

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL
HELD ON DECEMBER 5, 2020 4:30 P.M.**

Mayor Brad Schumacher called the meeting to order. Council members present were Jack Edmonds, Jenny Gerold, Jules Zimmer and Jeff Reynolds. Staff present, Administrator Robert Barbian, Finance Director Steve Jackson, Public Works Director Bob Gerold, Community Development Specialist Stephanie Hillesheim, Police Chief Todd Frederick, Clerk Shawna Jenkins, Wastewater Plant Manager Chris Klinghagen, Liquor Store Manager Nancy Campbell and Fire Chief Ron Lawrence.

REYNOLDS APPROVED THE AGENDA. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Light up Princeton – update

Hillesheim reported that the City of Princeton has put together a light display in Riverside Park for residents and visitors to enjoy from the safety of their vehicles while driving through the Riverside Park Campground.

The official lighting started Saturday November 28th after special visitors: Santa and the Grinch graced the local children with their presence in the park from 2-4pm. The display will continue to Light-up Princeton every night 6-9pm, through Jan 1, 2021.

The event seemed to be a success with many positive reviews from the community. The controller is currently being worked on and will hopefully be working to its full capacity by this meeting on Thursday.

There are no recommendations at this time, but I want to make sure Public Works staff get full recognition for their hard work on making this event possible. I'd also like to recognize the PUC crew that worked to hang the lights in the trees and the many community volunteers who have helped out thus far. The first weekend we raised over \$550 in monetary donations and many, many food shelf items. Thank you all for supporting this wonderful community event!

Finance Director Appointment - Verbal

Barbian advised that he, Schumacher and J Gerold went through the applications that were received, and have chosen Tracy Peters as the new Finance Director. She has accepted the position, and a background check will be done. Staff is looking for a motion to approve her hiring as the Finance Director pending the background check.

Steve Jackson will be added back on as a signature with the bank until Peters starts in January.

Public Works Storage building update

Lawrence stated that Public safety gave verbal update on the storage building that is being constructed next to the Public Safety Building. Due to material shortage and delivery issues related to Covid-19 as well as a delay in pouring concrete due to the weather, there will be a delay in finishing the construction project. Staff is working with vendors to complete as much as we can leading into concrete and asphalt being completed in April or May.

GNT Partners MOU

Hillesheim The City of Princeton has been invited by Sherburne County to participate in a Memorandum of Understanding regarding the Great Northern Trail as a catalyst to increase funding for the trail projects and complete the gaps from Elk River heading north.

Partnership initiatives will include master planning and pursuit of Regional Status for the entire trail. The intent is to show direct interest and support for the Great Northern Trail but not define the specific terms and details at this time.

Analysis:

As the City of Princeton has completed a large portion of the trail through the city, this is a great next step towards completion of the trail, as well as an opportunity to voice plans and concerns regarding the GNT and the potential to extend the trail to benefit the Princeton community in multiple ways including connection of the GNT with the Rum River Designated Water Trail and gain regional park status for Riverside-Riebe Park. Regional trail status will increase visitors to the trail as the connections are complete and potentially distribute some costs across both counties and the cities, including reconstruction and maintenance of trail segments as necessary in the future. The MOU does not define these terms, but will be first steps towards making a plan towards a joint powers agreement for the future. Entering the MOU is the first step towards the process of creating a master plan for the region.

Recommendation:

City staff have met multiple times with both counties and the cities of Elk River and Zimmerman to create the MOU. With the Park Board's recommendation, we are seeking the council's approval to enter into the MOU, upon the City Attorney's review.

SCHUMACHER MOVED TO APPROVE THE MEMORANDUM OF UNDERSTANDING BY SIGNED. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Airport Land Leases

Barbian advised that the City Council has been discussing Airport operations; land leases, new investments and how to balance the interests of the City and the Airport. As such there have been ongoing discussions at the Council and updates at the Advisory Board in September, November and again planned for December.

