	0.00
Office Supplies, Computer Exp., & Sm. Equip.	346.66	346.66	284.22	284.22
Communications Expense	49.09	49.09	49.35	49.35
Membership Fees & Dues	305.75	305.75	78.75	78.75
Maint. Contracts, Licenses & Permits	1,051.63	1,051.63	1,008.00	1,008.00
State & Federal Assessments	0.00	0.00	0.00	0.00
Professional Fees	0.00	0.00	255.00	255.00
Outside Services	589.90	589.90	595.43	595.43
Meals, Travel, Meetings	405.00	405.00	45.00	45.00
Prop. & Liab. Insurance	932.50	932.50	732.37	732.37
Employee Pensions & Benefits	6,544.76	6,544.76	10,626.06	10,626.06
Education & Safety Training	541.88	541.88	551.25	551.25
Wellhead Plan Implementation	0.00	0.00	0.00	0.00
Sales Tax Expense	0.00	0.00	0.00	0.00
Building & Grounds Maint.	0.00	0.00	0.00	0.00
Misc. G&A Expense	1.05	1.05	0.00	0.00
Total General & Administrative:	15,050.65	15,050.65	18,054.84	18,054.84
Depreciation Expense	32,900.00	32,900.00	32,900.00	32,900.00
TOTAL OPERATING EXPENSES:	73,467.71	73,467.71	76,230.00	76,230.00
OPERATING INCOME /(LOSS)	30,094.45	30,094.45	21,791.17	21,791.17
NONOPERATING REVENUE (EXPENSE)				
Interest Income	0.00	0.00	0.00	0.00
Change in Fair Value of Investments	0.00	0.00	0.00	0.00
Misc. Non Oper. Income	0.00	0.00	0.00	0.00
Gain/(Loss) Disposal of Property	0.00	0.00	0.00	0.00
Gain/(Loss) Sale of Bonds	0.00	0.00	0.00	0.00
Interest Expense	(5,361.13)	(5,361.13)	(6,572.90)	(6,572.90)
Fines & Penalties	0.00	0.00	0.00	0.00
Amortization of Bond Discount	0.00	0.00	0.00	0.00
General Fund Expense	0.00	0.00	0.00	0.00
Total NonOperating Rev/(Exp)	(5,361.13)	(5,361.13)	(6,572.90)	(6,572.90)
NET INCOME/(LOSS)	24,733.32	24,733.32	15,218.27	15,218.27

**PRINCETON PUBLIC UTILITIES COMMISSION
BALANCE SHEET-WATER DEPARTMENT
January 31, 2022**

ASSETS

CURRENT ASSETS:

Cash	825,893.37
Temp Rate Stab Investments	0.00
Customer Accounts Receivable	82,362.45
Other Accounts Receivable	2,242.70
Accrued Interest Receivable	0.00
Inventory	43,412.42
Prepaid Interest	0.00
Prepaid Insurance	12,747.79
Deferred Outflows of Resources	13,001.00

Total Current Assets 979,659.73

RESTRICTED ASSETS:

Construction in Progress	0.00
MCMU Construction Fund	0.00
Reserve Fund	97,500.00
MCMU Reserve Fund	0.00
Debt Service Fund	118,512.46
PFA Debt Service Fund	24,097.40
Capital Improvements Fund	1,183,600.52

Total Restricted Assets 1,423,710.38

FIXED ASSETS:

Land & Land Improvements	8,161.73
Buildings	29,764.78
Towers	1,856,019.63
Wells	558,323.83
Pumps	12,945.70
Distribution System	4,910,582.75
Treatment Plant	4,571,323.78
Flouridation & Treatment System	124,029.43
Trucks & Vehicles	74,124.47
Tools, Shop & Garage Equipment	32,439.25
Office Furniture & Equipment	30,792.37
Miscellaneous Equipment	148,613.27
Less: Accumulated Depreciation	(6,476,423.76)

Total Fixed Assets 5,880,697.23

TOTAL ASSETS 8,284,067.34

**PRINCETON PUBLIC UTILITIES COMMISSION
BALANCE SHEET-WATER DEPARTMENT
January 31, 2022**

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts Payable		13,701.58
Accrued Interest Payable		12,193.16
Severance Payable		0.00
Current Bonds Payable		440,000.00
Accrued Wages Payable		0.00
Deferred Revenue		0.00
Net Pension Liability		219,598.00
Deferred Inflows of Resources		5,975.00

Total Current Liabilities		691,467.74
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NONCURRENT LIABILITIES:

Contracts Payable		3,900.00
Revenue Bonds Payable	1,240,000.00	
Less: Unamortized Bond Discount	0.00	1,240,000.00
PFA Loan Payable		57,000.00

Total NonCurrent Liabilities		1,300,900.00
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TOTAL LIABILITIES		1,992,367.74
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FUND EQUITY

Contributed		56,918.09
Unappropriated Retained Earnings		5,803,323.67
Net Income (Loss)		431,457.84
Total Equity		6,291,699.60

TOTAL LIABILITIES & EQUITY		8,284,067.34
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Trial Balance

PRINCETON PUBLIC UTILITIES

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Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
61-0001-1071	Asset	CONSTRUCTION IN PROGRESS					0.00
61-0001-1073	Asset	MCMU CONSTRUCTION FUND					0.00
61-0001-1251	Asset	RESERVE FUND	97,500.00				97,500.00
61-0001-1252	Asset	DEBT SERVICE FUND	81,304.12	37,208.34		37,208.34	118,512.46
61-0001-1253	Asset	PFA DEBT SERVICE FUND	19,277.94	4,819.46		4,819.46	24,097.40
61-0001-1255	Asset	MCMU RESERVE FUND					0.00
61-0001-1291	Asset	CAPITAL IMPROVEMENTS FUND	1,183,600.52				1,183,600.52
61-0001-1311	Asset	CASH ON DEPOSIT CHECKING	831,711.94	84,410.04	90,228.61	(5,818.57)	825,893.37
61-0001-1361	Asset	TEMP RATE STAB INVESTMENT					0.00
61-0001-1421	Asset	CUSTOMER ACCOUNTS RECEIVABLE	83,877.74	83,050.62	84,565.91	(1,515.29)	82,362.45
61-0001-1431	Asset	OTHER ACCOUNTS RECEIVABLE	2,510.18	31.50	298.98	(267.48)	2,242.70
61-0001-1453	Asset	DUE FROM ELECTRIC FUND					0.00
61-0001-1512	Asset	PLANT MATERIALS & SUPPLIES	43,412.42				43,412.42
61-0001-1513	Fixed Asset	FLOUIDATION & TREATMENT SYSTEM	124,029.43				124,029.43
61-0001-1521	Fixed Asset	WELLS	558,323.83				558,323.83
61-0001-1530	Fixed Asset	DISTRIBUTION SYSTEM	4,910,582.75				4,910,582.75
61-0001-1540	Fixed Asset	LAND & LAND IMPROVEMENTS	8,161.73				8,161.73
61-0001-1550	Fixed Asset	BUILDINGS	29,764.78				29,764.78
61-0001-1555	Fixed Asset	TREATMENT PLANT	4,571,323.78				4,571,323.78
61-0001-1560	Fixed Asset	OFFICE FURNITURE & EQUIPMENT	30,792.37				30,792.37
61-0001-1562	Fixed Asset	TOWERS	1,856,019.63				1,856,019.63
61-0001-1570	Fixed Asset	PUMPS	12,945.70				12,945.70
61-0001-1571	Fixed Asset	TRUCKS & VEHICLES	74,124.47				74,124.47
61-0001-1580	Fixed Asset	TOOLS, SHOP & GARAGE EQUIP.	32,439.25				32,439.25
61-0001-1590	Fixed Asset	MISCELLANEOUS EQUIPMENT	148,613.27				148,613.27
61-0001-1651	Asset	PREPAID INTEREST					0.00
61-0001-1652	Asset	PREPAID INSURANCE		13,906.65	1,158.86	12,747.79	12,747.79
61-0001-1710	Fixed Asset	ACCUMULATED DEPRECIATION	(6,443,523.76)		32,900.00	(32,900.00)	(6,476,423.76)
61-0001-1711	Asset	ACCRUED INTEREST RECEIVABLE					0.00
61-0001-1712	Asset	DEFERRED OUTFLOWS OF RESOURCES	13,001.00				13,001.00
61-0001-2160	Equity	CONTRIBUTED	(56,918.09)				(56,918.09)
61-0001-2161	Equity	BALANCE FROM INCOME STATEMENT					0.00
61-0001-2162	Equity	UNAPPROPRIATED EARNINGS (END)	(5,803,323.67)				(5,803,323.67)
61-0001-2211	Liability	REVENUE BONDS PAYABLE	(1,240,000.00)				(1,240,000.00)
61-0001-2261	Asset	UNAMORTIZED BOND DISCOUNT					0.00
61-0001-2281	Liability	SEVERANCE PAYABLE					0.00
61-0001-2311	Liability	CONTRACTS PAYABLE	(3,900.00)				(3,900.00)
61-0001-2315	Liability	CURRENT BONDS PAYABLE	(440,000.00)				(440,000.00)
61-0001-2321	Liability	ACCOUNTS PAYABLE	(3,911.37)	22,848.87	32,639.08	(9,790.21)	(13,701.58)
61-0001-2324	Liability	ACCRUED WAGES & TAXES	(3,572.64)	3,572.64		3,572.64	0.00
61-0001-2330	Liability	PFA LOAN PAYABLE	(57,000.00)				(57,000.00)
61-0001-2348	Liability	DUE TO ELECTRIC FUND					0.00

Trial Balance

PRINCETON PUBLIC UTILITIES

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Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
61-0001-2371	Liability	ACCRUED INTEREST PAYABLE	(6,832.03)		5,361.13	(5,361.13)	(12,193.16)
61-0001-2429	Liability	DEFERRED REVENUE	(22,037.77)	22,037.77		22,037.77	0.00
61-0001-2430	Liability	NET PENSION LIABILITY	(219,598.00)				(219,598.00)
61-0001-2431	Liability	DEFERRED INFLOWS OF RESOURCES	(5,975.00)				(5,975.00)
61-0403-4031	Expense	DEPRECIATION EXPENSE	394,800.00	32,900.00		32,900.00	427,700.00
61-0419-4191	Expense	INTEREST EXPENSE	76,184.82	5,361.13		5,361.13	81,545.95
61-0419-4290	Revenue	INTEREST INCOME					0.00
61-0419-4295	Revenue	CHANGE IN FAIR VALUE OF INVEST	(30.60)				(30.60)
61-0420-4201	Revenue	MAINTENANCE INCOME					0.00
61-0421-4210	Revenue	MISC. NON OPERATING INCOME	(295.05)				(295.05)
61-0421-4211	Revenue	GAIN/LOSS ON DISPOSAL OF ASSET					0.00
61-0424-4264	Revenue	GAIN OR LOSS RESALE OF BONDS					0.00
61-0426-4263	Expense	FINES & PENALTIES					0.00
61-0428-4281	Expense	AMORTIZATION OF BOND DISCOUNT					0.00
61-0440-4401	Revenue	RESIDENTIAL SALES	(774,280.83)		52,027.05	(52,027.05)	(826,307.88)
61-0440-4405	Revenue	SERVICE LINE REPAIR FEE	(17,665.00)		1,481.00	(1,481.00)	(19,146.00)
61-0440-4421	Revenue	COMMERCIAL SALES	(363,078.19)	328.29	17,935.02	(17,606.73)	(380,684.92)
61-0440-4431	Revenue	INDUSTRIAL SALES	(124,262.35)		8,297.33	(8,297.33)	(132,559.68)
61-0440-4441	Revenue	OPERATING TRANSFERS					0.00
61-0440-4491	Revenue	NON-METERED SALES	(12,868.50)		31.50	(31.50)	(12,900.00)
61-0450-4501	Revenue	LATE CHARGES	(11,660.92)	98.02	1,008.46	(910.44)	(12,571.36)
61-0450-4503	Revenue	CONNECTION FEE	(70,000.00)				(70,000.00)
61-0450-4504	Revenue	CONSTRUCTION FEES					0.00
61-0450-4505	Revenue	TRUNK FACILITIES FEES	(12,748.00)				(12,748.00)
61-0450-4541	Revenue	RENT/LEASE INCOME	(38,066.28)		22,037.77	(22,037.77)	(60,104.05)
61-0450-4563	Revenue	OTHER OPERATING REVENUE	(1,175.00)	162.48	162.48		(1,175.00)
61-0450-4565	Revenue	MERCHANDISE SALES	(6,821.75)		1,170.34	(1,170.34)	(7,992.09)
61-0540-5461	Expense	PRODUCTION PLANT SALARIES	84,032.45	4,834.74	778.67	4,056.07	88,088.52
61-0540-5471	Expense	POWER FOR PUMPING	33,401.04	2,417.25		2,417.25	35,818.29
61-0540-5472	Expense	NATURAL GAS	5,913.62	1,138.38		1,138.38	7,052.00
61-0540-5473	Expense	UTILITIES & GENERATOR EXPENSE					0.00
61-0540-5481	Expense	LUBE OIL & LUBRICANTS					0.00
61-0540-5482	Expense	CHEMICALS	19,047.00	3,904.04		3,904.04	22,951.04
61-0540-5483	Expense	WATER TESTING	3,218.18	75.76		75.76	3,293.94
61-0540-5511	Expense	COMMUNICATIONS EXPENSE	458.18	38.00		38.00	496.18
61-0540-5512	Expense	COMPUTER, AUDIO & SCADA EQUIP	4,075.09	430.34		430.34	4,505.43
61-0540-5541	Expense	EQUIPMENT REPAIRS	3,526.55	637.89		637.89	4,164.44
61-0550-5531	Expense	BUILDING & GROUNDS MAINTENANCE	1,395.39				1,395.39
61-0550-5542	Expense	EQUIP MAINT,SERV AGREE, INSPEC	1,300.00				1,300.00
61-0550-5571	Expense	MISCELLANEOUS PLANT EXPENSE	15.53				15.53
61-0580-5801	Expense	DISTRIBUTION SALARIES	97,888.83	6,156.16	914.25	5,241.91	103,130.74
61-0580-5811	Expense	SYSTEM & SHOP SUPPLIES	32.18				32.18

Trial Balance

PRINCETON PUBLIC UTILITIES

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Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
61-0580-5812	Expense	SAFETY EQUIP,RUBBER GOODS,TEST	414.77	1,512.14		1,512.14	1,926.91
61-0580-5813	Expense	SMALL TOOLS EXPENSE	699.42				699.42
61-0580-5814	Expense	EDUCATION & SAFETY TRAINING	1,281.50				1,281.50
61-0580-5815	Expense	OUTSIDE SERVICES	596.17	43.44		43.44	639.61
61-0580-5816	Expense	GIS DATA & MAINTENANCE EXP.	1,689.35	35.01		35.01	1,724.36
61-0580-5817	Expense	COMPUTER EQUIP. & MAINT. EXP.	558.27				558.27
61-0580-5862	Expense	METER EXPENSE	376.31	201.27		201.27	577.58
61-0580-5870	Expense	CUSTOMER SERVICE LINE REPAIR	4,793.20				4,793.20
61-0580-5871	Expense	CUSTOMER OWNED SERVICE EXP.	1,532.60				1,532.60
61-0580-5872	Expense	DIST. REPAIRS & MAINTENANCE	5,387.30				5,387.30
61-0580-5881	Expense	MISC. DISTRIBUTION EXPENSE					0.00
61-0580-5882	Expense	TRANSPORTATION FUEL & OIL	3,360.99	415.17		415.17	3,776.16
61-0580-5883	Expense	VEHICLE REPAIR & EXPENSE	2,606.13				2,606.13
61-0580-5886	Expense	EQUIPMENT REPAIR & EXPENSE	223.07				223.07
61-0580-5888	Expense	UTILITIES	10,996.69	841.54		841.54	11,838.23
61-0590-5921	Expense	BUILDING & GROUNDS MAINTENANCE	493.57	9.41		9.41	502.98
61-0590-5981	Expense	WATER TOWER MAINT.	21.76				21.76
61-0902-9021	Expense	METER READING SALARIES	3,795.94	552.71		552.71	4,348.65
61-0903-9031	Expense	CUSTOMER ACCOUNTS SALARIES	54,017.26	4,406.57	841.31	3,565.26	57,582.52
61-0903-9032	Expense	POSTAGE EXPENSE	2,373.73	124.34		124.34	2,498.07
61-0903-9033	Expense	COLLECTION EXPENSE					0.00
61-0903-9034	Expense	FORMS & SUPPLIES	469.50	41.50		41.50	511.00
61-0903-9035	Expense	COMMUNICATIONS EXPENSE	1,832.93	151.85		151.85	1,984.78
61-0903-9036	Expense	MISC. SUPPLIES & STATIONERY	726.92	83.78		83.78	810.70
61-0904-9004	Expense	UNCOLLECTIBLE ACCOUNTS	151.12				151.12
61-0920-9201	Expense	GENERAL & ADMIN. SALARIES	57,834.25	4,794.76	512.33	4,282.43	62,116.68
61-0921-9210	Expense	NEWSADS & PROMOTIONS	773.00				773.00
61-0921-9211	Expense	COMPUTER SUPPLIES & LABOR	5,997.33	336.48		336.48	6,333.81
61-0921-9212	Expense	WEBSITE, BOOKS & SUBSCRIPTIONS	379.34				379.34
61-0921-9213	Expense	COMMUNICATIONS EXPENSE	790.26	49.09		49.09	839.35
61-0921-9214	Expense	MEMBERSHIP FEES & DUES	2,052.25	305.75		305.75	2,358.00
61-0921-9215	Expense	SUPPLIES & EXPENSES	134.32	10.18		10.18	144.50
61-0921-9216	Expense	MEALS, TRAVEL, MEETINGS	707.17	405.00		405.00	1,112.17
61-0921-9217	Expense	MAINTENANCE CONTRACTS & LEASES	4,968.63	947.88		947.88	5,916.51
61-0921-9218	Expense	LICENSES & PERMITS	2,111.01	103.75		103.75	2,214.76
61-0921-9219	Expense	STATE & FED ASSESS./REQUIRE.	16,656.00				16,656.00
61-0921-9220	Expense	SMALL OFFICE EQUIPMENT					0.00
61-0923-9231	Expense	ATTORNEY/LEGAL EXPENSES	2,637.74				2,637.74
61-0923-9232	Expense	AUDITOR EXPENSE	1,612.50				1,612.50
61-0923-9233	Expense	ENGINEERING & CONSULTANTS					0.00
61-0923-9234	Expense	OUTSIDE SERVICES	5,265.00	589.90		589.90	5,854.90
61-0923-9235	Expense	CLEANING SERVICES	560.50				560.50

