

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL
HELD ON SEPTEMBER 3, 2015 4:30 P.M.**

Mayor Paul Whitcomb called the meeting to order. Council members present were, Thom Walker, Dick Dobson, Jules Zimmer and Victoria Hallin. Staff present, Administrator Mark Karnowski, Finance Director Steve Jackson, Clerk Shawna Jenkins, Police Chief Todd Frederick, Engineer Mike Nielson, Community Development Director Jolene Foss and Attorney Damien Toven.

Roundabout Landscaping design presentation – Lee Steinbrecher

Karnowski advised that Lee Steinbrecher has organized a group and submitted a grant application to MnDOT to Landscape the property just northeast of the Roundabout.

Dave Patten has donated the landscaping design.

He has secured a \$5,000 grant from MnDOT which he believes will cover the project costs. Still, if the project costs more than anticipated, he's requesting that the city agree to contribute up to \$2,000 toward the project from the city's beautification fund.

Steve Jackson advises that he's discussed that possibility with Ann Bien (the head of the Beautification Committee and she's okay with that proposal.

They do not have equipment to remove some of the current brush, top soil, etc., so they would like to have a cooperative effort from the public works to assist. All other Labor will be by volunteers.

DOBSON MOVED TO APPROVE RESOLUTION 15-52 APPROVING THE AGREEMENT WITH MNDOT FOR THE PAYMENT OF LANDSCAPING MATERIAL. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

HALLIN MOVED TO APPROVE UP TO AN ADDITIONAL AMOUNT OF \$2,000 TO BE USED FROM THE BEAUTIFICATION FUND IF NEEDED. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Discussion with Fire Relief Association – Benefit Increase

Karnowski reported that the Princeton Fire and Rescue Department's Relief Association is a separate organization that manages the retirement fund for our firefighters.

As the council may recall, the annual budget includes a contribution to their fund which is subsequently invested and, along with annual contributions from the State of Minnesota, provide the bulk of the funding for the retirement program.

Currently, retiring PFRD members receive \$2,875 for each year of service to the department. That benefit level has not increased for at least the last 12 years because of the national economic slowdown which impacted the Relief Association's investments.

The Relief Association's investment portfolio has, subsequently, improved and an independent evaluation of those investments suggest that the benefit level can be increased to \$3,000 for each year of service without requiring any additional city contribution.

So the Relief Association is before the Council today to explain the nuances of their request, answer any questions you might have and, hopefully, get the Council's approval for the proposed increase.

The Council should be aware that the level of benefit approved by the City commits the city to guarantee the funding for that benefit level.

In other words, if the Relief Association's investments were to fall the level necessary to fund that benefit level, then the city would be responsible for replenishing the necessary funding to maintain that benefit level. That replenishment could be spread over a number of years.

Karnowski added that in his past City positions, the Fire Relief Association has been in almost yearly to ask for an increase. The Princeton Relief association has not had an increase in many years.

Jamin Wood explained that it is a year is a year in good standing. The benefit is payable at the age of 50 in one lump sum check if they choose to retire. There is a vesting period of 50% at 10 years and fully vested at 20 years of service. As of today, we have 1.333 million in assets and liabilities that are approximately 1.1 million. Therefore, they are over 100% funded. If they were to fall under that 100% funding, the city would contribute to the fund to get it back up over 100%.

Walker questioned where their investments are. If there was a global economic crash, it could be serious. Wood responded that it is approximately 60% in stocks and 40% in commodity and cash. They have an investment policy that they follow. A serious crash could happen, and believes it did happen once in 2007. Karnowski said unlike a City, the Relief Association can invest in the stock market. They work with professional investors that understand markets and trends and use diversification.

Hallin asked for clarification on how payments work. Wood said if you joined at 20 years old, and retired at 40, they would receive a payout at 50 years old. Roxbury added that currently the payment per year is \$5,500 in Isanti, Elk River is over \$5,000, Baldwin is at \$1,000 approved by the Board, but the Relief Association has set it at \$2000. Some cities are under \$1000.

Zimmer questioned if this would be show up as underfunded in our audit if it became under 100%. Jackson said it would not.

Walker asked how much that additional amount is according to the members we have. Wood said they currently have 36 members.

Roxbury added that if the member leaves before getting 10 years in, they would not receive a payment so that would go back in to the fund.

Roxbury explained that the amount is a one-time payment. The state also contributes \$1000 back into the fund when someone retires. Wood added that with the 2 state funded programs, they receive about \$60,000 per year. Roxbury said the state bases their payment on the department's coverage area.

Zimmer asked when the increase would be in effect. Wood responded that it would be active today. He added that the Fire Relief Association has approved it, so Council approval is the final step.

Roxbury commented that the State says an association only needs to be 90% funded, which Jackson confirmed.

Whitcomb stated if he recalls back to where they were slightly under-funded, they donated \$1 per hour back to the City to help bring it back to 100%.