The issues that have come forth for the Airport as an enterprise fund for the City requires periodic capital investments, such as the Runway reconstruction in 2020 and a Taxiway reconstruction application advancing in 2020 with construction anticipated for 2020 or 2021. In addition, the airport operating costs do not break even after balancing all costs and revenues generated from fees and grants.

The City Council established a moratorium on new leases and renewals at the September meeting to review leases. The review was to concentrate on providing a stable environment for new investments as well as for updating terms in need of clarification or modifications. During this time a review of the lease occurred and is attached as a redline for consideration. The proposed terms as well as the following analysis are items that can bring greater support for the Princeton Airport and encourage continued investments at the Princeton Airport.

Analysis:

The Capital Investments at the Airport in 2020:

QT Pod fuel dispenser: total cost:~ 30K City Share: 7,800.

Runway: total cost ~ 1,882K City Share: ~ 100K less 30K cares grant: 70K

Capital investments anticipated for 2021:

Taxiway reconstruction: ~ 1,980K City Share 70K with 2nd cares 40K

Airport operating costs, resulting in yearend transfers from the General Fund:

2019; \$14,200.00

2020; estimated to be ~13,400.00

2021; estimated to be ~13,400.00 with a 20% increase in land lease rates.

The Airport has two options to decrease transfers to the Airport enterprise fund, either cut expenses or raise fees. Fees at the airport are principally raised through fuel sales and lot land leases for hangers. The majority of leases are at 8 cents with a 5-year term and 3 leases are at 10 cents with 10-year terms.

The total square footage of hanger space available to be rented is ~153,664 square feet. The amount of space currently leased is ~133,025 square feet. With the new investments in 2020 and anticipated in 2021 interest in the airport is fairly strong with 3 new hangers in the last two years, one new lease soon to be built on and another party considering renting to build a new hanger at the Princeton Airport.

According to a memo Ann Bien wrote in 2004 land lease rates have not been adjusted for what has now been 33 years. A survey of leases at other Airports indicates Princeton to be below the average at 8 cents with rates between 4 and 25 cents per square foot. The survey is limited.

In City Attorney Damien Toven' s review of the lease he has indicated that the City Council may adjust rates up or down on all leases regardless of a term upon justification that costs have changed going up or down. In the attached redline lease a number of lease modifications are being provided. Lease rates have been left for the City Council to determine.

It should be noted that airport hangar owners are subject to a payment of personnel property taxes. The amount of personnel property taxes has been gathered and are available upon request. The personnel property taxes paid in addition to a land lease rate range in the area of 125.00 to 400.00.

As previously covered, there are two areas of cost that can be utilized to consider an increase in land lease rates. They are 1. Bringing the airport to a breakeven point, and or 2. The recovery of capital costs which done by amortizing the investment. In considering the new investments the following scenario is provided:

70K over 5 years at 2% results in costs of \$1,227. / month or 14,724. /yr. 40K over 5 years at 2% results in costs of \$701. / month or 8,412. /yr.

For example, a 2-cent increase will result in an increase in revenue of 2,660.05 per year.

Recommendation:

Continue investment in the Airport to improve operations, keep a close eye on operating costs and consider revenue adjustments, the largest being a land lease rates.

Should the Council decide to advance a land lease rate adjustment they may wish to consider implementing over a period of years. For example, 3 cents per square foot per year.

Schumacher stated that staff put a lot of work into this and as Barbian stated, there is a timeline involved as lease renewals are sent out, as well as invoices.

Edmonds asked if the Airport Advisory board has seen the proposed lease changes. Barbian responded that they are aware that there are some proposed changes.

J Gerold likes the proposed changes and said the cost increase is way over due, and should be looked at every few years.

Barbian said he does not understand the difference between the 5 year and 10-year lease rates, unless it was a fixed rate that was protected for the length of the lease.

The fee will need to be amended by ordinance, where a first and final reading is done. Schumacher asked if the first reading could be skipped. Toven responded that he will need to check, as there are publication requirements.