Trial Balance

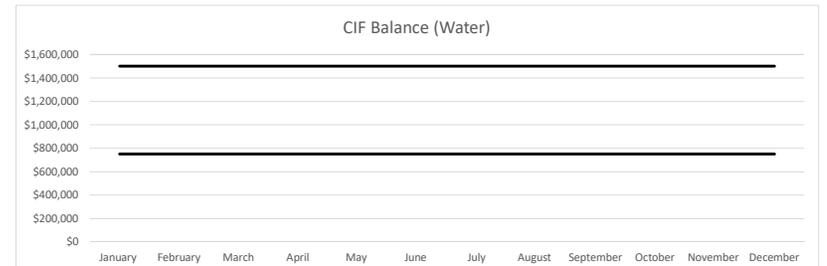
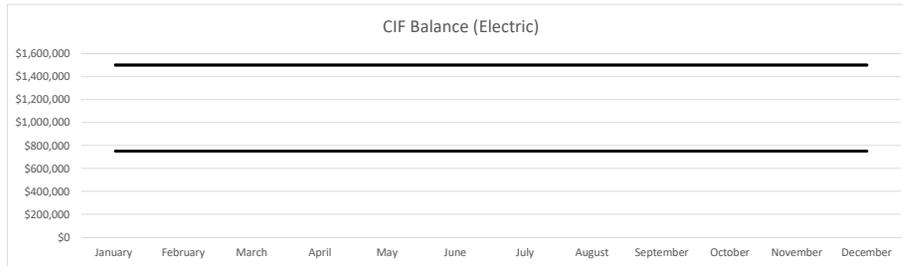
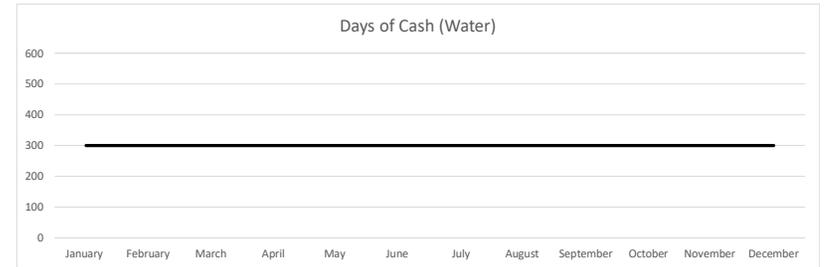
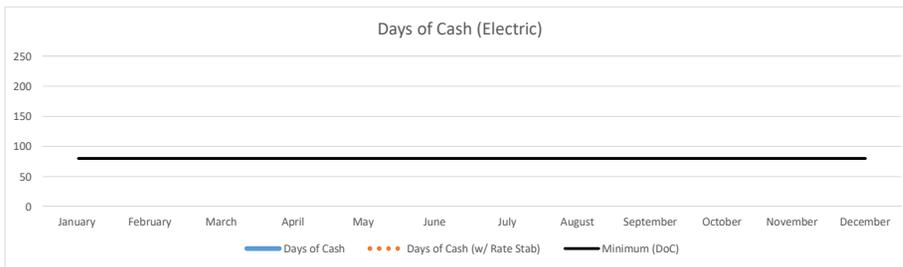
PRINCETON PUBLIC UTILITIES

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
61-0923-9236	Expense	BUILDING & GROUNDS MAINTENANCE	37.88				37.88
61-0924-9241	Expense	PROPERTY & LIABILITY EXPENSE	5,308.32	932.50		932.50	6,240.82
61-0925-9251	Expense	WORKMANS COMP. INSURANCE	4,293.15	226.36		226.36	4,519.51
61-0926-9260	Expense	FICA INSURANCE	18,821.93	1,206.69	208.22	998.47	19,820.40
61-0926-9261	Expense	PERA EXPENSE	21,464.78	1,555.88	269.17	1,286.71	22,751.49
61-0926-9262	Expense	EMPLOYEE HOSPITALIZATION EXP.	41,688.33	3,686.39		3,686.39	45,374.72
61-0926-9263	Expense	EMPL LIFE & DISABILITY INS.	1,611.13	113.34		113.34	1,724.47
61-0926-9264	Expense	EDUCATION & SAFETY TRAINING	2,195.63	541.88		541.88	2,737.51
61-0926-9265	Expense	MEDICARE EXPENSE	4,401.96	282.18	48.69	233.49	4,635.45
61-0926-9266	Expense	UNEMPLOYMENT EXPENSE					0.00
61-0930-9301	Expense	WELLHEAD PLAN IMPLEMENTATION					0.00
61-0930-9302	Expense	MISCELLANEOUS GENERAL EXPENSE	238.18	1.05		1.05	239.23
61-0930-9304	Expense	GENERAL FUND EXPENSE					0.00
61-0930-9306	Expense	SALES TAX EXPENSE					0.00
			0.00	354,876.16	354,876.16	0.00	0.00

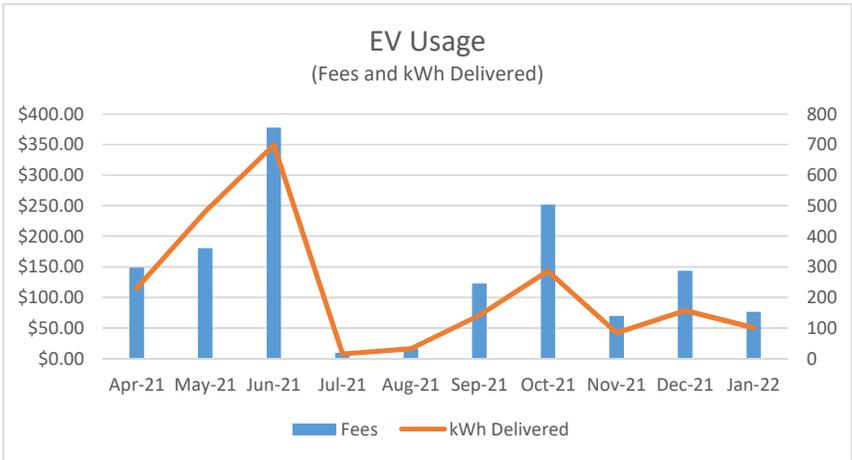
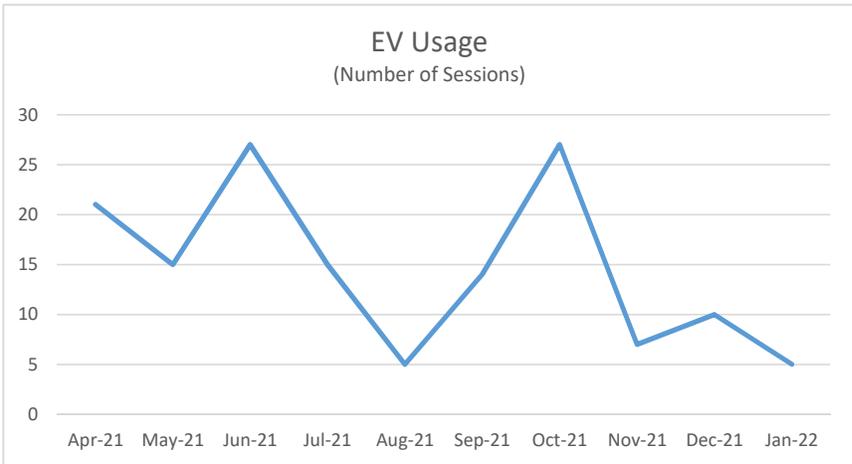
Report Setup
 Sort By:
 Includes only active accounts
 Includes accounts from 61-0001-1071 to 61-0930-9306
 Printed for 1/1/2022 to 1/31/2022
 Printed for all sources.

Month	Annual Operating Expenses (2021)	Depreciation (2021)	Electric					Minimum (DoC)	Minimum (CIF)	Maximum (CIF)
			Cash	CIF	Rate Stab	Days of Cash	Days of Cash (w/ Rate Stab)			
January	\$6,994,751	\$696,000	\$2,729,951	\$996,899	\$1,211,898	158	228	80	\$750,000	\$1,500,000
February	\$6,994,751	\$696,000						80	750,000	1,500,000
March	\$6,994,751	\$696,000						80	750,000	1,500,000
April	\$6,994,751	\$696,000						80	750,000	1,500,000
May	\$6,994,751	\$696,000						80	750,000	1,500,000
June	\$6,994,751	\$696,000						80	750,000	1,500,000
July	\$6,994,751	\$696,000						80	750,000	1,500,000
August	\$6,994,751	\$696,000						80	750,000	1,500,000
September	\$6,994,751	\$696,000						80	750,000	1,500,000
October	\$6,994,751	\$696,000						80	750,000	1,500,000
November	\$6,994,751	\$696,000						80	750,000	1,500,000
December	\$6,994,751	\$696,000						80	750,000	1,500,000

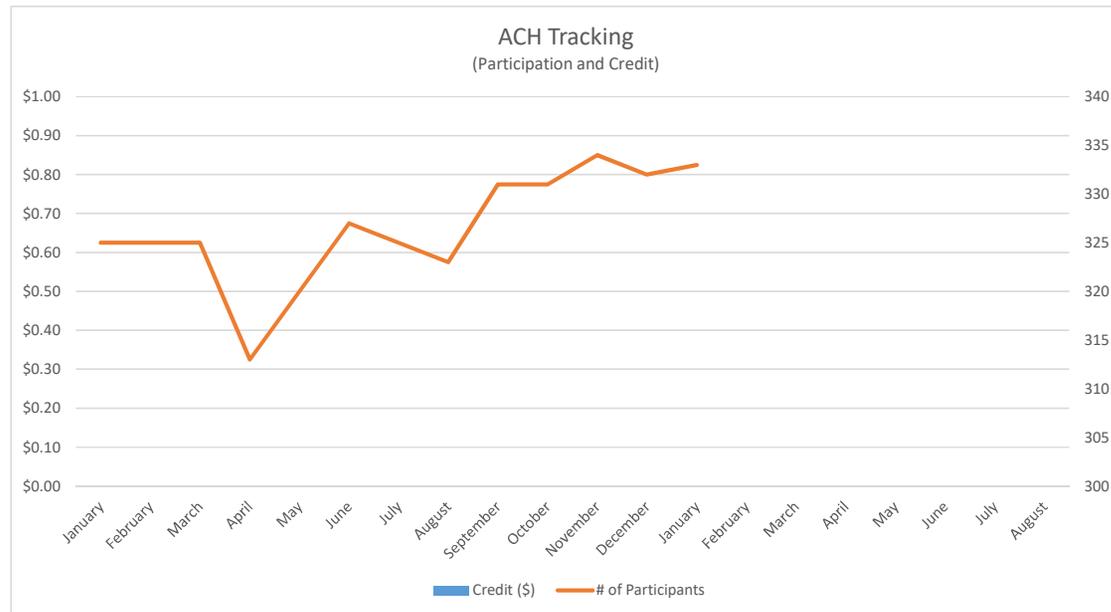
Month	Annual Operating Costs (2021)	Depreciation (2021)	WATER					Minimum (DoC)	Minimum (CIF)	Maximum (CIF)
			Cash	CIF	Days of Cash	Minimum (DoC)	Minimum (CIF)			
January	\$948,623	\$394,800	\$825,893	\$1,183,601	544	300	750,000	\$1,500,000		
February	\$948,623	\$394,800				300	750,000	1,500,000		
March	\$948,623	\$394,800				300	750,000	1,500,000		
April	\$948,623	\$394,800				300	750,000	1,500,000		
May	\$948,623	\$394,800				300	750,000	1,500,000		
June	\$948,623	\$394,800				300	750,000	1,500,000		
July	\$948,623	\$394,800				300	750,000	1,500,000		
August	\$948,623	\$394,800				300	750,000	1,500,000		
September	\$948,623	\$394,800				300	750,000	1,500,000		
October	\$948,623	\$394,800				300	750,000	1,500,000		
November	\$948,623	\$394,800				300	750,000	1,500,000		
December	\$948,623	\$394,800				300	750,000	1,500,000		



EV Usage Tracking			
	Sessions	Fees	kWh Delivered
Apr-21	21	\$148.80	230
May-21	15	\$180.40	481
Jun-21	27	\$377.66	699
Jul-21	15	\$9.30	15
Aug-21	5	\$16.85	32
Sep-21	14	\$122.59	141
Oct-21	27	\$251.58	286
Nov-21	7	\$69.69	84
Dec-21	10	\$143.28	157
Jan-22	5	\$76.49	101



ACH Tracking			
	Total Residential Customers	Credit (\$)	# of Participants
January	2309	\$0.00	325
February	2310	\$0.00	325
March	2311	\$0.00	325
April	2316	\$0.00	313
May	2311	\$0.00	320
June	2318	\$0.00	327
July	2313	\$0.00	325
August	2328	\$0.00	323
September	2324	\$0.00	331
October	2321	\$0.00	331
November	2326	\$0.00	334
December	2330	\$0.00	332
January	2325	\$0.00	333
February			
March			
April			
May			
June			
July			
August			



MEMORANDUM 22-08



TO: Princeton Public Utilities Commission
FROM: Keith R. Butcher, General Manager
SUBJECT: Convenience Fee Schedule
DATE: February 23rd, 2022

ITEM SUMMARY

Staff have developed a plan to implement a credit card fee on all customers that use a credit card starting May 1st, 2022.

DISCUSSION

PPU has been working with our contractor, NeonLink, to develop a mechanism to collect a convenience fee on all credit card purchases. After collaboration with Complete Merchant Solutions (CMS), PPU has signed a new User Agreement that will allow us to continue processing credit cards as a means of payment. The adoption of a credit card fee will require some re-programming of our billing process. The estimated timeline is as follows:

- In February, Neonlink began re-programming work which is estimated to be completed by late February/early March.
- Also in February, PPU begins notifying customers of the upcoming convenience fees.
- After March 12th, PPU begins notifying directly all customers that utilize automatic payments with credit cards that future payments will be cancelled and that they must re-sign up if they wish to pay by credit cards. This is to acknowledge the new fee structure.
- In the March billing, the Connector will be included informing customers of the new credit card fees effective May 1st. A sign will be placed in the lobby. Notices will be posted on our website and Facebook.
- In the April billing, an insert will be included informing customer of the new credit card fees to begin May 1st. A notice will be re-posted on Facebook. Send out a specific, direct e-blast to everyone we have emails for.

RECOMMENDATION

Princeton Public Utilities recommends adoption of this process with an effective date of May 1st.