Dobson questioned if the City has owed the Relief Association some funds at some point. Walker responded that the City did need to assist in bringing it back to 100% funded several years ago. Karnowski replied that if it became underfunded, it would go into the fire department budget, so that cost would be spread out over the entire coverage area.

Hallin said there has not been an increase in a long time. Dobson likes the idea of an increase, as the Volunteer Fire Fighters do give up a lot of family time.

Roxbury added that in fuel expended and clothes ruined, a firefighter is likely to lose more than the \$2,875 per year.

Wood commented that as of a week ago, it was 103% funded.

Walker stated he does not have any problems with this increase, but just wanted to make sure everyone knew that the City needs to bring it back up if it would become under-funded at some point.

Hallin questioned if some of those funds could come from the fire department. Roxbury replied that was correct, and said about 38% of the fire budget is paid for by the city, the rest is paid by the Townships.

Whitcomb added that this Department has great success in recruiting new mem, but this is a good recruiting and retention tool as well.

HALLIN MOVED TO APPROVE THE FIRE RELIEF'S REQUEST TO INCREASE THE YEAR OF SERVICE FROM \$2,875 TO \$3,000 PER YEAR. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Yard Waste Discussion

Karnowski advised that staff has drafted a proposed agreement between the city and Sylva Corporation which, if approved, will provide a vehicle allowing Princeton City residents a location to get rid of brush, leaves and grass clippings.

Staff is suggesting that:

1. Generally, the facility be operate from the Saturday closest to April 15th of the year through the Saturday before Thanksgiving.
2. The facility begin operations this fall beginning Saturday, September 19th.
3. The facility, for the remainder of 2015, be open on Wednesdays from 3 PM to 7 PM or at sunset (whichever comes earlier) and on Saturdays from 9 AM to 2 PM.
4. During the summer months, the hours and/or days will be reduced.
5. The charge for dropping off brush, leaves and grass clippings be set at \$5 for up to a full-size pickup load and that folks with smaller loads be encouraged to "pool" their dropping off with others.
6. Persons dropping off show a driver's License along with a sewer & water bill and/or property tax statement) showing their street address and name.
7. No Commercial lawn services, tree services, landscaping services, or commercial businesses will be permitted to drop off yard waste.
8. The public be advised that the site is **CLOSED** during inclement/rainy weather.

If the Council agrees to the provisions of the agreement and the rules outlined above, then a motion to that effect would be in order.

Obviously, if we find that the above rules (or agreement) isn't working, modifications will be made.

Zimmer asked if the hours should be longer on Saturdays. Gerold replied that when the City used to have it at the Public Works Building, the hours were 8am to 2pm if he recalls correctly. What they noticed is the users dropped way off after 2pm. Karnowski added that they wanted to come up with reasonable hours, but keeping the expenses down as well. The hours could be adjusted if need be.

Zimmer said he feels the \$5 per pickup load is a reasonable fee.

Whitcomb questioned if the hours will decrease the hours in the summer when there are no leaves. Gerold responded that they will monitor the usage and adjust as needed.

HALLIN MOVED TO APPROVE THE PROVISIONS OF THE AGREEMENT AND RULES AS FOLLOW:

1. Generally, the facility be open from the Saturday closest to April 15th of the year through the Saturday before Thanksgiving.
2. The facility begin operations this fall beginning Saturday, September 19th.
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WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Preliminary Budget Discussion

Jackson said they just got off the phone for the Bond rating. It went well, but they did comment several times on the amount of reserves that the City has.

Zimmer asked if we used some reserves to offset the levy last year. Karnowski replied that we used about \$50,000 last year.

Jackson said he was not sure if they were concerned they were not spending the amount down or if there were no plans to use it. He added that they also want to see if there is a decrease in the reserves, that there was a conscious decision to use them. If the reserves show a \$39,000 decrease, it would be shown that we used that to maintain a lower levy.

Zimmer asked what last year's increase was. Jackson said it was 1% last year. This year, a .82% increase is just for the West Branch project at the estimate bond rate. Although the

bond has not been sold yet, so they do not know what the rate will be. They will know the final number on that when the levy is certified in December.

Jackson stated that at the next meeting the Council will be approving the preliminary budget and levy.

Dobson asked about how the 7th Avenue and Northland Drive projects will affect the levy. Jackson said in those projects, most of the costs will be assessed so they will not affect the budget much.

Walker said he would like to get the Levy down to a 1%. He clarified we will be approving the maximum for the Preliminary levy and that can be lowered. Jackson confirmed that.

WALKER MOVED TO APPROVE THE PRELIMINARY LEVY AT A 2.4% INCREASE. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Capital Improvement Plan ("CIP")

POLICE

Frederick went over the new additions to the Police Capital Improvement funds. They are looking at upgrading the anti-virus and backup as they discovered an issue a month ago with the length of backup. They are looking for digital recorders for each officer, as they are down to 7 and parts are no longer available for their current models.

