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## MEMORANDUM

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TO: Mayor Walker and Councilors  
FROM: M McPherson, City Administrator  
SUBJECT: **Bi-Weekly Administrator's Report**  
DATE: August 24, 2021

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I have the following observations and information to share from the last two weeks:

### **Airport**

The final flight inspection for the runway project is scheduled for August 27, 2021. It has been re-scheduled several times from the original date. Hopefully, this one holds.

KLJ informed us that the FAA has not yet approved the grant agreement for the taxiway project; the grant was submitted in late June/early July with the FAA staff knowing that the project was being bid. The FAA has informed KLJ that the grant will likely not be approved until sometime in September. As a result, the project will be pushed into 2022, hopefully without being rebid as the City does not want to be responsible for price increases due to the delay. Knife River is working with its sub-contractors to lock in the bid prices until next spring.

On August 24, I received word from Congressman Stauber's office of our FAA grant award for the taxiway project (see attached). The amount of the award should cover any change orders we may receive. On the same day, I was notified that the grant agreement will be submitted to the City for signing on September 7.

### **Budgeting**

Departments received their budget worksheets this week. Finance Director Peters and I will be meeting with Department Heads starting August 25 to review budgets for presentation to the Council during the Study Session September 2. The preliminary levy needs to be certified by September 30.

### **County Budget Meeting**

I attended the August 20 Mille Lacs County Board Worksession on the budget per the invitation of Mayor Pete Pederson of Milaca. The budget overview by Interim Coordinator Herges was enlightening; evidently the County has NO reserves at this time to fill any budget gaps. They are also looking closely at the ARP funds to see if they can use those funds to purchase items or fill budget gaps.

The Mille Lacs County Board runs a fairly lean budget in most years. They are budgeting for a seven (7) percent increase in health insurance costs and a two (2) percent COLA. All of their labor contracts are expiring this year which will add pressure to the budget. The Sheriff's office is adding \$300,000 to the overtime line item as they are short eight (8) jailors per the Department of Correction staffing requirements. I do not plan on attending the next scheduled Worksession scheduled for August 27 as I believe it will be more of the same - a review of departmental budgets.

While at the County, I spoke with County Assessor Moeller regarding the potential impact to property taxes. Based on the lack of budget reserves, the increase in the budget due to health care costs, negotiated COLA increases and the overtime increase, we both agree that the County's levy portion of the property tax bill is likely to increase. We won't know the amount of the increase until the final budget and levy is determined in December.

### **Demographics**

CGMC provided population information to its member cities now that census information is being released for redistricting purposes. The population change for Princeton was an increase of 121 people; the 2010 population was 4,698, the 2020 population was 4,819. You will see a budget request for stormwater permit planning as that will be a requirement when we reach a population of 5,000 or more.

Mille Lacs County had on the August 17 Board Worksession agenda a redistricting discussion item. It appears that the only district which will require adjustment is District 4 which covers the middle part of the county.

### **Development Projects**

The various residential projects are still in a holding pattern. Staff is still awaiting information from the developers in order to return information back to them.

On August 16, staff met with a business owner interested in purchasing a lot near Walmart. They are starting up a power sports (ATV's, side by sides, snowmobiles) sales and service facility. They would have 15-18 employees. Staff discussed the possible use of tax abatement to assist the project.

The Federal EDA grant for the Business Park infrastructure was submitted on August 17, 2021. The ask is \$1.13 million dollars which is half the project cost.

### **Personnel**

The application period for the Wastewater Treatment Plant Operator/General Maintenance II position closed August 16. Eleven applications were received and reviewed by Finance Director Peters, Public Works Director Gerold and WWTP Manager Klinghagen. There were two very strong candidates and three additional that warranted interviews. Interviews have been scheduled for Friday, September 3 with the intent to request hiring (after a successful background and reference check) on the September 9 regular meeting.

There have been recent issues with staffing the Splash Park due to fall sports starting and the Manager going on vacation. The Park has had to close early several times in the past week.

Minimum wage will increase January 1, 2022 from \$8.21 to \$8.42 for small employers. This is a 2.5 percent increase.

### **Upcoming Meeting/Event Reminders**

- September 2 – Council Study Session; budget review
- September 3 – I will be out of the office
- September 11 – Public Safety Day from 10 am to 2 pm
- September 18 – Wild West Show/Sherwin Litton at the Fairgrounds