705 SECOND STREET NORTH
PRINCETON, MINNESOTA 55371
E-MAIL: city@princetonmn.org
www.princetonmn.org

February 15, 2022

Keith Butcher, General Manager
Princeton Public Utilities
PO Box 218
907 1st Street
Princeton, MN 55371

Re: Request for Letter of Support

Dear Mr. Butcher:

The City of Princeton submitted a preliminary application to Minnesota's Small Cities Development Program for a \$600,000 infrastructure improvement grant. The funds would be combined with the City's ARPA funds to upgrade the utilities (sewer and water) in 7th Avenue/County Road 4. The project would include a reconstruction of the road; preliminary conversations with Mille Lacs County indicate that they would bring County State Aid Funds to the table, making this a collaborative project with the County.

The project was found to be "marginally competitive" which gives the City the opportunity to submit a full application, due March 11, 2022. The City has hired WSB to write the application in the hopes that it will be funded. The application requires a public hearing to be held, scheduled for February 24, 2022 at 7:00 pm. WSB has also recommended that letters of support be included in the application.

On behalf of the City, I respectfully request a letter of support for this project from Princeton Public Utilities. The infrastructure in this corridor is in need of replacement and this project is a great opportunity for collaboration. I will be available for questions should you have any.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michele McPherson", is written over a light blue scribble.

Michele McPherson
City Administrator

POLICE	(763) 389-4879	CITY HALL	(763) 389-2040	PUBLIC WORKS	(763)-389-2042
FIRE DEPT	(763) 389-2040	FAX	(763) 389-0993	MUNICIPAL LIQUOR	(763) 389-3613

- The City of Princeton is an equal opportunity provider and employer -

Meetings of City Councils

Learn about the open meeting law, taking meeting minutes, scheduling and conducting meetings, including use of rules of order, audience participation, and regulating attendance of councilmembers. Most principles apply also to city boards, commissions, and other public bodies

RELEVANT LINKS:

[Moberg v. Indep. Sch. Dist. No. 281](#), 336 N.W.2d 510 (Minn. 1983).

[Minn. Stat. § 412.191, subd. 1.](#)
[Minn. Stat. § 645.08 \(5\).](#)

[Minn. Stat. § 13D.04, subd. 7.](#)

[Minn. Stat. § 412.191, subd. 2.](#)
[Minn. Stat. § 13D.04, subd. 1.](#)

[Minn. Stat. § 13D.04, subd. 2.](#)
[Minn. Stat. § 645.44, subd. 5.](#)

I. Types of meetings and notice requirements

A meeting is a gathering of a quorum of public officials to discuss, decide, or receive information on official matters over which they have authority. The city council exercises its authority when it meets as a group. There are certain requirements for council meetings under state law.

A quorum of a public body is the number of people that must be present before a public body can conduct business. A majority of the members of a statutory city council constitutes a quorum. A majority of the qualified members of any board or commission also constitutes a quorum. Home rule charter cities may have different quorum requirements.

A public body that is subject to the open meeting law must generally provide advance public notice of its meetings and hold them open to the public. The notice requirements depend on the type of meeting. However, if a person receives actual notice of a meeting at least 24 hours before it takes place, all notice requirements under the open meeting law are satisfied, regardless of the method of receipt of notice.

A. Regular meetings

Regular meetings of a statutory city council are held at times established by the council. A council will typically meet once a month on a particular day, although some councils may have regular meetings scheduled more frequently. Home rule charter cities should consult their charters and any council rules concerning the scheduling of regular meetings.

The council must keep a schedule of its regular meetings on file at its primary office. The council should also set an alternate meeting day for any regular meeting day that falls on a legal holiday. If the council decides to hold a meeting at a different time or place from that stated in its schedule of regular meetings, it must generally give the notice required for a special meeting.

RELEVANT LINKS:

[Minn. Stat. § 13D.04, subd. 2. *Elseth v. Hille*, No. A12-1496 \(Minn. Ct. App. May 13, 2013\) \(unpublished opinion\). DPO 10-013. DPO 04-004. See I-B-2-Notice to public.](#)

[Minn. Stat. § 412.191, subd. 2.](#)

[Minn. Stat. § 13D.04, subd. 2.](#)

[Minn. Stat. § 412.191, subd. 2. A.G. Op. 471-e \(Jan. 22, 1957\).](#)

[Minn. Stat. § 13D.04, subd. 2. *Rupp v. Mayasich*, 533 N.W.2d 893 \(Minn. Ct. App. 1995\). DPO 10-020 \(advising that a special-meeting notice must provide detail regarding the purpose of the meeting, and that a city's notice that a special meeting would address: "Any Other Business that May Arise" did not comply with the open meeting law\).](#)

[Minn. Stat. § 13D.04, subd. 2 \(b\), \(c\).](#)

See LMC information memo, [Newspaper Publication](#), for more information.

B. Special meetings

Special meetings are meetings held at a time or place that is different from the regularly scheduled meetings. These are often scheduled to deal with specific items that need to be addressed before the next regular meeting. Generally, any matter that can be addressed at a regular meeting can also be addressed at a special meeting if it has been properly noticed. The commissioner of the Minnesota Department of Administration has advised that a city council should not discuss or decide topics that have not been included as the stated purpose of a special meeting in the notice provided to the public. All state laws governing regular meetings, including the open meeting law, apply to special meetings.

In statutory cities, special meetings may be called by the mayor or by any two members of a five-member council or three members of a seven-member council. Special meetings are called by filing a written statement with the city clerk. Home rule charter cities may have different requirements for special meetings.

Unless otherwise expressly established by statute, the following notice requirements apply to special meetings.

1. Notice to council

When a special meeting has been called, the clerk must mail, at least one day before the meeting, a notice to all councilmembers stating the time and place of the meeting. If all councilmembers attend and participate in the meeting, the notice requirements will be considered to have been satisfied.

2. Notice to public

The clerk also must post written notice of the date, time, place, and purpose of the special meeting on the city's principal bulletin board at least three days before the meeting. A principal bulletin board must be located in a place reasonably accessible to the public. If the city does not have a principal bulletin board, the notice must be posted on the door of its usual meeting room.

In addition to posting notice, the city must also mail or deliver notice to each person who has filed a written request for notice of special meetings with the city. Notice to these individuals must be mailed or delivered at least three days before the meeting. As an alternative to mailing or delivering the notice, the city may publish the notice once in its official newspaper at least three days before the meeting.

RELEVANT LINKS:

[Minn. Stat. § 331A.05, subd. 7.](#)

[Minn. Stat. § 645.15. *In re Appeal from an Order of Lake Valley Township Bd.*, 305 Minn. 488, 234 N.W.2d 815 \(Minn. 1975\).](#)

[Minn. Stat. § 13D.04, subd. 2\(d\).](#)

[Minn. Stat. § 13D.04, subd. 2\(e\), \(f\).](#)

[A.G. Op. 63a-5 \(Aug. 28, 1996\).
DPO 16-005.](#)

[DPO 13-015.](#)

[Minn. Stat. § 412.191, subd. 2.
Minn. Stat. § 13D.04, subd. 3.](#)

If there is no official newspaper, notice may be published in a qualified newspaper of general circulation that covers the city.

If, through no fault of the city, an error occurs in the publication of a notice, the error generally does not impact the validity of a public meeting.

In calculating the number of days for providing notice, the first day the notice is given should not be counted, but the last day should be. But if the last day is a Saturday, Sunday, or a legal holiday, that day is omitted from the calculation and the following day is considered the last day. For example, if a special meeting is scheduled for a Thursday, notice has to be given by Monday at the latest to meet the three-day notice provision. In this example, Tuesday is day one, Wednesday is day two, and Thursday is day three. Monday is not included in the time computation. Similarly, if a special meeting is planned for Monday, notice must be given by Friday at the latest; Saturday is day one, Sunday is day two, and Monday is day three. Saturday and Sunday are included in the time computation since they are not the last day of the time period.

A person filing a written request for notice of special meetings may limit the request to notification of special meetings that cover a particular subject. In this case, the city only needs to send notice of special meetings addressing those subjects.

Cities may set an expiration date for requests for notice of special meetings and require each request to be re-filed once each year. The city must provide each person, who has filed such a request, notice of the requirement to re-file the request not more than 60 days before re-filing is due.

If a council committee or other public body meets and a quorum of city councilmembers attend the meeting, the city most likely does not need to give additional notice of a special city council meeting as long as proper notice of the committee or other public meeting has been given. If council members participate in the discussions or deliberations, however, an additional separate notice of a special meeting of the city council may be required.

The commissioner of the Minnesota Department of Administration has advised that when a town board changed the time and location of a meeting on the same day it was scheduled to occur, the town board violated the open meeting law by failing to provide the required three-day notice for a special meeting. The town board had changed the time and place of the meeting due to the weather and lack of air conditioning in the regular meeting room.

C. Emergency meetings

An emergency meeting is a special meeting called by the council due to circumstances that, in its judgment, require immediate council consideration.

RELEVANT LINKS:

DPO [06-027](#) (advising that a city council improperly held an emergency meeting to consider complaints about the city's building inspector).

Slippy v. Rach, No. C5-06-3574 (9th Jud. Dist. June 8, 2007) (the district court rejected the advisory opinion's conclusion and held that the city council's decision to hold the emergency meeting complied with the open meeting law).

[Minn. Stat. § 13D.04, subd. 3\(f\)](#).

[Minn. Stat. § 13D.04, subd. 5](#).

See section II.G. - *Open meeting law exceptions*.

[Minn. Stat. § 412.02, subd. 2](#).
[Minn. Stat. § 205.07, subd. 1a](#).
[Minn. Stat. § 645.44, subd. 5](#).

The procedure for notifying councilmembers of an emergency meeting is the same as that for a special meeting. The public-notice requirements, however, are different.

The council must make a good faith effort to provide notice of the emergency meeting to all media that have filed a written request for notice. Notice must be by telephone or by any other method used to notify councilmembers. The notice must include the subject of the meeting. A published or posted notice is not necessary.

If matters not directly related to the emergency are discussed or acted upon at an emergency meeting, the meeting minutes must include a specific description of them.

D. Closed meetings

A closed meeting is a meeting of a public body that the public is not allowed to attend.

A meeting of a public body only may be closed to the public if it meets the requirements of one of the specific exceptions listed in the open meeting law that authorize such closure. The same notice requirements that apply to open meetings also apply to closed meetings. For example, if a closed meeting takes place at a regular meeting, the notice requirements for a regular meeting apply. Likewise, if a closed meeting takes place at a special meeting, the notice requirements for a special meeting apply.

E. Annual meeting (first meeting of the year)

There is no date set by statute for the first meeting of the year. In most statutory cities, the date is set by council bylaws establishing rules of procedure for the council. A home rule charter city should consult both its charter and any procedural rules the council has adopted for any requirements regarding the first meeting of the year.

The annual meeting is usually held on or shortly after the first Monday in January, which is when the terms of new councilmembers begin. In the meantime, all previously chosen and qualified councilmembers shall serve until their successors qualify.

The notice required for the annual meeting will depend on whether it occurs at a regularly scheduled meeting or at a special meeting that occurs at a different time and place from the regular meetings.

In statutory cities, the council must do the following at the first meeting of the year:

RELEVANT LINKS:

[Minn. Stat. § 412.831.](#)
See LMC information memo, *Newspaper Publication*, for more information.
[Minn. Stat. § 412.121.](#)
[Minn. Stat. § 412.831.](#)
[Minn. Stat. §§ 427.01-.02.](#)
[Minn. Stat. § 118A.02, subd. 1.](#)
[Minn. Stat. § 427.09.](#)
[Minn. Stat. § 412.018.](#)

[Minn. Stat. § 424A.04, subd. 1.](#)

[Minn. Stat. § 412.191, subd. 1.](#)

[Minn. Stat. § 13D.04, subd. 4.](#)

[Minn. Stat. § 13D.02.](#)
DPO 08-034.

- Designate an official newspaper.
- Appoint an acting mayor from among the councilmembers. The acting mayor shall perform the duties of the mayor if there is a vacancy in the mayor's position or during the mayor's disability or absence.
- Select an official depository for city funds. (This must be done within 30 days of the start of the city's fiscal year).

In addition, although not required by statute, many city councils will also do the following at the first meeting of the year:

- Review different council appointments to city boards and commissions. For example, the council must appoint one elected city official and one elected or appointed city official to serve with the city's fire chief on the board of trustees for a city fire department's volunteer relief association.
- Review council bylaws and make any needed changes.
- Assign committee duties to members.
- Approve official bonds that have been filed with the clerk.

Home rule charter cities may have additional requirements for their first meeting of the year.

F. Adjourned meetings

Cities often use the terms: "adjourned," "continued," and "recessed" interchangeably when referring to meetings that are postponed to a future time for lack of a quorum, for convenience, or to complete pending business from a regular meeting.

Although a quorum (majority of councilmembers in a statutory city) is necessary in order to conduct business, less than a quorum may adjourn or postpone a meeting to a fixed, future time.

If the date, time, and place of the adjourned meeting are announced at the previous meeting and this information is recorded in the minutes, no additional public notice is necessary for the adjourned meeting. Otherwise, the notice for a special meeting is needed.

G. Meetings conducted by interactive television

A city council meeting may be conducted by interactive television if all four of the following requirements are met:

- At least one councilmember is physically present at the regular meeting location.
- All councilmembers must be able to hear and see each other and all discussion and testimony presented at any location at which at least one councilmember is present.

RELEVANT LINKS:

[Minn. Stat. § 13D.02 subd. 1\(b\).](#)

[Minn. Stat. § 13D.02.](#)
[Minn. Stat. § 13D.04.](#)

[Minn. Stat. § 13D.02, subd. 5.](#)

[DPO 13-009.](#) [DPO 18-003.](#)
See Section II. for more information about the *open meeting law*.

- All members of the public at the regular meeting location must be able to hear and see all discussion, testimony, and votes of all councilmembers.
- Each location at which a councilmember is present must be open and accessible to the public.

However, a meeting satisfies the requirements of the open meeting law even though a member of the public body participates from a location that is not open to the public if the member has not participated more than three times in a calendar year from a location that is not open or accessible to the public, and:

- The member is serving in the military and is at a required drill, deployed or on active duty; and
- The member has been advised by a health care professional against being in a public place for personal or family medical reasons. This clause only applies when a state of emergency has been declared under section 12.31, and expires 60 days after the removal of the state of emergency

If possible, a member of the public should be able to monitor the meeting electronically from a remote location.

If interactive television is used to conduct a regular, special, or emergency meeting, the public body shall provide notice of the regular meeting location and notice of any site where a member of the public body will be participating by interactive television. The timing and method of providing notice will depend on whether the meeting is a regular, special, or emergency meeting. Additionally, the minutes for a meeting conducted via interactive television must reflect the names of any members appearing by interactive television and state the reason or reasons for the appearance by interactive television.

The open meeting law does not define the term “interactive television.” Therefore, it is not clear what technology is authorized to be used under this authority. Although school boards have express authority to use “interactive technology with an audio and visual link” to conduct a meeting if all of the other requirements for interactive television are satisfied, city councils do not have similar authority.

However, the commissioner of the Minnesota Department of Administration has advised that a city council meeting where a city councilmember participated through Skype, while physically present at a remote location outside Minnesota, complied with the statutory authority for conducting meetings through interactive television. After the meeting occurred, a newspaper article suggested that the meeting violated the open meeting law because the councilmember’s remote location was not accessible to the city’s residents.

RELEVANT LINKS:

[Minn. Stat. § 13D.021, subd. 1.](#)

[Minn. Stat. § 13D.021, subd. 2.](#)

[Minn. Stat. § 13D.021, subd. 3.](#)

[Minn. Stat. § 13D.021, subd. 4.](#) [Minn. Stat. § 13D.04.](#)

The advisory opinion noted that the meeting met each of the four requirements in the statute and reasoned that the “plain language of the statute does not forbid a member of a public body from ‘attending’ a public meeting at a location ‘open and accessible to the public’ outside of the entity’s geographic area, as long as all other conditions of the section are met.”

H. Telephone or electronic meetings

Meetings may be conducted by telephone or other electronic means if the following conditions are met:

- The presiding officer, chief legal counsel, or chief administrative officer for the affected governing body determines an in-person meeting or a meeting conducted through interactive television is not practical or prudent because of a health pandemic or an emergency declared under chapter 12 of the Minnesota Statutes.
- All members of the governing body participating in the meeting can hear each other and can hear all discussion and testimony.
- Members of the public present at the regular meeting location can hear all discussion, testimony, and votes of the members of the body, unless attendance at the regular meeting location is not feasible due to the health pandemic or emergency declaration.
- At least one member of the governing body, chief legal counsel, or chief administrative officer is physically present at the regular meeting location, unless unfeasible due to the health pandemic or emergency declaration.
- All votes are conducted by roll call so that each member’s vote on each issue can be identified and recorded.