Update Airport Zoning Ordinance

Goerke advised that he has submitted a proposal to you to update the 1978 Princeton Municipal Airport Zoning Ordinance. WSB has a strong Community Planning and Economic Development group to serve your ongoing land use planning and zoning administration needs, and we are excited at the prospect to work with the City of Princeton.

WSB's Community Planning team includes seven community planning staff and one economic developer with a wide range of experience, expertise, and passions. Our group works collaboratively within the group and with other services within the company to ensure the best value and over the top customer service for our clients. We provide day-to-day planning/economic development services for 14 communities within the state of Minnesota.

Based on your needs, we propose the below staff from our team to assist with your Community Development needs. However, our full team will be available to assist as needs arise in their respective areas of expertise.

Primary Assumption: WSB will be starting with Princeton Municipal Airport Zoning Ordinance Revised & Adopted June 29, 1978.

TENTATIVE REVIEW PROCESS TIMELINE

- Appointment of Joint Zoning Board Members
- Joint Airport Zoning Board Meetings
- MnDOT Commissioner Review
- Princeton Planning Commission*
- Princeton City Council*

**City staff will facilitate the Planning Commission and City Council meetings without WSB*

COUNTIES OF MILLE LACS AND SHERBURNE AND THE CITY OF PRINCETON JOINT AIRPORT ZONING BOARD: Prepare a notification of future meetings of the Mille Lacs and Sherburne Counties and City of Princeton Joint Airport Zoning Board and facilitate up to three meetings of the Joint Airport Zoning Board. This task will include the preparation of a public hearing notice for the amendment of the Princeton Municipal Airport Zoning Ordinance. Mailings, publication, and posting of the notifications will be the responsibility of the City. Due to the current COVID-19 pandemic, it is assumed that these three meetings will be conducted virtually through Zoom or other similar remote technology. Should any of the three meetings become in-person meetings, the additional travel and preparation time will be billed separately at the current hourly rate of the personnel involved in the meeting(s).

AMENDED RUNWAY 4/22 SAFETY ZONES AND AIRSPACE RESTRICTIONS: Create amendments to the Princeton Municipal Airport Zoning ordinance to reflect the removal of the crosswind runway 4/22 and discuss the future of the Runway 16/34 airspace corridor and impacts as shown on Figure 5-8 in the October 6, 2017 Airport Master Plan.

MODERIZE THE 1978 PRINCETON MUNICIPAL AIRPORT ZONING ORDINANCE: The current 1978 Zoning Ordinance is currently a paper copy and a PDF copy without text recognition. As a part of the Zoning Ordinance amendment, WSB will recreate the Princeton Municipal Airport Zoning Ordinance in .docx format and provide the approved amended Zoning Ordinance to the City in both .docx and PDF text recognized formats.

MINNESOTA DEPARTMENT OF TRANSPORTATION REVIEW: State Statute Section 360.0655 requires that an Airport Zoning Ordinance changes be submitted to the Commissioner for a 90-day review period before the Joint Airport Zoning Board approve any amendments. WSB will prepare a cover letter of the Zoning Board's proposed amendments and submit the cover letter and redlined Ordinance to the commissioner for review.

COMMUNICATIONS WITH THE CITY: To prepare the amendments to the Zoning Ordinance, it will be necessary to conduct a number of phone calls, emails, telephonic, and Zoom communications with City staff. Due to the current COVID-19 pandemic, it is assumed that these communications will not include in-person meetings. If in-person meetings are requested by City staff, the travel and preparation time for these in-person meetings will be billed separately at the current hourly rate of the personnel involved in the meeting(s).

ZONING MAP UPDATE: The City of Princeton Zoning Map will be amended to reflect the approved amendments to the safety zones of the Princeton Municipal Airport Zoning Ordinance and other recent rezoning approvals, as directed by staff, including the uploading of these amendments to the City's Datalink software and on-site City GIS mapping computer.

TOTAL COST: \$6,000

SCHUMACHER MOVED TO APPROVE WSB'S PROPOSAL TO UPDATE THE AIRPORT ZONING ORDINANCE. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

2021 Budget

Jackson went over the first half of the budget. The second portion will be reviewed at the Study Session on December 8th.