Their Tasers are in the same situation as the digital recorders in that they are no longer supported. Whitcomb asked if they are on the state contract. Frederick said they were not. Whitcomb suggested going together with other departments to try and get a discount. Frederick added that with new Tasers, they may need new holsters as well.

They also need a new typewriter, as they do use one often.

Officer Soden is recommended some additional combative training equipment, as it has been one of his goals that the officers get better in this area.

Body armor is very important and the State recommends switching it out every 5 years. What they are currently using is good until June 2016. There may be some grants available for this, but he is planning for the worst case scenario. Each officer will be getting new body armor, and the old ones will be used for reserve officers, etc. Hallin asked why the State recommends they be replaced after just 5 years. Frederick responded that the number 1 reason is sweat, as that breaks down the material.

Squad is just on a normal rotation. This squad was supposed to be done this year, but we switched it to replace the crashed squad. The squad that will be replaced is the unmarked car.

Jackson said a few things that didn't get a CIP sheet for police, they are revenue ideas that we have not fully developed yet. One is patrol ATV that they will look at for 2017. The second is body cameras by 2018. Hopefully by then how long data is stored and what is shared is determined.

Dobson stated he was surprised the Police does not have an ATV as of yet as the City does have a lot of trails. Frederick said there is a group of individuals that does try to get on the

trails with their ATV's, and they know it is difficult for the Police to catch them. Hallin asked if they could borrow the Fire Department's ATV. Frederick said they have looked at that option, but it is set up for Rescue and not patrolling.

FIRE

Roxbury said they would like to replace the Chevy 1986 grass / rescue truck. They would like to replace it with a truck that will allow 4 firefighters. They would like to get it in the system and up and running by grass season in the spring. He added that they do have the funds available in the equipment fund, so he is just asking for council permission to purchase the vehicle.

COMMUNITY DEVELOPMENT

Foss reported that as the Council requested, one is to set up a street and utility replacement fund.

The second request is a project needs analysis. Nielson added that if you look at the current structures, short term is a 10 year CIP, whereas an overall system analysis would be to divide it up by a 50 year cycle.

PUBLIC WORKS

Gerold advised they would like to purchase a Wood Chipper, so they will not have to use PUC's and cause projects to fall behind schedule.

A sidewalk machine is a very unique piece of equipment and will help with snow removal with the additional trails and sidewalks being development in the City.

Lawn mowers request is to replace the aging mowers. Maintenance costs are going up each year. One of the larger batwing mowers were just demo'd this week and the public works employees were very impressed with it.

The Boom mower is used to maintain ditches at the airport and along city roads. Would go on the current tractor.

Library is in need of some window replacement. Some of the windows are rotting out. So, he is requesting \$20,000 in 2016 and \$10,000 in 2017 to replace those windows.

For the cemetery, they are requesting a vehicle as the Mitsubishi is getting very difficult to find parts for.

They are requesting a storage garage for the Waste Water Treatment Plant. When the plant was remodeled, two garage stalls were removed. They need a place to store their mowers and other equipment.

The Waste Water Treatment Plant also needs more Samplers. The current samplers are difficult to find parts for. We need to replace them so they keep up on the permit requirements.

Sewer camera replacement is needed as the current one cannot record issues, cannot look up services and requires the jetter truck to be used.

ADMINISTRATION

Jackson advised that we may not need the sound system on the current CIP if the School District moves in. However, they are requesting some funds for the renovation of City Hall if needed.

Whitcomb added that the Princeton sign comes up a lot and asked if staff has found a location for it. Gerold responded that Foss and he have been out looking for a suitable location.

Food Truck License approval for Come & Take it BBQ, Mama Gracie's Labor Day event

Jenkins reported that Steven Iverson just came in Wednesday afternoon to apply for a food vendor license. He has been asked to have his truck available for food at Mama Gracie's Labor Day Grand Opening.

HALLIN MOVED TO APPROVE THE FOOD VENDOR LICENSE FOR COME & TAKE IT BBQ FOR MAM GRACIE'S LABOR DAY EVENT. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Resolution 15-51 Accepting donation for the Public Safety Day

DOBSON MOVED TO APPROVE RESOLTUION 15-51 ACCEPTING A \$1,500 DONATION FROM WALMART FOR THE PUBLIC SAFETY DAY. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

USDA Grant fund - Reject bid for First Street lift Station

Karnowski reported that he was just notified that we have received the extension on the grant. Therefore, the plan is to rebid the project this winter for construction in the spring

HALLIN MOVED TO REJECT THE BID RECEIVED FOR THE FIRST STREET LIFT STATION AND REBID THE PROJECT THIS WINTER FOR SPRING CONSTRUCTION. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

DOBSON MOVED TO ADJOURN THE MEETING AT 6:35PM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

Shawna Jenkins
City Clerk
ATTEST:

Paul Whitcomb, Mayor