Each member of the governing body participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

If telephone or another electronic means is used to conduct a meeting, to the extent practical, the governing body shall allow a person to monitor the meeting electronically from a remote location. The governing body may require the person making a connection to pay for the documented additional cost incurred as a result of the additional connection.

If telephone or another electronic means is used to conduct a regular, special, or emergency meeting, the public body shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and, if practical, of the option of connecting to the meeting remotely. The timing and method of providing notice will depend on whether the meeting is a regular, special, or emergency meeting.

RELEVANT LINKS:

See section I.F. - *Adjourned meetings*.

See section I.B. - *Special meetings*.

[Minn. Stat. § 462.357, subd. 3.](#)
[Minn. Stat. § 429.031, subd. 1\(a\).](#)
[Minn. Stat. § 429.061, subd. 1.](#)

[Minn. Stat. § 412.851.](#)

[Minn. Stat. § 414.033, subd. 2b.](#)
[Minn. Stat. § 429.031, subd. 1.](#)

[Minn. Stat. § 429.061.](#)
[Minn. Stat. § 444.18, subd. 3.](#)

[Minn. Stat. § 469.003, subd. 2.](#)
[Minn. Stat. § 469.093, subd. 1.](#)

I. Public Hearings

A public hearing is a meeting that is held where members of the public can express their opinions. The council is there to regulate the hearing and make sure that people who want to speak get the opportunity to do so. The council does not deliberate or discuss matters during the public-hearing portion of this type of meeting; instead, it listens to the public. Once the public-comment period is finished, the council will often wrap up the meeting.

In order to recess or continue a meeting of this sort, the council should not formally end the public-comment part of the hearing.

There are two types of public hearings, those that are discretionary and those that are required by a specific statute, ordinance, or charter provision.

1. Discretionary public hearings

Many city councils will hold public hearings even when they are not legally required to do so. Generally, hearings of this type allow the public to comment on a specific issue. Such hearings can be helpful in raising concerns about an issue that the council may not have considered.

If a discretionary public hearing takes place at a time or place that is different from a regularly scheduled meeting, notice for a special meeting must be provided.

2. Required public hearings

When a specific statute, ordinance, or charter provision requires a council to hold a public hearing, the notice requirements must be followed carefully. Often there are special notice requirements that are more substantial than the notice that must be provided for a special meeting. For example, public hearings required to amend a zoning ordinance and to adopt special assessments have special notice requirements.

Here are some actions that require public hearings:

- Street vacation.
- Annexation by ordinance.
- Local improvement projects that will be paid for with special assessments.
- When special assessments are made to property.
- Purchase and improvement of waterworks, sewers, drains, and storm sewers by storm sewer improvement districts.
- Adoption of a housing redevelopment authority (HRA) enabling resolution.

RELEVANT LINKS:

[Minn. Stat. § 469.065, subd. 2.](#)
[Minn. Stat. § 469.105, subd. 2.](#)
[Minn. Stat. § 469.107, subd. 2.](#)

[Minn. Stat. § 340A.602.](#)
[Minn. Stat. § 275.065, subd. 6.](#)
[Minn. Stat. § 462.357, subd. 3.](#)
[Minn. Stat. § 462.358, subd. 3b.](#)
[Minn. Stat. § 462.3595, subd. 2.](#)
[Minn. Stat. § 410.12, subd. 7.](#)
[Minn. Stat. § 462.355, subd. 4.](#)

[Minn. Stat. § 645.44, subd. 5.](#)

[Minn. Stat. § 645.44, subd. 5.](#)

[Minn. Stat. § 645.44, subd. 5.](#)

[Minn. Stat. § 202A.19, subd. 1.](#)
[Minn. Stat. § 204C.03, subd. 1.](#)

- Adoption of an economic development authority (EDA) enabling resolution.
- Sale of port authority land.
- Sale of EDA land.
- Increase of levy for an EDA.
- Continuation of a municipal liquor store after a net loss for two of three consecutive years.
- Truth-in-taxation.
- Adoption or amendment of a zoning ordinance.
- Subdivision applications.
- Granting of a conditional use permit.
- Adoption of a charter amendment by ordinance.
- Certain interim ordinances.

There are other situations that may require public hearings. Contact the League for further information if you are unsure about a particular situation.

J. Days and times when meetings cannot be held

State law defines a set of public holidays when no public business may be transacted except to deal with emergencies. The transaction of public business includes conducting public meetings.

The public holidays are:

- New Year's Day (Jan. 1).
- Martin Luther King's Birthday (the third Monday in January).
- Washington's and Lincoln's Birthday (the third Monday in February).
- Memorial Day (the last Monday in May).
- Independence Day (July 4).
- Labor Day (the first Monday in September).
- Christopher Columbus Day (the second Monday in October).
- Veterans Day (Nov. 11).
- Thanksgiving Day (the fourth Thursday in November).
- Christmas Day (Dec. 25).

All cities have the option, however, of deciding whether Christopher Columbus Day and the Friday after Thanksgiving shall be holidays. If these days are not designated as holidays, public business may be conducted on them.

If a holiday falls on a Saturday, the preceding Friday is considered to be a holiday. If a holiday falls on a Sunday, the next Monday is considered to be a holiday.

In addition, city council meetings may not be held during the following times:

RELEVANT LINKS:

[Minn. Stat. § 645.15.](#)

[Minn. Stat. § 13D.01.](#)

[Rupp v. Mayasich](#), 533 N.W.2d 893 (Minn. Ct. App. 1995). [St. Cloud Newspapers, Inc. v. Dist. 742 Community Schools](#), 332 N.W.2d 1 (Minn. 1983).

See section I - *Types of meetings and notice requirements*. [Minn. Stat. § 13D.04, subd. 7.](#)

[Quast v. Knutson](#), 150 N.W.2d 199, 200 (Minn. 1967) (holding that a school board violated the open meeting law when it held a meeting in a room located 20 miles outside the school district). [DPO 18-003.](#)

[Minn. Stat. § 13D.01, subd. 6.](#) [DPO 08-015.](#) [DPO 13-015](#) (noting that the open meeting law “is silent with respect to agendas; it neither requires them nor prohibits them”). [DPO 18-003.](#) [DPO 18-011.](#)

- After 6 p.m. on the evening of a major political party precinct caucus.
- Between 6 p.m. and 8 p.m. on a day when there is an election being held within the city’s boundaries.

State law does not prohibit meetings on weekends. However, state law regulating how time is computed for the purpose of giving any required notice provides that if the last day of notice falls on either a Saturday or Sunday, that day cannot be counted.

II. The open meeting law

A. Purpose

The Minnesota open meeting law generally requires that all meetings of public bodies must be noticed and open to the public. This presumption of openness serves three vital purposes:

- It prohibits actions from being taken at a secret meeting where it is impossible for the interested public to become fully informed concerning decisions of public bodies or detect improper influences.
- It ensures the public’s right to be informed.
- It gives the public an opportunity to present its views to the public body.

B. Public notice

Public notice generally must be provided for meetings of a public body subject to the open meeting law. The notice requirements depend on the type of meeting. However, if a person receives actual notice of a meeting at least 24 hours before it takes place, all notice requirements under the open meeting law are satisfied, regardless of the method of receipt.

C. Location

The Minnesota Supreme Court has held that, to meet the statutory requirement that meetings of public bodies shall be open to the public, “it is essential that such meetings be held in a public place located within the territorial confines of the [public body] involved.”

D. Printed Materials

At least one copy of the printed materials relating to agenda items that are provided to the council at or before a meeting must also be made available for public inspection in the meeting room while the governing body considers the subject matter.

RELEVANT LINKS:

[Minn. Stat. § 13D.01, subd. 6.](#)

[Minn. Stat. § 13D.01, subd. 1.](#)

[Southern Minnesota
Municipal Power Agency v.
Boyne](#), 578 N.W.2d 362
(Minn. 1998).

[Moberg v. Indep. Sch. Dist.
No. 281](#), 336 N.W.2d 510
(Minn. 1983). [St. Cloud
Newspapers, Inc. v. Dist. 742
Community Schools](#), 332
N.W.2d 1 (Minn. 1983).

[Minn. Stat. § 412.191, subd.
1.](#) [Minn. Stat. § 645.08 \(5\)v.](#)

See section II.G.6. for more
information about serial
meetings.

[Minn. Stat. § 13D.01, subd. 3.](#)

[Minn. Stat. § 13D.05, subd. 1
\(d\).](#)

This requirement does not apply to materials classified by law as other than public or to materials relating to the agenda items of a closed meeting.

E. Groups governed by the open meeting law

The open meeting law applies to all governing bodies of any school district, unorganized territory, county, city, town or other public body, and to any committee, sub-committee, board, department or commission of a public body.

Thus, the law applies to meetings of all city councils, planning commissions, firefighter relief associations, economic development authorities, and housing redevelopment authorities, among others.

The Minnesota Supreme Court has held, however, that the governing body of a municipal power agency, created under Minn. Stat. §§ 453.51-453.62, is not subject to the open meeting law because the Minnesota Legislature granted these agencies authority to conduct their affairs as private corporations.

F. Gatherings governed by the open meeting law

The open meeting law does not define the term “meeting.” The Minnesota Supreme Court, however, has ruled that meetings are gatherings of a quorum or more of the members of the governing body, or a quorum of a committee, subcommittee, board, department, or commission thereof, at which members discuss, decide, or receive information as a group on issues relating to the official business of that governing body.

A majority of the members of a statutory city council constitutes a quorum. A majority of the qualified members of any board or commission also constitutes a quorum. Home rule charter cities may have different quorum requirements.

The open meeting law does not generally apply in situations where less than a quorum of the city council is involved. However, serial meetings in groups of less than a quorum that are held in order to avoid the requirements of the open meeting law may be found to violate the law, depending on the specific facts.

G. Open meeting law exceptions

There are seven exceptions to the open meeting law that authorize the closure of meetings to the public. Under these exceptions some meetings may be closed, and some meetings must be closed. Before a meeting is closed under any of the exceptions, the council must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.

RELEVANT LINKS:

DPO 14-005.
DPO 13-012.
DPO 14-014.

The Free Press v. County of Blue Earth, 677 N.W.2d 471 (Minn. Ct. App. 2004).

The Free Press v. County of Blue Earth, 677 N.W.2d 471 (Minn. Ct. App. 2004) (holding that a county's statement that it was closing a meeting under the attorney-client privilege to discuss "pending litigation" did not satisfy the requirement of describing the subject to be discussed at a closed meeting).

Minn. Stat. § 13D.05, subd. 1 (d).

Minn. Stat. § 13D.04, subd. 5.

Minn. Stat. § 13D.03.
DPO 13-012.

Minn. Stat. § 13D.03.
Minn. Stat. § 13D.01, subd. 3.

The commissioner of the Minnesota Department of Administration has advised that a member of the public body (and not its attorney) must make the statement on the record. The open meeting law does not define the phrase "on the record," but the commissioner has advised that the phrase should be interpreted to mean a verbal statement in open session.

The commissioner has also advised that citing the specific statutory authority that permits the closed meeting is the simplest way to satisfy the requirement for stating the specific grounds permitting the meeting to be closed.

Both the commissioner and the Minnesota Court of Appeals have concluded that something more specific than a general statement is needed to satisfy the requirement of providing a description of the subject to be discussed.

All closed meetings, except those closed as permitted by the attorney-client privilege, must be electronically recorded at the expense of the public body. Unless otherwise provided by law, the recordings must be preserved for at least three years after the date of the meeting.

The same notice requirements that apply to open meetings also apply to closed meetings. For example, if a closed meeting takes place at a regular meeting, the notice requirements for a regular meeting apply. Likewise, if a closed meeting takes place as a special meeting, the notice requirements for a special meeting apply.

1. Meetings that may be closed

The public body may choose to close certain meetings. The following types of meetings may be closed:

a. Labor negotiations under PELRA

A meeting to consider strategies for labor negotiations, including negotiation strategies or development or discussion of labor-negotiation proposals, may be closed. However, the actual negotiations must be done at an open meeting if a quorum of the council is present.

The following procedure must be used to close a meeting under this exception:

RELEVANT LINKS:

DPO 05-027.
DPO 00-037.

[Minn. Stat. § 13D.03, subd. 3.](#)

[Minn. Stat. § 13D.05, subd. 3\(a\).](#)

[Minn. Stat. § 13D.05, subd. 3\(a\).](#)
[Minn. Stat. § 13D.01, subd. 3.](#)

DPO 05-013 (advising that a government entity could close a meeting under this exception to discuss its contract with an independent contractor when that contractor is an individual human being).

DPO 14-007, DPO 15-002, and DPO 16-002 (discussing what type of summary is sufficient).

- The council must decide to close the meeting by a majority vote at a public meeting and must announce the time and place of the closed meeting.
- Before closing the meeting, the council must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.
- A written record of all people present at the closed meeting must be available to the public after the closed meeting.
- The meeting must be tape-recorded.
- The recording must be kept for two years after the contract is signed.
- The recording becomes public after all labor agreements are signed by the city council for the current budget period.

If an action claiming that other public business was transacted at the closed meeting is brought during the time the tape is not public, the court will review the recording privately. If the court finds no violation of the open meeting law the action will be dismissed and the recording will be preserved in court records until it becomes available to the public. If the court determines there may have been a violation, the entire recording may be introduced at the trial. However, the court may issue appropriate protective orders requested by either party.

b. Performance evaluations

A public body may close a meeting to evaluate the performance of an individual who is subject to its authority.

The following procedure must be used to close a meeting under this exception:

- The public body must identify the individual to be evaluated prior to closing the meeting.
- The meeting must be open at the request of the individual who is the subject of the meeting; so some advance notice to the individual is needed to allow the individual to make a decision.
- Before closing the meeting, the council must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.
- The meeting must be electronically recorded, and the recording must be preserved for at least three years after the meeting.
- At the next open meeting, the public body must summarize its conclusions regarding the evaluation. The council should be careful not to release private or confidential data in its summary.

RELEVANT LINKS:

Minn. Stat. § 13D.05, subd. 3(b).

Brainerd Daily Dispatch, LLC v. Dehen, 693 N.W.2d 435 (Minn. Ct. App. 2005).

Prior Lake American v. Mader, 642 N.W.2d 729 (Minn. 2002). DPO 16-003. DPO 17-003.

Northwest Publications, Inc. v. City of St. Paul, 435 N.W.2d 64 (Minn. Ct. App. 1989). *Minneapolis Star & Tribune v. Housing and Redevelopment Authority in and for the City of Minneapolis*, 251 N.W.2d 620 (Minn. 1976).

Minn. Stat. § 13D.01, subd. 3.

See *The Free Press v. County of Blue Earth*, 677 N.W.2d 471 (Minn. Ct. App. 2004) (holding that a general statement that a meeting was being closed under the attorney-client privilege to discuss “pending litigation” did not satisfy the requirement of describing the subject to be discussed).

Minn. Stat. § 13D.05, subd. 3(c).

Vik v. Wild Rice Watershed Dist., No. A09-1841 (Minn. Ct. App. 2010) (unpublished opinion).

Minn. Stat. § 13D.05, subd. 3(c).

DPO 14-014.
DPO 08-001 (advising that a public body cannot authorize the release of a tape of a closed meeting under this exception until all property discussed at the meeting has been purchased or sold or the public body has abandoned the purchase or sale).

c. Attorney-client privilege

Meetings between the governing body and its attorney to discuss active, threatened, or pending litigation may be closed when the balancing of the purposes served by the attorney-client privilege against those served by the open meeting law dictates the need for absolute confidentiality. The need for absolute confidentiality should relate to litigation strategy, and will usually arise only after a substantive decision on the underlying matter has been made.

This privilege may not be abused to suppress public observations of the decision-making process, and does not include situations where the council will be receiving general legal opinions and advice on the strengths and weaknesses of a proposed action that may give rise to future litigation.

The following procedure must be used to close a meeting under this exception:

- Before closing the meeting, the council must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.
- The council should also describe how a balancing of the purposes of the attorney-client privilege against the purposes of the open meeting law demonstrates the need for absolute confidentiality.
- The council must actually communicate with its attorney at the meeting.

d. Purchase or sale of property

A public body may close a meeting to:

- Determine the asking price for real or personal property to be sold by the public body.
- Review confidential or nonpublic appraisal data.
- Develop or consider offers or counteroffers for the purchase or sale of real or personal property.

The following procedure must be used to close a meeting under this exception:

- Before closing the meeting, the council must state on the record the specific grounds for closing the meeting, describe the subject to be discussed, and identify the particular property that is the subject of the meeting.

