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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 9, 2022

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

### **Airport**

The stakeholder meeting with MNDOT, FAA, and the Airport Advisory Board on August 1 went well. We received some direction on the Capital Budget; the FAA would like projects broken into finer detail. For example, for the AWOS relocation project, they want the land acquisition broken out from the construction portion.

### **Development**

I am waiting on a response back from the second purchaser of a lot in the Princeton Business Park. They were sent the draft purchase agreement and hopefully they will get back to us soon.

Tim Dolan (representing Glenn Metalcraft) and I have been trying to reconnect. I am staying in touch to make sure that we are able to respond promptly to any requests that they may have. I know that they are likely applying for state funding assistance and there will be a role for the City to play.

### **Finance**

#### Financial Assistance

I have the Abdo proposal; I need to review it and intend to have it on the August 25 agenda for the Council's review and approval.

#### Finance Software Update

This week is the first week that employees will be accessing their pay stub online via the MiPay Online portal. There have been a few hiccups, but Accountant Hodge has done a stellar job of assisting staff with any questions that arise. Liquor Store Manager Donner has taken on the responsibility of entering the store receipts with Accountant Hodge reviewing them for accuracy before the general ledger is updated.

#### Fire PERA Analysis

We received the attached analysis from PERA based on possible changes in benefit level for 2023. As of now, any change in benefit level above \$5,000 lowers the fund level below 113 percent. Once we could say it is significantly lowered. We will check again at the end of November/beginning of December to see if anything changes.

#### Preliminary Budget Schedule

As usual, the preliminary levy needs to be set by September 30. This year, there is a new format to the Truth in Taxation notices required by legislation. As such, the counties are looking to have our

budget information earlier in September. However, our last meeting before the end of the month is September 22, so I will get the information out to them on the 23<sup>rd</sup>, if we approve the levy on the 22<sup>nd</sup>. Here is the tentative budget schedule:

- Week of August 15 – distribute capital budget worksheets to staff
- August 25 – review of capital budget items, components of the budget, new budget forms, solution of the funds to be shifted/closed and transfer amounts
- September 1 – study session, currently no topic but it is unlikely that I will have budget numbers ready; we could continue the capital budget review or cancel the meeting
- September 8 -review first half of the budget
- September 22 – review second half of the budget and set the preliminary levy

### 2023 Local Government Aid

The State has certified the 2023 local government aid amounts; the excerpted page with Princeton's amount from the report is attached. Since the legislature didn't pass much legislation, including a tax bill, there was no change from 2022.

The Coalition of Greater Minnesota Cities has requested that local governments adopt and submit a resolution encouraging (demanding?) a special session. They drafted a model resolution which I edited and is attached should the Council desire to approve it.

### **Grants**

We did not receive the Federal EDA grant. See the attached email and letter of explanation.

### **Personnel**

We received six applications for the Community Development Manager position. Councilor Gerold, Technology Services Manager and I are reviewing them. Assuming we have candidates we wish to interview, I hope to schedule interviews for the end of next week or the first part of the following.

### Police Department POST Board Audit

The Princeton Police Department passed a review of the department's records by the MN Peace Officer Standards and Training (POST) Board. The department should be commended and congratulated on the consistent record-keeping and management/implementation of its policies.

### **Lodging Tax**

Imposition of a lodging tax has been discussed by the City Council in past years. Attached please find the MN House Research paper on lodging taxes.

I had Intern Suiter contact the local lodging establishments for room rates and average occupancies and calculate the potential revenue based on 1, 2 and 3 percent tax amount. From her email to me:

The Rum River Motel will have a Lodging Tax Revenue of:

1% -> \$1861.50/YR  
2% -> \$3,723/YR  
3% -> \$5,584.50/YR

The AmericInn Hotel will have a lodging Tax Revenue of:

1% -> \$11,826/YR

2% -> \$23,652/YR  
3% -> \$35,378/YR

Five (5) percent of the proceeds may be used for administration (collection), but the remaining percentage must be used to “fund a local convention or visitor’s bureau for tourism and convention center promotion”. As noted in a previous memo to the City Council from 2020, the Chamber of Commerce would qualify as a visitor’s bureau, which could eliminate the annual contribution from the Wine & Spirits grant fund. If the Council is interested in imposing the lodging tax, discussions should occur with the Chamber regarding their interest and to develop a program for promotion using the funding.

I ask that Council discuss this and provide direction to staff as to the Council’s interest. The tax may be adopted by ordinance.

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

- August 10-14 – Mille Lacs County Fair; I will be splitting my time between City Hall and the Fairgrounds this week
- August 15, 3 pm – Minnco Groundbreaking
- September 29, 5 to 8 pm – Whiskey and Wine Tasting Event at Northern Lights Ballroom, Pease. This is a joint venture between Princeton Wine and Spirits and the Milaca Municipal Liquor Stores.
- CGMC Fall Conference – November 17 to 18, Alexandria