ZIMMER MOVED TO TAKE A 5 MINUTE RECESS AT 6:25PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

REYNOLDS MOVED TO CLOSE THE RECESS AND OPEN THE MEETING AT 6:29PM. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

CLOSED SESSIONS

Development Proposal

Union Contracts

J GEROLD MOVED TO CLOSE THE OPEN MEETING AND GO INTO CLOSED SESSION AT 6:32PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

REYNOLDS MOVED TO ADJOURN THE CLOSED SESSION AT 8:30PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Toven provided an update that there was much discussion regarding the Union contracts. There was some further directive for the Administrator to look at a few things.

There was discussion regarding a possible development. Hopefully in the next few weeks or months we will have more information.

Barbian advised that Administration has met multiple times with both the American Federation of State, County and Municipal Employees (AFSCME) and Law Enforcement Labor Services, Inc. (LELS) to work on contract terms for union employees. The terms of both union contract require City Council approval. Tentative agreement was first established with AFSCME and most recently LELS. The AFSCME contract has a clause calling for a "me to" meaning agreed to items with LELS also are provided to AFSCME employees.

The tentative terms of both AFSCME and LELS are as follows:

1. Duration

Three (3) year contract effective January 1, 2021 through December 31, 2023.

2. HEALTH INSURANCE

Effective January 1, 2021, the City & the employee will cost share any premium increases or decreases in Dental Premiums. For health insurance the City and employee will cost share the proposed rate increase. The City will pay up to 740.95 toward single coverage and up to 1,263.53 towards family coverage. There shall be a re-opener for both health and dental insurance contributions.

3. Wages

- January 1, 2021 2.5% one-time market adjustment
- January 1, 2021 1.5% COLA
- January 1, 2022 2% COLA
- January 1, 2023 2.5% COLA

The terms related to the AFSCME employees:

1. Weekend/Holiday Pay

Employees scheduled to be on-call will be allowed to take a city vehicle home although there shall be no personal use allowed.

2. Holidays

Replace Columbus Day to a floating holiday.

3. Uniforms and Licenses

City will investigate a wicking uniform shirt.

The terms related to the LELS employees:

1. Call Back Pay

Increase in the minimum pay hours from 2 to 3

2. Minimum Pay

Increase in the minimum pay hours from 2 to 3

3. Standby Pay and Court Duty Pay

Proposed language: An employee who is directed to be on standby for court duty when not regularly scheduled to work shall receive three (3) hours pay per day. Said pay shall not be paid if the EMPLOYER notifies the EMPLOYEE by 6:30 PM of the day prior to court duty. Court duty standby pay will be concurrent with hours actually worked, but the EMPLOYEE shall receive a minimum of two (2) three (3) hours pay. EMPLOYEES who receive Standby Pay are not eligible for Call Back Pay.

4. Position Differentials

- Investigator: An additional \$1.80 per hour for all hours worked.
- Field Training Officer: An additional \$2.00 per hour while teaching.
- Firearms Instructor: A monthly stipend of \$100.
- Defensive Tactics Instructor: A monthly stipend of \$100.
- First Responder Instructor: A monthly stipend of \$50.
- TASER Instructor: A monthly stipend of \$50.

A motion to accept the proposals as summarized is appropriate.

ZIMMER MOVED TO APPROVE THE UNION CONTRACTS AS LISTED, WITH THE SAME BEING FOR NON-UNION EMPLOYEES. REYNOLDS SECONDED THE MOTION. VOTE 4:0:1 ZIMMER, REYNOLDS, EDMONDS AND SCHUMACHER IN FAVOR, 0 OPPOSED, AND J GEROLD ABSTAINED. THE MOTION CARRIED.

Adjournment

REYNOLDS MOVED TO ADJOURN THE STUDY SESSION AT 8:33 PM. ZIMMER SECONDED THE MOTION. MEETING ADJOURNED

Respectfully Submitted,

Shawna Jenkins Tadych
City Clerk

ATTEST:

Brad Schumacher, Mayor