RELEVANT LINKS:

[Minn. Stat. § 13D.05, subd. 3\(d\).](#)

[Minn. Stat. § 13D.05, subd. 3\(d\).](#)

[Minn. Stat. § 13D.05, subd. 2\(b\).](#)

[Minn. Stat. § 13.43, subd. 2\(4\).](#)
[DPO 03-020.](#)

[DPO 14-004.](#)

- The meeting must be tape-recorded and the property must be identified on the tape. The recording must be preserved for eight years, and must be made available to the public after all property discussed at the meeting has been purchased or sold or after the public body has abandoned the purchase or sale.
- A list of councilmembers and all other persons present at the closed meeting must be made available to the public after the closed meeting.
- The actual purchase or sale of the property must be approved at an open meeting, and the purchase or sale price is public data.

e. Security reports

A meeting may be closed to receive security briefings and reports, to discuss issues related to security systems, to discuss emergency-response procedures and to discuss security deficiencies in or recommendations regarding public services, infrastructure, and facilities—if disclosure of the information would pose a danger to public safety or compromise security procedures or responses. Financial issues related to security matters must be discussed, and all related financial decisions must be made at an open meeting.

The following procedure must be used to close a meeting under this exception:

- Before closing the meeting, the council must state on the record the specific grounds for closing the meeting and describe the subject to be discussed.
- When describing the subject to be discussed, the council must refer to the facilities, systems, procedures, services or infrastructure to be considered during the closed meeting.
- The closed meeting must be tape-recorded, and the recording must be preserved for at least four years.

2. Meetings that must be closed

There are some meetings that the open meeting law requires to be closed. The following meetings must be closed:

a. Misconduct allegations

A public body must close a meeting for preliminary consideration of allegations or charges against an individual subject to the public body's authority.

The commissioner of the Minnesota Department of Administration has advised that a city could not close a meeting under this exception to consider allegations of misconduct against a job applicant who had been extended a conditional offer of employment.

RELEVANT LINKS:

DPO 10-001.
Minn. Stat. § 13.43.

Minn. Stat. § 13D.01, subd. 3.
Minn. Stat. § 13D.05, subd. 1.

Note: There is a special provision dealing with allegations of law enforcement personnel misconduct; see [Minn. Stat. § 13D.05, subd. 2\(a\)](#) and section II.G.2.b.- *Certain not-public data*.

[Minn. Stat. § 13D.05, subd. 2\(a\)](#).

[Minn. Stat. § 13.32](#).
[Minn. Stat. § 13.3805, subd. 1](#).
[Minn. Stat. § 13.384](#).
[Minn. Stat. § 13.46, subs. 2, 7](#).
[Minn. Stat. §§ 144.291-144.298](#).

[Minn. Stat. § 13D.01, subd. 3](#).
[Minn. Stat. § 13D.05, subd. 1](#).

(The job applicant was not a city employee). The commissioner reasoned that the city council had no authority to discipline the job applicant or to direct his actions in any way; therefore, he was not “an individual subject to its authority.”

The commissioner has also advised that a tape recording of a closed meeting for preliminary consideration of misconduct allegations is private personnel data under Minn. Stat. § 13.43, subd. 4, and is accessible to the subject of the data but not to the public. The commissioner noted that at some point in time, some or all of the data on the tape may become public under Minn. Stat. § 13.43, subd. 2.

For example, if the employee is disciplined and there is a final disposition, certain personnel data becomes public.

The following procedure must be used to close a meeting under this exception:

- Before closing the meeting, the council must state on the record the specific grounds for closing the meeting and describe the subject to be discussed.
- The meeting must be open at the request of the individual who is the subject of the meeting. Thus, the individual should be given advance notice of the existence and nature of the charges against him or her, so that the individual can make a decision.
- The meeting must be electronically recorded, and the recording must be preserved for at least three years after the meeting.
- If the public body decides that discipline of any nature may be warranted regarding the specific charges, further meetings must be open.

b. Certain not-public data

The general rule is that meetings cannot be closed to discuss data that are not public under the Minnesota Government Data Practices Act. A meeting must be closed, however, if the following not-public data is discussed:

- Data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults.
- Internal affairs data relating to allegations of law enforcement personnel misconduct or active law enforcement investigative data.
- Educational data, health data, medical data, welfare data or mental health data that are not-public data.
- Certain medical records.

The following procedure must be used to close a meeting under this exception:

RELEVANT LINKS:

[Minn. Stat. § 13D.05, subs. 1\(a\), 2\(a\).](#) See section II.G.b.-
Certain not-public data.

[Minn. Stat. § 13D.05, subd. 2\(a\).](#)
[Minn. Stat. § 13.03, subd. 11.](#)

[Minn. Stat. § 13D.05, subd. 1\(b\).](#)

[Minn. Stat. § 13D.05, subd. 1\(c\).](#)

[Channel 10, Inc. v. Indep. Sch. Dist. No. 709](#), 298 Minn. 306, 215 N.W.2d 814 (Minn. 1974).

See section II.H.6. - *Serial meetings.*

- The council must state on the record the specific grounds for closing the meeting and describe the subject to be discussed.
- The meeting must be electronically recorded, and the recording must be preserved for at least three years after the meeting.

H. Common issues

This section provides an overview of some of the common issues cities face while attempting to comply with the open meeting law.

1. Data practices

Generally, meetings may not be closed to discuss data that is not public under the Minnesota Government Data Practices Act (MGDPA). However, the public body must close any part of a meeting at which certain types of not-public data are discussed.

If not-public data is discussed at an open meeting when the meeting is required to be closed, it is a violation of the open meeting law. Discussions of some types of not-public data may also be a violation of the MGDPA.

However, not-public data may generally be discussed at an open meeting without liability or penalty if both of the following criteria are met:

- The disclosure relates to a matter within the scope of the public body's authority.
- The disclosure is necessary to conduct the business or agenda item before the public body.

Data that is discussed at an open meeting retains its original classification under the MGDPA. However, a record of the meeting is public, regardless of the form. It is suggested that not-public data that is discussed at an open meeting not be specifically detailed in the minutes.

2. Interviews

The Minnesota Supreme Court has held that a school board must interview prospective employees in open sessions.

The Supreme Court concluded that the absence of a statutory exception to the open meeting law for interviews indicated that the legislature had decided that such sessions should not be closed. The reasoning would seem to apply to a city council's interview of prospective officers and employees as well, if a quorum is present.

RELEVANT LINKS:

Mankato Free Press v. City of North Mankato, No. C1-96-100036 (Fifth Jud. Dist. 1996).

Mankato Free Press v. City of North Mankato, 563 N.W.2d 291 (Minn. Ct. App. 1997).

Mankato Free Press v. City of North Mankato, No. C9-98-677 (Minn. Ct. App. Dec. 15, 1998) (unpublished decision).

A.G. Op. 63-A-5 (June 13, 1957). See also [Minn. Stat. § 13D.01, subd. 1\(b\) \(4\)](#).

St. Cloud Newspapers, Inc. v. Dist. 742 Community Schools, 332 N.W.2d 1 (Minn. 1983).

In 1996, a district court found that it was not a violation of the open meeting law for candidates to be serially interviewed by members of a city council in one-on-one closed interviews. In this case, five city councilmembers were present in the same building, but each was conducting separate interviews in five different rooms. Because there was no quorum present in any of the rooms, the court found there was no meeting. The decision, however, was appealed.

In 1997, the Minnesota Court of Appeals reversed the district court's decision and remanded the case back to the district court for a factual determination on whether the city used the one-on-one interview process in order to avoid the requirements of the open meeting law.

On remand, the district court found that the private interviews were not conducted for the purpose of avoiding public hearings. The case was again appealed. In an unpublished decision, the court of appeals affirmed the district court's decision.

The conclusion that can be drawn from this decision appears to be that if serial meetings involving less than a quorum of a public body are held for the purpose of avoiding the requirements of the open meeting law, it will constitute a violation of the law. Cities that are considering holding private interviews with job applicants should first consult their city attorney.

3. Executive sessions

The attorney general has advised that executive sessions of a city council must be open to the public.

4. Informational meetings and committees

The Minnesota Supreme Court has held that informational seminars about school-board business, which the entire board attends, must be noticed and open to the public. As a result, it appears that any scheduled gathering of a quorum of a city council where it receives information about city business must be properly noticed and open to the public, regardless of whether the council takes or contemplates taking action at that gathering.

In addition, many city councils create committees to make recommendations regarding a specific issue. Commonly, such a committee will be responsible for researching the issue and submitting a recommendation to the council for its approval. These committees are usually advisory, and the council is still responsible for making the final decision.

RELEVANT LINKS:

DPO [05-014](#).

DPO [07-025](#).

A.G. Op. 63a-5 (Aug. 28, 1996).

[Sovereign v. Dunn](#), 498 N.W.2d 62 (Minn. Ct. App. 1993). See also [Minnesota Daily v. Univ. of Minnesota](#), 432 N.W.2d 189 (Minn. Ct. App. 1988) and [Zahavy v. Univ. of Minnesota](#), 544 N.W.2d 32 (Minn. Ct. App. 1996).

[Sovereign v. Dunn](#), 498 N.W.2d 62 (Minn. Ct. App. 1993).

[Thuma v. Kroschel](#), 506 N.W.2d 14 (Minn. Ct. App. 1993).

This type of committee may be subject to the open meeting law. Some factors that may be relevant in deciding whether a committee is subject to the open meeting law include: how the committee was created and who are its members; whether the committee is performing an ongoing function, or instead, is performing a one-time function; whether the committee receives public funds or uses public facilities or staff; and what duties and powers have been granted to the committee.

For example, the commissioner of the Minnesota Department of Administration has advised that “standing” committees of a city hospital board that were responsible for management liaison, collection of information, and formulation of issues and recommendations for the board were committees subject to the open meeting law. The advisory opinion noted that the standing committees were performing tasks that relate to the ongoing operation of the hospital district and were not performing a one-time or “*ad hoc*” function.

In contrast, the commissioner has advised that a city’s Free Speech Working Group was not a committee that was subject to the open meeting law. This group consisted of members, including city officials, that the city council had appointed to develop and review strategies for addressing free-speech concerns relating to a political convention that was going to be held in the city. The commissioner reasoned that the group was not a committee subject to the open meeting law because it did not have any decision-making authority.

City councils also routinely appoint individual councilmembers to act as liaisons between the council and particular groups. These types of groups may be considered a committee that is subject to the open meeting law.

The Minnesota Court of Appeals considered a situation where the mayor and one other member of a city council attended a series of mediation sessions regarding an annexation dispute that were not open to the public. The court of appeals held that the open meeting law did not apply to these meetings, concluding “that a gathering of public officials is not a ‘committee, subcommittee, board, department or commission’ subject to the open meeting law unless the group is capable of exercising decision-making powers of the governing body.”

The court of appeals also noted that the capacity to act on behalf of the governing body is presumed where members of the group comprise a quorum of the body and could also arise where there has been a delegation of power from the governing body to the group.

In addition, a separate notice for a special meeting of the city council may also be required if a quorum of the council will be present at a committee meeting and will participate in the discussion.

RELEVANT LINKS:

A.G. Op. 63a-5 (Aug. 28, 1996). DPO [16-005](#).

St. Cloud Newspapers, Inc. v. District 742 Cmty. Sch., 332 N.W.2d 1 (Minn. 1983).
Moberg v. Indep. Sch. Dist. No. 281, 336 N.W.2d 510 (Minn. 1983). DPO [18-003](#).

Hubbard Broadcasting, Inc. v. City of Afton, 323 N.W.2d 757 (Minn. 1982).

Moberg v. Indep. Sch. Dist. No. 281, 336 N.W.2d 510 (Minn. 1983). See also DPO [10-011](#) and DPO [06-017](#).

Mankato Free Press v. City of North Mankato, 563 N.W.2d 291 (Minn. Ct. App. 1997).

Mankato Free Press v. City of North Mankato, No. C9-98-677 (Minn. Ct. App. Dec. 15, 1998) (unpublished decision).

For example, when a quorum of a city council attended a meeting of the city's planning commission, the Minnesota Court of Appeals ruled that there was a violation of the open meeting law, not because of the councilmembers' attendance at the meeting, but because the councilmembers conducted public business in conjunction with that meeting.

Based on that decision, the attorney general has advised that mere attendance by additional councilmembers at a meeting of a council committee held in compliance with the open meeting law would not constitute a special city council meeting requiring separate notice. The attorney general warned, however, that the additional councilmembers should not participate in committee discussions or deliberations, absent a separate notice of a special city council meeting.

5. Chance or social gatherings

Chance or social gathering of city councilmembers will not be considered a meeting subject to the open meeting law as long as there is not a quorum present, or, if a quorum is present, as long as the quorum does not discuss, decide, or receive information about official city business.

The Minnesota Supreme Court has held that a conversation between two councilmembers over lunch regarding an application for a special-use permit did not violate the open meeting law because a quorum was not present.

6. Serial meetings

The Minnesota Supreme Court has noted that meetings of less than a quorum of the public body held serially to avoid public hearings or to fashion agreement on an issue may violate the open meeting law depending on the circumstances.

A Minnesota Court of Appeals' decision also indicates that serial meetings could violate the open meeting law. The Minnesota Court of Appeals considered a situation where individual councilmembers conducted separate, serial interviews of candidates for a city position in one-on-one closed interviews. Although the district court found that no meetings had occurred because there was never a quorum of the council present, the court of appeals remanded the decision back to the district court for a determination of whether the councilmembers had used this interview process for the purpose of avoiding the requirements of the open meeting law.

On remand, the district court found that the private interviews were not conducted for the purpose of avoiding the requirements of the open meeting law. This decision was also appealed, and the court of appeals, in an unpublished decision, agreed with the district court's decision.

RELEVANT LINKS:

Compare *St. Cloud Newspapers, Inc. v. Dist. 742 Community Schools*, 332 N.W.2d 1 (Minn. 1983) and A.G. Op. 63a-5 (Feb. 5, 1975).

A.G. Op. 63a-5 (Feb. 5, 1975).

DPO 16-006.

Moberg v. Indep. Sch. Dist. No. 281, 336 N.W.2d 510 (Minn. 1983).

DPO 09-020.

A city that wants to hold private interviews with applicants for city employment should first consult with its city attorney.

7. Training sessions

Whether the participation of a quorum or more of councilmembers in a training program should be considered a meeting under the open meeting law would likely depend on whether the program includes a discussion of general training information or a discussion of specific matters relating to an individual city.

The attorney general has advised that a city council's participation in a non-public training program devoted to developing skills at effective communication was not a meeting subject to the open meeting law.

However, the opinion also stated that if there were to be any discussions of specific city business by the attending members, such as where councilmembers exchange views on the city's policy in granting liquor licenses, such discussions would likely violate the open meeting law.

The commissioner of the Department of Administration has likewise advised that a school board's participation in a non-public team-building session to "improve trust, relationships, communications, and collaborative problem solving among Board members," was not a meeting subject to the open meeting law if the members are not "gathering to discuss, decide, or receive information as a group relating to 'the official business' of the governing body."

However, the opinion also advised that if there were to be any discussions of specific official business by the attending members, either outside or during training sessions, it could be a violation of the open meeting law.

8. Telephone, email, and social media

It is possible that communication through telephone calls, email, or other technology could violate the open meeting law. The Minnesota Supreme Court has indicated that communication through letters and telephone calls could violate the open meeting law under certain circumstances.

The commissioner of the Minnesota Department of Administration has advised that back-and-forth email communication among a quorum of a public body in which official business was discussed violated the open meeting law. However, the opinion also advised that "one-way communication between the chair and members of a public body is permissible, such as when the chair or a staff sends meeting materials via email to all board members, as long as no discussion or decision-making ensues."

RELEVANT LINKS:

O’Keefe v. Carter, No. A12-0811 (Minn. Ct. App. Dec. 31, 2012) (unpublished decision). But see DPO 17-005.

Minn. Stat. § 480A.08, subd. 3.

Minn. Stat. § 13D.065.

Moberg v. Indep. Sch. Dist. No. 281, 336 N.W.2d 510 (Minn. 1983). See Section II. H.6. - *Serial meetings*. See DPO 17-005.

In contrast, the Minnesota Court of Appeals, in an unpublished decision, has concluded that email communications are not subject to the open meeting law because they are written communications and are not a “meeting” for purposes of the open meeting law.

The decision also concluded that even if the email messages were subject to the open meeting law, the substance of the emails in question did not contain the type of discussion that would be required for a prohibited “meeting” to have occurred. The decision noted that the substance of the email messages was not important and controversial; instead, it related to a relatively straightforward operational matter. The decision also noted that the town board members did not appear to make any decisions in their email messages.

Because this decision is unpublished, it is not binding on other courts. In addition, the outcome of this decision might have been different if the substance of the emails had related to something other than operational matters, for example, if the emails were attempting to build agreement on a particular issue that was going to be presented to the town board at a future meeting.

In 2014, the open meeting law was amended to provide that “the use of social media by members of a public body does not violate the open meeting law as long as the social media use is limited to exchanges with all members of the general public.” Email is not considered a type of social media under the new law.

The open meeting law does not define the term “social media,” but this term is generally understood to mean forms of electronic communication, including websites for social networking like Facebook, LinkedIn, and MySpace as well as blogs and microblogs like Twitter through which users create online communities to share information, ideas, and other content.

It is important to remember that the use of social media by city councilmembers could result in other claims, in addition to open meeting law claims, such as claims of defamation or of bias in decision making.

As a result, councilmembers should make sure that any comments they make on social media are factually correct, and they should not make any comments demonstrating bias on issues that will come before the council in the future for a quasi-judicial decision, such as the consideration of whether to grant an application for a conditional use permit.

It is also important to remember that serial discussions between less than a quorum of a public body that is subject to the open meeting law could violate the open meeting law under certain circumstances.

RELEVANT LINKS:

[Minn. Stat. § 13.02, subd. 7.](#)

See Handbook, [Records Management](#), for more information about records management.

[Minn. Stat. § 13.072, subd. 1\(b\).](#)
[See DPO for an index of advisory opinions by topic.](#)

Therefore, city councils and other groups to which the open meeting law applies should take a conservative approach and avoid using letters, telephone conversations, email, and other such technology if the following circumstances exist:

- A quorum of the council will be contacted regarding the same matter.
- City business is being discussed.

Another thing councilmembers should be careful about is which email account they use to receive emails relating to city business because such emails would likely be considered government data that are subject to a public-records request under the Minnesota Government Data Practices Act (MGDPA). The best option would be for each councilmember to have an individual email account that the city provides and city staff manage. However, this is not always possible for cities due to budget, size, or logistics.

If councilmembers don't have a city email account, there are some things to think about before using a personal email account for city business. First, preferably only the councilmember should have access to the personal email account. Using a shared account with other family members could lead to information being inadvertently deleted. Also, since city emails are government data, city officials may have to separate personal emails from city emails when responding to a public-records request.

Second, if the account a city councilmember wants to use for city business is tied to a private employer, that private employer may have a policy that restricts this kind of use.

Even if a private employer allows this type of use, it is important to be aware that, in the event of a public-records request under the MGDPA or a discovery request in litigation, the private employer may be compelled to have a search done of a councilmember's email communication on the private employer's equipment or to restore files from a backup or archive.

What may work best is to use a free, third-party email service, such as gmail or Hotmail, for your city account and to avoid using that email account for any personal email or for anything that may constitute an official record of city business since such records must be retained in accordance with the state records-retention requirements.

I. Advisory opinions

1. Department of Administration

The commissioner of the Minnesota Department of Administration has authority to issue non-binding advisory opinions on certain issues related to the open meeting law.

RELEVANT LINKS:

See [Requesting an Open Meeting Law Advisory Opinion from DPO](#).

[Minn. Stat. § 8.07](#).

See [index of Attorney General Advisory opinions from 1993 to present](#).

[Star Tribune Co. v. Univ. of Minnesota Bd. of Regents](#), 683 N.W.2d 274, 289 (Minn. 2004).

[Minn. Stat. § 13D.06, subd. 2. O’Keefe v. Carter](#), No. A12-0811 (Minn. Ct. App. Dec. 31, 2012) (unpublished decision). [Minn. Stat. § 541.07 \(2\)](#).

[Minn. Stat. § 13D.06, subds. 1, 4](#).

[Minn. Stat. § 13D.06, subd. 4](#). See LMC information memo, [LMCIT Liability Coverage Guide](#), Section III-M, Open meeting law and bankruptcy lawsuits, for information about insurance coverage for lawsuits under the open meeting law.

A court or other tribunal must give deference to an advisory opinion. A \$200 fee is required. The Data Practices Office (DPO) of the Department of Administration handles these requests.

A public body subject to the open meeting law can request an advisory opinion from the commissioner. In addition, a person who disagrees with the manner in which members of a governing body perform their duties under the open meeting law can also request an advisory opinion.

2. Minnesota Attorney General

The Minnesota Attorney General is authorized to issue written advisory opinions to city attorneys on “questions of public importance.”

The Attorney General has issued several advisory opinions on the open meeting law.

Opinions of the Attorney General are not binding on the courts but are entitled to careful consideration when they are of long standing.

J. Penalties

An action to enforce the open meeting law may be brought by any person in any court of competent jurisdiction where the administrative office of the governing body is located. In an unpublished decision, the court of appeals concluded that this broad grant of jurisdiction authorized a member of a town board to bring an action against his own town board for alleged violations of the open meeting law.

This same decision also concluded that a two-year statute of limitations applies to lawsuits under the open meeting law.

A councilmember who intentionally violates the open meeting law can be subject to personal liability in the form of a civil penalty of up to \$300. The city may not pay this penalty. A court may take into account a councilmember’s time and experience in office to determine the amount of the penalty.

In addition, a court may award reasonable costs, disbursements, and attorney fees of up to \$13,000 to the person who brought the violation to court. The court may award costs and attorney fees to a city only if the action is found to be frivolous and without merit. A city may pay for any costs, disbursements, and attorney fees awarded.

RELEVANT LINKS:

[Minn. Stat. 13D.06, subd. 4.](#)

[Minn. Stat. § 13D.06, subd. 4 \(d\). *Coalwell v. Murray*, No. C6-95-2436 \(Minn. Ct. App. Aug. 6, 1996\) \(unpublished opinion\). *Elseth v. Hille*, No. A12-1496 \(Minn. Ct. App. May 13, 2013\) \(unpublished opinion\).](#)

[Minn. Stat. § 13D.06, subd. 3. *Claude v. Collins*, 518 N.W.2d 836 \(Minn. 1994\). *Brown v. Cannon Falls Township*, 723 N.W.2d 31 \(Minn. Ct. App. 2006\). *Funk v. O'Connor*, 916 N.W.2d 319 \(Minn. 2018\).](#)

[Minn. Stat. § 13D.06, subd. 3 \(b\) and \(c\).](#)

[Quast v. Knutson](#), 276 Minn. 340, 150 N.W.2d 199 (Minn. 1967).

[Sullivan v. Credit River Township](#), 217 N.W.2d 502 (Minn. 1974). [In re D & A Truck Line, Inc.](#), 524 N.W.2d 1 (Minn. Ct. App. 1994). [Lac Qui Parle-Yellow Bank Watershed Dist. v. Wollschlager](#), No. C6-96-1023 (Minn. Ct. App. Nov. 12, 1996) (unpublished opinion). DPO 11-004.

If a plaintiff prevails in a lawsuit under the open meeting law, an award of reasonable attorney fees is mandatory if the court determines the public body was the subject of a prior written advisory opinion from the commissioner of the Department of Administration, and the court finds that the opinion is directly related to the lawsuit and that the public body did not act in conformity with the opinion.

A court is required to give deference to the advisory opinion in a lawsuit brought to determine whether the open meeting law was violated.

No monetary penalties or attorney fees may be awarded against a member of a public body unless the court finds there was intent to violate the open meeting law.

If a person is found to have intentionally violated this chapter in three or more separate, sequential actions, the person must be removed from office and may not serve in any other capacity with that public body for a period of time equal to the term of office the person was serving.

If a court finds a separate, third violation that is unrelated to the previous violations, it must declare the position vacant and notify the appointing authority or clerk of the governing body.

As soon as practicable, the appointing authority or governing body shall fill the position as in the case of any other vacancy.

The open meeting law does not address whether actions taken at an improper meeting would be invalid. The Minnesota Supreme Court once held that an attempted school district consolidation was fatally defective when the initiating resolution was adopted at a meeting that was not open to the public.

However, in more recent decisions, Minnesota courts have refused to invalidate actions taken at improperly closed meetings. The Minnesota Supreme Court has noted that the open meeting law does not provide for such a remedy because the open meeting law “does not specify that actions taken at a meeting which is not public shall be invalid.”

III. Meeting procedures

A. Agendas

The city clerk generally prepares an agenda for council meetings. The agenda is then given to councilmembers and other interested individuals such as department heads and citizens.

The agenda establishes the order in which the matters will be addressed during the meeting.

Many city councils have found the following order of business convenient:

- Call to order.
- Roll call.
- Approval of minutes from previous meeting.
- Consent agenda.
- Petitions, requests, and complaints.
- Reports of officers, boards, and committees.
- Reports from staff and administrative officers.
- Ordinances and resolutions.
- Presentation of claims.
- Unfinished business.
- New business.
- Miscellaneous announcements.
- Adjournment.

1. Consent agenda

The consent agenda or consent calendar is used by many city councils to help shorten the length of meetings by using time more efficiently. A consent agenda typically groups together many items that are routine and uncontroversial. Although the council must take action on these items, they do not require further discussion.

Examples of items typically included in a consent agenda are the approval of the minutes of the previous meeting, the setting of the next meeting date, approval of routine expenditures, and the final approval of licenses and permits.

The council generally approves all items on the consent agenda with the passage of one motion. If there is any item on the consent agenda that a councilmember feels needs further discussion, it is removed from the consent agenda and dealt with individually. It may be placed anywhere within the regular agenda.

RELEVANT LINKS:

[Minn. Stat. § 13D.04, subd. 1.](#)
[Minn. Stat. § 412.191, subd. 2.](#)

[Minn. Stat. § 13D.04, subd. 2.](#)
See section I.B. - *Special meetings. Elseth v. Hille*, No. A12-1496 (Minn. Ct. App. May 13, 2012) (unpublished opinion). *Claude v. Collins*, 518 N.W.2d 836 (Minn. 1994). DPO 10-013.

[Minn. Stat. § 13D.04, subd. 3.](#)
See section I.C.-*Emergency meetings.*

[Minn. Stat. § 15.17.](#)

The consent agenda may be a valuable tool for city councils that have to deal with many routine matters. Some city councils may need to amend their bylaws to allow the use of this procedure.

2. Discussing items not on the agenda

Whether the council can discuss an item that was not included on the agenda is a question that may not have a clear answer. In part, the answer may depend upon the type of meeting and the meeting rules the council has adopted.

Cities should first check any rules the council has adopted and any charter provisions, if the city is a home rule charter city. These local items may give more specific guidance where state law is vague.

a. Regular meetings

State statutes do not specifically address the ability of city councils to address items that are not on the agenda at a regular meeting.

However, it seems to be common practice for councils to address items that were not originally on the agenda of a regular meeting by providing for a time for miscellaneous items on the agenda.

b. Special meetings

The open meeting law requires cities to give notice of a special meeting to the public. This notice must include the date, time, place, and purpose of the meeting. At the special meeting, councilmembers should only address the specific issue or issues that the notice lists as the purpose of the meeting.

c. Emergency meetings

The open meeting law requires that the notice provided for an emergency meeting must include the subject of the meeting. Councils should avoid discussing other topics. The open meeting law also provides that if matters not directly related to the emergency are discussed or acted upon in an emergency meeting, the meeting minutes shall include a specific description of the matters.

B. Minutes

City officers must keep all records necessary to provide a full and accurate knowledge of their official activities.

RELEVANT LINKS:

[Minn. Stat. § 412.151, subd. 1.](#)
[Whalen v. Minneapolis Special Sch. Dist. No. 1](#), 309 Minn. 292, 245 N.W.2d 440 (Minn. 1976).

A.G. Op. 470-c (Feb. 18, 1959).

[Minn. Stat. § 412.221, subd. 1.](#) [Minn. Stat. § 15.17, subd. 1.](#) See section on electronic records in Handbook, [Records Management](#). See also Chapter 1 of [Managing Your Government Records: Guidelines for Archives and Agencies](#), Minnesota Historical Society.

[Minn. Stat. § 412.151, subd. 1.](#)

For more information, see LMC information memo, [Data Practices: Analyze, Classify, Respond](#).

[Minn. Stat. § 13D.01, subd. 4.](#)
[Minn. Stat. § 331A.01, subd. 6.](#)
[Minn. Stat. § 15.17, subd. 1.](#)
[Minn. Stat. § 412.151, subd. 1.](#)
[Minn. Stat. § 412.191, subd. 3.](#)

A statutory city clerk must record the minutes of council proceedings. In the clerk's absence, the council should delegate the duty of taking minutes for that meeting. Generally, the clerk has wide discretion as to how to keep the minutes. A verbatim record of everything that was said is not normally required. However, in any case where the law or charter requires a word for word record, using a tape recorder instead of a court reporter to accomplish that objective is probably valid.

Minutes should be written in language average people can understand. Reference to numbers of ordinances, resolutions, and other matters should include a brief description of their subject matter.

If the council finds a mistake in the minutes of the previous meeting, the clerk should correct the minutes. If the clerk declines to make the correction, the council can order the change by motion and a vote. The clerk must then make the change and show in the minutes that the change was made by order of the council.

The council may provide books and stationery for keeping minutes. State law requires all cities to keep minutes on a physical medium that is of a quality that will ensure permanent records. It appears that a city may keep minutes and other official records in an electronic format if the format is of a quality that will ensure permanent records.

Because minutes would likely be considered official papers of the city, they should be signed by the clerk. Although not required by law, in many cities the mayor also signs the minutes after the council approves them. If the minutes include only a clipping from the published proceedings, the clerk should sign the clipping even though the signatures of the clerk and mayor are already printed on the clipping. Minutes of open meetings are public records and must be available for public view at any reasonable time.

1. Required contents

The following items must be included in the minutes:

- The members of the public body who are present.
- The members who make or second motions.
- Roll call vote on motions.
- Subject matter of proposed resolutions or ordinances.
- Whether the resolutions or ordinances are defeated or adopted.
- The votes of the members of the council.
- The votes of each member, including the mayor must be recorded on each appropriation of money, except for payments of judgments, claims, and amounts fixed by statute.

RELEVANT LINKS:

See Office of the State Auditor, [Statement of Position: Meeting Minutes](#), Jan. 2014.

2. Other items that should be in the minutes

The Office of the State Auditor has also recommended that meeting minutes include the following information in addition to the information required by state statute.

- Type of meeting (regular, special, emergency, etc.)
- Type of group meeting (city council, planning committee, etc.)
- Date and place the meeting was held.
- Time the meeting was called to order.
- Approval of minutes of the previous meeting, with any corrections.
- Identity of parties to whom contracts were awarded.
- Abstentions from voting due to a conflict and the member's name and reason for abstention.
- Reasons the governing body awarded a particular contract to a bidder other than the lowest bidder.
- Granting of variances and special use permits.
- Approval of hourly rates paid for services provided, mileage rates, meal-reimbursement amounts, and per diem amounts.
- Listing of all bills allowed or approved for payment, noting the recipient, purpose, and amount.
- List of all transfers of funds.
- Appointments of representatives to committees or outside organizations.
- Reports of the officers.
- Authorizations and directions to invest excess funds, information on investment redemptions and maturities.
- Time the meeting concluded.

3. Making a good record

It is important to make a good record of council decisions and of the factual information on which councilmembers base their decisions. Minutes are the primary record of the decision-making process and are critical if council actions are challenged.

Council actions are generally classified as either legislative or administrative. The establishment of general policies and procedures is legislative action and is subject to limited judicial review. Courts typically will not substitute their judgment for a council's judgment on these topics.

Administrative or quasi-judicial actions involve the application of a general policy to a specific person or situation. An example of a quasi-judicial decision is a city council's decision regarding whether an applicant has satisfied the criteria for the issuance of a conditional use permit.

RELEVANT LINKS:

[Swanson v. City of Bloomington](#), 421 N.W.2d 307 (Minn. 1988).
[Dietz v. Dodge County](#), 487 N.W.2d 237 (Minn. 1992).
See Handbook, [Comprehensive Planning, Land Use, and City-Owned Land](#), section III for more information about findings of fact.

[DPO 94-026](#).

[Minn. Stat. § 412.191, subd. 3.](#)
[Minn. Stat. § 331A.08, subd. 3.](#)

Administrative actions are subject to greater judicial scrutiny and will be set aside if they are arbitrary or unreasonable. Therefore, it is important for the council to develop a good record with findings of fact to support this type of decision.

The term “findings of fact” is commonly used to refer to a public body’s written explanation supporting a particular decision. Making a record of a city council’s findings of fact can help a city defend its decisions if they are challenged.

When the city council or other public body holds a hearing, the record usually consists of two separate parts: the transcript, which preserves testimony, and the final order or determination. Following is a sample outline of the different parts of a record supporting a city council’s decision on an application for a conditional use permit.

- A caption or title, such as, “In the matter of Mr. X’s application for a conditional use permit.”
- A preamble that summarizes the council’s actions at the hearing and states the purpose of the application.
- Findings of fact (individually numbered).
- Conclusions or reasons supporting the decision.
- A decision.
- A copy of the transcript, tape recording or, at a minimum, detailed minutes including all objections and rulings.

4. Approval of minutes by council

Although it is not statutorily required, the council generally approves the minutes at the next council meeting. After the minutes have been approved, they become the official permanent record of the council meeting.

Someone may request a copy of the minutes before the council approves them. The draft of the minutes is public data, and the clerk must give out such information if someone requests it, but should clarify that the draft minutes have not been officially approved.

5. Publication

A statutory city with a population of 1,000 or more must publish the council’s official proceedings or a summary of them in its official newspaper within 30 days after every regular and special meeting.

RELEVANT LINKS:

[Minn. Stat. § 331A.01, subd. 10.](#)

[Minn. Stat. § 412.191, subd. 2.](#)

See [Minnesota Mayors Handbook](#) for sample Rules of Order for City Councils.

If the city council conducts regular meetings not more than once every 30 days, however, it need not publish the meeting minutes until 10 days after the council has approved them. A less expensive alternative is also available; instead of publishing the minutes, the city may mail a copy, at city expense, to any resident upon request. Statutory cities with a population of less than 1,000 are exempt from both of these requirements. Home rule charter cities should check their charters for any publication requirements.

If a statutory city chooses to publish a summary or condensed version of the official minutes, it must meet the following criteria:

- It must be written in a clear and coherent manner.
- It must avoid the use of technical or legal terms not generally familiar to the public.
- The publication must indicate it is only a summary.
- The publication must indicate the full text of the minutes is available for public inspection at a designated location.

C. Rules of order

The city council has the power to regulate its own procedure, including meeting procedures. The most efficient and effective way to manage meetings and reduce the risk of mishandling important matters is by adoption of, and general adherence to, rules of order. These are rules designed to preserve order, expedite business, and protect the rights of those involved in making decisions. Rules of order are also referred to as parliamentary rules of procedure, parliamentary procedure, rules of procedure or procedural rules. The best rules of order are written, formally adopted and easy enough to allow every member to participate as fully as possible. It's very important to adopt written rules of order before there is a problem that rules of order could solve. If a meeting becomes contentious for whatever reason, it may be impossible to get back on track if there isn't already agreement on how the meeting should proceed.

Most cities formally or informally follow some version of Robert's Rules of Order, even though these rules are long, complicated and not ideally suited for smaller bodies made up of individuals with limited time or experience in rules of order. The League and Minnesota Mayor's Association provide a sample of simplified rules of order (complete with a 2-page cheat sheet) in the *Minnesota Mayor's Handbook*.

D. Audience participation

The people attending a council meeting do not normally take part in the council's discussion at a meeting. Only city councilmembers and the elected city clerk in Standard Plan statutory cities can make motions and vote at council meetings.

RELEVANT LINKS:

[*834 VOICE v. Indep. Sch. Dist. No. 834*, 893 N.W.2d 649 \(Minn. Ct. App. 2017\).](#)

However, many city councils schedule a portion of their meeting for public comment. This is often referred to as an open forum. During this part of the meeting the chair of the council will recognize members of the audience to speak briefly on topics that concern them.

If a large number of audience members wish to speak, the meeting may not progress efficiently. Likewise, if one person spends a long time expressing his or her view, others may not get the opportunity to present their views. The following sections discuss ways to address some of these problems.

1. Limiting time

Some councils have addressed this problem by placing a limit on the amount of time audience members are allowed to speak at a meeting. For example, the council may ask people to limit their remarks to no more than three minutes or allow only a specified number of people to speak.

A number of cities have established rules or guidelines that citizens must follow when speaking at a meeting. Often, the speaker must notify the city at least one day in advance so that he or she can be put on the agenda. When a person notifies the city of his or her desire to speak at the meeting, he or she is given a copy of the “rules of conduct,” which lists the time limit for speaking and any other city limitations. This gives the person time to plan his or her speech so it fits within the time limit. The mayor then reminds the speaker of the time limit before the speaker begins to speak. Some cities will have a clock visible to the speakers so they can see when their time for speaking is over.

2. Limiting topic

Another option may be to limit the scope of comments to those matters being addressed by the council at the specific meeting.

While this may be a way to focus the meeting on the matters being addressed by the council, it might also keep people from making the council aware of any new issues. Cities considering this approach might need to allow for other ways for people to bring up other topics.

Some cities will establish general rules outlining when citizens may speak at council meetings. Often these guidelines will require that the topic be identified in writing a few days before the actual meeting. The specific topic and the speaker’s name are then put on the agenda. Such procedures are helpful in allowing the council to plan an efficient meeting and to prepare a response to the issue if needed. It also helps to remind the speaker that he or she may only address those issues on the agenda.

RELEVANT LINKS:

[Minn. Stat. § 412.191, subd. 2.](#)

[Steinburg v. Chesterfield County Planning Comm'n](#), 527 F.3d 377 (4th Cir. 2008).
[State v. Occhino](#), 572 N.W.2d 316 (Minn. Ct. App. 1997).

[Minn. Stat. § 609.72, subd. 1\(2\)](#). Note: The Minnesota Supreme Court held that Minn. Stat. § 609.72, subd. 1(2) is unconstitutional, in violation of the First Amendment, because it is overbroad. See [State v. Hensel](#), 901 N.W.2d 166 (Minn. 2017). [State v. Guy](#), 242 N.W.2d 864 (Neb. 1976).

[Minn. Stat. § 412.191, subd. 1.](#)

[Minn. Stat. § 412.191, subd. 2.](#)
[Minn. Stat. § 412.121.](#)

E. Maintaining order

A statutory city council is authorized to preserve order at its meetings. The mayor, as the presiding officer, is also vested with some authority to prevent disturbances.

While council meetings must be open to the public, no one who is noisy or unruly has a right to remain in the council chambers. When the council decides that a disorderly person should not remain in the meeting hall, the police may be called to execute the orders of the presiding officer or the council.

No matter how disorderly the meeting, it will still be a legal meeting and any action taken at it in proper form will be valid.

If the audience becomes so disorderly that it is impossible to carry on a meeting, the mayor has the right to declare the council meeting adjourned to some other time (and place, if necessary). The members of the council can also move for adjournment.

If the mayor is not conducting the meeting in an orderly fashion, there is relatively little the other councilmembers can do to control the action of the presiding officer. However, a majority of the council can force adjournment if they feel it is necessary.

A person who disturbs a lawfully held public meeting may be guilty of disorderly conduct. Any conduct that disturbs or interrupts the orderly progress of council proceedings is a disturbance that may generally be prevented, or punished if an ordinance violation is involved.

F. Role of Mayor, Clerk, and City Manager

1. Mayor

The mayor of a statutory city is a member of the council, and has the same right to vote and make and second motions at meetings as the other council members.

The mayor is the presiding officer of the meeting. In the absence of the mayor, the acting mayor must perform the duties of the mayor. The acting mayor is chosen at the first meeting of each year.

RELEVANT LINKS:

[Minn. Stat. § 412.191, subd. 1.](#)

[Minn. Stat. § 412.651, subd. 5.](#)

[Minn. Stat. § 13D.01, subd. 4.](#)

A.G. Op. 471e (Sept. 18, 1962). A.G. Op. 471e (Aug. 20, 1962).

[Mankato Free Press v. City of Mankato](#), 563 N.W.2d 291 (Minn. Ct. App. 1997).

In some charter cities, the mayor might abstain from voting or participating unless there is a deadlock. This practice can help to preserve the neutrality of the chair of the meeting. However, counting votes at a meeting where a member abstains can sometimes be tricky.

In some charter cities, the mayor has veto power. Charter cities should consult their charters for more information.

2. Clerk

In a Standard Plan statutory city, the clerk is an elected member of the council. As such, he or she has the same voting powers and other privileges as do the other councilmembers. Like the mayor, the clerk in a Standard Plan city is able to make and second motions.

In Plan A or Plan B statutory cities, the clerk is not a member of the council, and therefore, cannot vote or participate in council proceedings. Again, home rule charter cities may have different provisions in their charters.

3. City managers

In a Plan B statutory city, the city manager must attend all council meetings.

He or she has the right to take part in the discussions, but not to vote. The council has the power to exclude the city manager from any meeting at which the manager's removal is considered.

4. Voting

City councils meet to discuss matters relating to city business and to make decisions for the city. When a matter is brought to a vote, the votes must be recorded in the minutes. The vote of each individual councilmember (including the mayor) must also be recorded on each appropriation of money, except for the payment of judgments, claims, and amounts fixed by statute.

Because of this requirement, city councils may not vote by secret ballot on matters addressed at council meetings unless the vote can be taken in such a manner that would comply with the statute's requirement.

In addition, The Minnesota Court of Appeals has concluded that secret voting violates the purposes of the open meeting law. The Court of Appeals reasoned that a meeting is not "open" to the public if voting is conducted in secret because it denies the public the right to observe the decision-making process, to know councilmembers' stance on issues, and to be fully informed about the council's actions.

RELEVANT LINKS:

[Minn. Stat. § 412.191, subd. 1.](#)
[Minn. Stat. § 645.08 \(5\).](#)

[Minn. Stat. § 412.191, subd. 4.](#)

[Minn. Stat. § 462.357, subd. 2.](#)

[Minn. Stat. § 462.355, subd. 3.](#)
[Minn. Stat. § 462.354, subd. 1.](#)
[Minn. Stat. § 462.356, subd. 2.](#)

a. Counting votes

Most of the time, a city council acts by majority vote; however, sometimes a simple majority vote is not enough for a matter to pass. Depending upon the matter before the council, more votes may be needed. Likewise, a home rule charter city may have additional requirements in its charter.

(1) Entire council is present

When the entire council is present and all members vote, it is generally simple to determine if a matter has passed.

(a) Achieving a quorum

A majority of the members of a statutory city council shall constitute a quorum. Obviously, when all members are present, a quorum has been achieved.

(b) Motions and resolutions

A majority of the quorum is needed to pass most motions and resolutions. Since most statutory cities have a five-member council, this means that three votes are normally needed if all members are present and voting.

In a statutory city with a seven-member council, it would take at least four votes to pass most motions or resolutions if all members are present and voting.

(c) Most ordinances

A simple majority vote of an entire statutory city council is needed to pass most ordinances, regardless of the number of councilmembers present. This means that three votes are needed to pass an ordinance in a city with a five-member council. In a statutory city with a seven-member council, four votes are needed to pass most ordinances. However, some ordinances require more than a simple majority vote.

(d) Situations where statutes require extraordinary votes

Several statutes require more than a simple majority to take certain kinds of actions. The following are some examples:

- Adoption or amendment of zoning ordinances that change existing zoning from residential to commercial or industrial.
- Adoption or amendment of comprehensive plans.
- Abolishment of a planning agency.
- Some capital improvements and acquisition or disposal of real property if the city has a comprehensive plan.

RELEVANT LINKS:

Minn. Stat. § 471.88.
See LMC information memo,
Official Conflict of Interest.

Minn. Stat. § 429.031, subds.
1, 2.
Minn. Stat. § 410.12, subds.
6, 7.
Minn. Stat. § 412.191, subd.
4.
Minn. Stat. § 412.501.
Minn. Stat. § 412.851.
Minn. Stat. § 412.221, subd.
16.

State v. Hoppe, 194 Minn.
186, 260 N.W. 215 (Minn.
1935). A.G. Op. 63-b-14 (Jan.
14, 1970). A.G. Op. 161-A-
20 (July 3, 1974).

Minn. Stat. § 412.191, subd.
1.
Minn. Stat. § 645.08(5).

- Contracts that are allowed even though one of the officers has a personal financial interest. Generally, a councilmember may not have a financial interest in a city contract. However, the statutes allow certain exceptions to this rule. If such a contract is permitted under an exception, the statute requires that it be approved by unanimous vote of the council. In some cases, state law specifically requires an interested officer to abstain from voting, but it is probably advisable for an interested officer to abstain from discussion and voting, regardless of whether the statute specifically requires it.
- Some local improvements that will be paid for with special assessments.
- Some types of charter amendments.
- Summary publication of ordinances in statutory cities.
- Abolishing or changing the size of a statutory city park board.
- Some street vacations.
- Abolishment of a hospital board.

Home rule charter cities may have other supermajority vote requirements in their charters.

(2) Vacancies

A vacancy temporarily reduces the size of the council; therefore, when there is a vacancy on a five-member council, the entire council consists of four people. For actions that require approval by a specified portion of the council, the required number of votes is calculated using the current number of seats that are filled.

(a) Achieving a quorum

Since a majority of a statutory city council is needed to achieve a quorum, a vacancy can affect the number of members that must be present in order to hold a meeting. One vacancy on a five-member council would not reduce the number of members needed to achieve a quorum (since both a majority of five and a majority of four is three).

However, if there were two vacancies on a five-member council, the council would consist of three members and a majority of the council would be two members.

(b) Motions and resolutions

Since most motions and resolutions must be approved by a majority of those present at a meeting, a vacancy generally will have the same effect as an absence. A majority of those present must vote to approve in order for most motions and resolutions to pass.

RELEVANT LINKS:

[Minn. Stat. § 412.191, subd. 4.](#)

A.G. Op. 63a-11 (Oct. 20, 1966).

Tracy Cement Tile Co. v. City of Tracy, 143 Minn. 415, 176 N.W. 189 (Minn. 1919).

[Minn. Stat. § 412.191, subd. 1.](#)
[Minn. Stat. § 645.08\(5\).](#)

Jensen v. Indep. Consol. Sch. Dist. No. 85, 160 Minn. 233, 199 N.W. 911 (Minn. 1924).
A.G. Op. 471-M (Oct. 30, 1986). A.G. Op. 161-A-20 (June 3, 1987).
[Minn. Stat. § 645.08\(5\).](#)

[Minn. Stat. § 412.191, subd. 4.](#)

(c) Most ordinances

Since most ordinances must be approved by a majority of the entire council, vacancies on the council can affect the number of votes needed to pass an ordinance. For example, if there were two vacancies on a five-member council, the entire council would consist of three members. In this case, a majority of the entire council would be two rather than three.

(d) Situations where statutes require extraordinary votes

If a statute or charter provision requires a specific number of votes (rather than a percentage of the council), the vacancy probably won't affect the required numbers of votes.

(3) Absences

A councilmember's absence from a meeting does not affect the number of votes needed if a statute requires an affirmative vote by a specified portion of the entire council.

(a) Achieving a quorum

Absences can certainly affect the ability of a city council to achieve a quorum, since a majority of a statutory city council is needed to achieve a quorum. For example, if one or two members of a five-member council are absent, the three remaining councilmembers would constitute a quorum. However, if three members are absent, the remaining two members would not be able to hold a meeting because a quorum would not be present.

(b) Motions and resolutions

Since most motions and resolutions must be approved by a majority of those present in order to pass, an absence can affect the number of votes needed. The general rule is that if a quorum is present, a majority of the quorum can pass any action unless a statute or charter provision requires a larger number. The fewer members present, the fewer needed to constitute a majority.

For example, if two members of a five-member council are absent, the remaining three constitute a quorum. A 2-1 vote is sufficient to pass most motions at such a meeting. However, if all five members are present, at least three votes would be needed to pass the same motion.

(c) Most ordinances

The absence of a councilmember from a meeting does not affect the number of votes needed if the statutes require that a specified portion of the entire council is needed to approve an action.

RELEVANT LINKS:

A.G. Op. 161-A-20 (June 3, 1987). A.G. Op. 471-M (Oct. 30, 1986).

[Minn. Stat. § 412.191, subd. 4.](#)

For example, it takes a majority of the entire council to pass an ordinance in a statutory city. In most statutory cities, a majority is three votes. If one councilmember is absent, it would still take a majority of the entire council (or three votes) to pass the ordinance.

(d) Situations where statutes require extraordinary votes

The absence of a councilmember will not affect the number of votes needed if a statute requires approval by a specific number of votes or a certain portion of the entire council.

(4) Abstentions

Sometimes a councilmember who is present at a meeting will choose not to vote on a matter before the council. In some home rule charter cities, a mayor might not vote unless there is a tie. If a councilmember or mayor does not vote, it is recorded in the minutes as an abstention. How the abstention should be considered can sometimes depend upon the reason for the member's abstention.

(a) Achieving a quorum

Whether or not a councilmember abstains would not appear to have an effect on whether or not a quorum exists, and the meeting may be held.

(b) Motions and resolutions

Generally, a motion or resolution is passed if the majority of those voting vote in favor of it. It's not entirely clear, however, if a court would apply this rule to the extreme case where a quorum is present but because of abstentions the number of affirmative votes is less than a majority of the quorum. Again, it may depend upon the reason behind the abstention.

(c) Most ordinances

An abstention by one or more councilmembers does not reduce the number of votes needed if a statute or charter provision specifies a certain number of votes.

For example, in a statutory city with a five-member council, three affirmative votes are needed to pass most ordinances; two "yes" votes and three abstentions are not enough.

However, if the abstention is required because a councilmember is disqualified from voting (such as when one member has a personal interest in the matter being considered by the council), the abstention is treated like a vacancy. In this type of situation, the size of the council is temporarily reduced.

RELEVANT LINKS:

[Ram Dev. Co. v. Shaw](#), 309 Minn. 139, 244 N.W.2d 110 (Minn. 1976).

[1989 Street Improvement Program v. Denmark Township](#), 483 N.W.2d 508 (Minn. Ct. App. 1992).

[Minn. Stat. § 13D.02.](#)
[Minn. Stat. § 13D.021.](#)

[Minn. Stat. § 13D.021.](#) [Minn. Stat. § 13D.02.](#)
[DPO 13-009.](#)

(d) Situations where statutes require extraordinary votes

An abstention by one or more councilmembers does not reduce the number of votes needed if the statutes require the affirmative vote of a specific number or proportion of the entire council. For example, in a case where a seven-member board attempted to pass a zoning amendment that required a two-thirds vote of its members, three members abstained and four voted in favor of the amendment. The court ruled that this vote was not sufficient to pass the ordinance.

(e) Councilmembers who have a disqualifying interest

Councilmembers who have a disqualifying interest are generally excluded when counting the number of votes needed to approve an action by a supermajority vote. An example of such a situation was a local improvement project where two town board members owned property that was going to be assessed for the improvement. The court found it was proper for the two to abstain in this case, and that three affirmative votes were sufficient to meet the four-fifths majority vote requirement.

Although councilmembers may be tempted to abstain from voting on a controversial matter, they should remember that the abstention will ultimately tend to pass or defeat the matter. The best advice is to avoid the kinds of problems that can arise from abstentions and vote, unless an abstention is required because a councilmember has a personal interest in the matter.

b. Long-distance voting

Although the open meeting law permits meetings to be held by interactive television, and in the case of a health pandemic or an emergency, permits meetings to be held by telephone or other electronic means, the use of other types of technology to vote while not physically present at a meeting have not yet been authorized.

(1) Voting by proxy

Sometimes councilmembers who are not able to be at a meeting want to vote on a matter that will be addressed at the meeting.

State law does not permit a statutory city councilmember to vote by proxy. Home rule charter cities may find permission in their charters.

(2) Voting by phone

Likewise, unless there is a health pandemic or an emergency, state law does not authorize a councilmember to phone-in a vote or to participate in the meeting by conference call,

RELEVANT LINKS:

[Minn. Stat. § 412.191, subd. 1.](#)
[Minn. Stat. § 645.08 \(5\).](#)

[Minn. Stat. § 211B.10, subd. 2.](#)

[A.G. Op. 471-E \(Jan. 21, 1942\).](#)

or other electronic means unless it satisfies the requirements for use of interactive television.

G. Attendance of councilmembers

It is important for all councilmembers to attend their city council meetings. When members are absent from a meeting, it can be difficult for the council to conduct business. Such difficulties can include the inability of the council to achieve a quorum, the difficulty in getting the needed number of votes to approve an action, and the difficulty in counting votes.

In statutory cities, a majority of all the councilmembers constitutes a quorum. This means that at least three members of a five-member council or four members of a seven-member council must be present in order for the council to hold a meeting. Home rule charter cities may have different quorum requirements.

1. Time off from employment

An elected official must be given time off from employment to attend meetings that are required because of the office. The time off may be with or without pay.

If the time off is without pay, the employer must try to allow the person to make up the hours at another time when he or she is available. An employer cannot retaliate against an employee who must take time off to attend such meetings.

2. Non-attendance

Sometimes, a city council will find that a councilmember is not attending council meetings. The absences may be due to a variety of reasons, such as illness, extended vacations, or refusal to attend. Whatever the reason, such extended absences can make it difficult for the council to do its job. This section discusses some things city councils can consider to remedy this type of problem.

a. Reprimands

The attorney general has indicated a city council could reprimand a councilmember for missing meetings.

The council would do this by passing a resolution. While such a reprimand might create political pressure and embarrassment for the absent councilmember, it won't necessarily compel the councilmember to attend meetings.

RELEVANT LINKS:

[Minn. Stat. § 412.191, subd. 2.](#)

[Minn. Stat. Ch. 586.](#)

[Minn. Stat. § 43A.17, subd. 10.](#)

[Minn. Stat. § 412.191, subd. 2.](#)

[Minn. Stat. § 412.02, subd. 2b.](#)

b. Compelling attendance

State law authorizes a statutory city council to compel the attendance of its members and punish them for non-attendance. Unfortunately, it is not clear how this power should be exercised.

It might be possible to compel the attendance of a councilmember through a mandamus action, which is a court order to force a public officer to perform a specific duty of his or her office. This type of remedy may be pursued by the city, individual councilmembers, or a citizen. However, city officials should consult with their city attorney before considering this approach.

c. Council pay

State law prohibits cities from diminishing a councilmember's pay for absences because of illness or vacation. As a result, if the council's salary is set at a monthly or annual salary, the councilmembers are entitled to receive that pay if they fail to attend meetings because of illness or vacation.

On the other hand, it might be possible to set council compensation on a per-meeting basis. It should be noted that this state statute has not yet been interpreted by the courts or the attorney general.

d. Fines

A system of fines may be an option a statutory city council could use to punish a councilmember for non-attendance. If a city wants to use this approach, it should adopt an ordinance or rule establishing a system of fines for missing meetings. However, as discussed above, a city cannot diminish a councilmember's salary for absences that are the result of illness or vacation.

e. Temporary replacement of councilmembers

Statutory cities have an option to temporarily replace a councilmember under certain circumstances. A vacancy in the office of mayor or councilmember may be declared by the council if either of the following occurs:

- An officeholder is unable to serve in the office or attend council meetings for a 90-day period because of illness.
- An officeholder refuses to attend council meetings for a 90-day period.

If either of these conditions occurs, the council may declare a vacancy to exist and fill it at a regular or special council meeting. The vacancy may be filled for the remainder of the unexpired term or until the person is able to resume duties and attend council meetings, whichever is earlier.

RELEVANT LINKS:

[Minn. Stat. § 410.33.](#)

A.G. Op. 450-A-11 (March 6, 1957).

A.G. Op. 434-A-2 (July 14, 1955).
[Minn. Stat. § 412.02, subd. 2b.](#)

A.G. Op. 434-A-2 (July 14, 1955).

[Minn. Stat. § 609.43.](#)

[Minn. Stat. § 351.02.](#)

[Minn. Stat. § 144.414, subd 1.](#)
[Minn. Stat. § 144.412.](#)

When the person is able to resume duties and attend council meetings, the council shall by resolution remove the temporary officeholder and restore the original officeholder.

Home rule charter cities may use the same procedure described in this statute if their charter is silent on the matter.

f. Abandonment of office

Continued failure to attend council meetings may be grounds for a city council to find that an office has been abandoned and declare that the office is vacant. The attorney general has described abandonment as a form of resignation and indicated that the officer's intent is a key issue in determining whether there has been an abandonment of the office.

Whether an office has actually been abandoned is a question of fact that must be determined on a case-by-case basis. The attorney general has said that mere absence by itself does not mean that the office has been abandoned. Following a 90-day period, the office may be declared vacant and the officer replaced on a temporary basis. There are no clear guidelines as to how long a councilmember must be absent in order for the office to be considered permanently vacant.

If the city council believes that the absent councilmember has abandoned the office, it can pass a resolution making this finding. The council should first give the absent councilmember notice and an opportunity to be heard. A city council that is considering declaring an office vacant due to abandonment should first consult with its city attorney.

g. Criminal penalties

It is a gross misdemeanor for a public officer to intentionally fail to perform a known mandatory, nondiscretionary, ministerial duty of his or her office. It is arguable that attending council meetings might fall into this category of duties for councilmembers.

This type of remedy may be an extreme measure. Conviction may constitute a violation of the councilmember's oath of office, which would result in the office being vacant. Again, a city council that is considering this remedy should first consult with its city attorney.

H. Meeting room

1. Smoking

The Minnesota Clean Indoor Air Act prohibits smoking at a public meeting to protect city employees and the public from the hazards of secondhand

RELEVANT LINKS:

Minn. Stat. § 363A.12.
42 U.S.C. §§ 12101-12213.
See U.S. Department of Justice, Civil Rights Division, *The ADA and City Governments: Common Problems* (2008).
Bahl v. Ramsey County, 695 F.3d 778 (8th Cir. 2012).
Loye v. Dakota County, 625 F.3d 494 (8th Cir. 2010).

Minn. Stat. § 145.905.

Minn. Stat. § 617.23.

A.G. Op. 63a-5 (Dec. 4, 1972).

Minn. Stat. § 13.03, subd. 1.
Minn. Stat. § 13.02, subd. 7.
Minn. Stat. § 13D.03, subd. 2(b).

Minn. Stat. § 13D.05, subd. 1(d).
See Part II.G. – *Open meeting law exceptions*.

Minn. Stat. § 363A.12.
42 U.S.C. §§ 12101-12213.
28 C.F.R. § 35.160.
See *Effective Communication*, U.S. Department of Justice.

smoke and involuntary exposure to aerosol or vapor from electronic delivery devices. This prohibition also applies to the use of electronic cigarettes.

2. Accessibility

Both the meeting and the meeting room must be accessible. To ensure accessibility, the meeting should be located in a room that all people, including people with mobility impairments, will be able to reach. Cities may also need to have individuals sign for people with hearing loss and have written materials available in large print, Braille or audio cassette for people with sight impairments.

3. Nursing

Minnesota Statute allows a mother to breast feed in any location, public or private, where the mother and child are otherwise authorized to be, irrespective of whether the nipple of the mother's breast is uncovered during or incidental to the breast-feeding.

Additionally, it is not a violation of the indecent exposure statute for a woman to breast feed.

I. Broadcasting and recording of meetings

The attorney general has advised that the public may tape record a meeting if it will not have a significantly adverse effect on the order of the meeting or impinge on constitutionally protected rights. Neither the public body nor any councilmember may prohibit dissemination or broadcast of the tape.

A city may tape record or videotape a meeting. The tape is a city record and must be kept in accordance with the city's record-retention policy. As a city record, such a tape must also be made available to the public if it contains public data.

Even though video tapes and sound recordings may indicate word for word what occurred at a meeting, they are not the official record of the meeting. The approved minutes are the official record of the meeting.

All closed meetings, except those closed as permitted by the attorney-client privilege, must be electronically recorded at the expense of the public body. Unless a different time period is provided by law, the recordings must be preserved for at least three years after the date of the meeting.

Many cities broadcast their council meetings over cable television. Such broadcasts may need to be closed-captioned or signed in order to provide effective communication for persons with disabilities.

RELEVANT LINKS:

[28 C.F.R. § 35.160.](#)
[Bahl v. Ramsey County](#), 695
F.3d 778 (8th Cir. 2012).
[Loye v. Dakota County](#), 625
F.3d 494 (8th Cir. 2010).

[Minn. Stat. § 412.191, subd.
2.](#)

[U.S. Const. amend. 1.](#)
[Minn. Const. art. 1, § 16.](#)

[Bogen v. Doty](#), 598 F.2d 1110
(8th Cir. 1979).

[Town of Greece, N.Y. v.
Galloway](#), 572 U.S. 565
(2014).

While the Americans with Disabilities Act has always required cities to provide auxiliary aids and services when necessary to ensure effective communication, federal regulations now specifically allow for the use of video remote interpreting services as long as the city complies with certain performance standards addressing high-speed internet connection, video and audio quality, and user training.

The regulations also provide guidance on cities' obligations to communicate with disabled family members and other companions and on using children as interpreters (which is prohibited unless no other interpreter is available and an emergency situation exists). A city should never require an individual to bring his or her own interpreter, but may honor a specific request to allow an adult accompanying a disabled individual to interpret where reliance on that person is appropriate.

J. Prayer and city council meetings

City councils sometimes start their meetings with a prayer or religious invocation offered by someone who is not on the council. Courts generally refer to this as "legislative prayer." City councils have authority to choose whether to include legislative prayer at their meetings. City councils that want to set a serious tone for their meetings could also consider some other ceremonial act, such as reciting the Pledge of Allegiance, as an alternative to opening their meetings with legislative prayer.

The use of legislative prayer raises two main constitutional issues: first, whether it violates the First Amendment to the U.S. Constitution, which prohibits the government from establishing a religion; and second, whether it violates the provisions in the Minnesota Constitution providing for the right to exercise one's religious beliefs without infringement.

The 8th Circuit U.S. Court of Appeals has held that a county board's practice of opening its meetings with legislative prayer did not violate either the U.S. Constitution or the Minnesota Constitution.

The Court of Appeals noted that the county's use of legislative prayer served a secular or non-religious purpose of establishing a solemn atmosphere and serious tone for its meetings.

The U.S. Supreme Court has held that a town board's practice of opening its meetings with legislative prayer did not violate the Establishment Clause of the First Amendment to the U.S. Constitution. The Supreme Court reasoned that the Establishment Clause must be read with an understanding of its historical tradition and noted that the men who wrote the U.S. Constitution "considered legislative prayer a benign acknowledgment of religion's role in society."

RELEVANT LINKS:

[*Town of Greece, N.Y. v. Galloway*, 572 U.S. 565 \(2014\).](#)

[*Town of Greece, N.Y. v. Galloway*, 572 U.S. 565 \(2014\).](#)

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The Supreme Court noted several factors that supported its decision to uphold the town board’s use of legislative prayer. First, it noted that the prayer occurred at the beginning of the meetings instead of during the decision-making part of the meetings. Likewise, city councils that choose to include legislative prayer should limit it to the beginning of their meetings. This practice will help reduce the chances that an individual attending a meeting will feel pressured to participate in the prayer because of a concern that the failure to do so may affect how the council will act on a specific decision affecting that individual, such as whether to approve a variance, license, or contract.

Second, the Supreme Court noted that the elected officials were the intended audience of the legislative prayer and found this acceptable. If city councils decide to include legislative prayer at the beginning of their meetings, it is best to view it as a benefit to the city council, not to other meeting attendees.

Third, the Supreme Court noted that participation in the town board’s legislative prayer was voluntary. City councils that include legislative prayer in their meetings also should be careful not to require the public to participate in the prayer and should not criticize anyone who chooses not to bow his or her head, stand, or otherwise engage in the prayer.

Fourth, the Supreme Court noted that the town board “at no point excluded or denied an opportunity to a would-be prayer giver.” City councils that include legislative prayer at their meetings also should not discriminate against any prayer givers based on their religious beliefs and should make efforts to ensure that prayer givers represent a diversity of religious beliefs.

The Supreme Court upheld the town clerk’s practice of using the local business directory to contact churches seeking volunteer ministers to offer legislative prayer at town meetings. The Supreme Court reasoned, “So long as the town maintains a policy of nondiscrimination, the Constitution does not require it to search beyond its borders for non-Christian prayer givers in an effort to achieve religious balancing.”

Fifth, the Supreme Court noted that the town board “neither reviewed the prayers in advance of the meetings nor provided guidance as to their tone or content.” The town board’s opening prayers were overwhelmingly Christian in content. But the Supreme Court held that legislative prayer does not need to be nonsectarian, or not identifiable with any one religion, reasoning that adopting such a requirement would not be consistent with the history of legislative prayer and would force the town board to act as a censor of religious speech. City councils that include legislative prayer in their meetings generally should not tell prayer givers what they can or cannot say in their prayers.

RELEVANT LINKS:

Town of Greece, N.Y. v. Galloway, 572 U.S. 565 (2014).

Marsh v. Chambers, 463 U.S. 783 (1983).
Town of Greece, N.Y. v. Galloway, 572 U.S. 565 (2014). *Bogen v. Doty*, 598 F.2d 1110 (8th Cir. 1979).

However, there are likely some reasonable limits on the content of legislative prayer. The Supreme Court indicated, for example, that legislative prayers that consistently criticize nonbelievers, threaten damnation, or preach conversion do not accomplish an acceptable legislative purpose, and therefore, may raise constitutional concerns. The Supreme Court noted that the town board’s use of legislative prayer served the acceptable legislative purpose of setting a solemn and respectful tone for its meetings.

Finally, it may be constitutional to pay a person to offer legislative prayer. Courts have looked to the history of such a practice, noting that Congress and many state legislatures have paid persons to offer legislative prayer. While this may be more common practice at higher levels of government, the more typical practice for cities is to use unpaid volunteers to offer legislative prayers.