

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JULY 28 7:00 P.M.**

1. Call to Order - Roll Call

Mayor Thom Walker called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Jenny Gerold, and Jeff Reynolds. Others present: Administrator Michele McPherson, Public Works Director Bob Gerold, Police Chief Todd Frederick, Wastewater Plant Manager Chris Klinghagen, Technology Services Manager Ed Yost, Fire Chief Ron Lawrence, and PUC Manager Keith Butcher. Absent were Councilors Vicki Hallin and Jules Zimmer.

Clerk Shawna Jenkins attended online.

2. Pledge of Allegiance

3. Agenda Additions / Deletions

McPherson stated that under the Administrators Report, she would like to get input on the electric cargo bike.

J GEROLD MOVED TO APPROVE THE AGENDA WITH THE ADDITION OF THE ELECTRIC CARGO BIKE UNDER ADMINISTRATORS REPORT. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

4. Consent Agenda

- 4.1. City Council Meeting Minutes of July 14th, 2022
- 4.2. Princeton Golf Course Caterer's Permit for Ball Tournaments at Solheim Field, Aug 5th, 6th, 7th, 12-14th.
- 4.3. Liquor Store Employee Gage Thomas Step Increase effective 4-17-22
- 4.4. Accept Resignation of Part-time Liquor Clerk Alex Citrowske effective July 7, 2022
- 4.5. Authorize Hiring Part-time Liquor Clerk Kali Mulvany-Spies effective August 1, 2022
- 4.6. Christ Our Light Gambling permit for Fall Fast September 18, 2022
- 4.7. Authorize Execution of Purchase Agreement with Sylva Corporation
- 4.8. Resolution 22-42 Calling for a Public Hearing to Vacate Drainage and Utility Easements in Block 2, Princeton Industrial Park Third Addition
- 4.9. Authorize Execution of the State Master Joint Powers Agreement and Court Agreement on Behalf of Princeton Police Department

J GEROLD MOVED TO APPROVE THE CONSENT AGENDA. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

5. 2021 Audit Presentation; Staff from Bergen KDV

Jackie Knowles went over a summary of the City's audit.

The opinion on the City's basic financial statements has the highest level of assurance. There was one compliance finding on the timely payment of invoices.

They found two internal control findings, one was material audit adjustments, and the other was the same as previous years, which is the lack of segregation of accounting duties.

There was no compliance findings in the audit of the Airport Improvement program.

Management recommendations are regarding negative fund balances and inactive funds, liquor inventory and Council approval of EFT's.

J Gerold commented that she noticed we are not reporting bonds as a liability. Knowles responded that in governmental fund statements, the bonds are only going to be shown on the first statement.

J Gerold said she sees in the report that electronic and wire payments have not been authorized by the Council. She asked for clarification that it will be done in the future. McPherson said with the new software, a second check register can be printed that includes the ACH payments.

J Gerold stated that according to the audit report, it appears that we need to do a better job at collecting funds for development projects. McPherson replied some of the accounts have a large negative amount, and staff will be looking into options to address these negative balances.

J GEROLD MOVED TO ACCEPT THE 2021 AUDIT. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

6. Open Forum

7. Old Business

8. New Business

8.1. 2022-2023 Insurance

Jim Burroughs from Princeton Insurance provided a recap on the city's insurance renewal. Liability premiums have gone up slightly, auto insurance is down.

The only option to act on is to waive the per person statutory limit per person from \$500,000 to \$1.2 million at an additional \$2,787 premium per year.

The workers compensation portion saw a very large increase. One of the main reasons is a payroll increase of \$61,507. Another is that a few years ago, the state of MN allowed PTSD to be covered under Workers Comp insurance. Public Safety PTSD claims have had significant cost implications, resulting in an average rate increase of 13% for the coming year. That will be implemented by way of a 30% increase for police job classes.

Experience mod went from .75 to .97; the main factor for the experience mod is due to an individual shock loss.

WALKER MOVED TO NOT WAIVE THE PER PERSON STATUTORY LIABILITY LIMIT OF \$500,000. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

8.2. Special Event permit for Wedding in Riverside Park on September 24, 2022

B Gerold said he spoke to the applicant who would like to have a wedding at Riverside Park. They are looking to use the City owned parking lot behind Pizza Pub. They have not asked for any assistance from City staff.

Walker asked why the lower amount of the special event permit. McPherson stated that they are not asking for any assistance, we just need to acknowledge that they will be setting up their smoker in the City owned lot behind Pizza Pub.

REYNOLDS MOVED TO APPROVE THE SPECIAL EVENT FOR RIVERSIDE PARK, J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

8.3. Resolution 22-38 - Coborn's Donation to the Fire Department

Lawrence advised that every year, the fire department delivers flowers for Coborn's on Valentine's Day. Coborn's then donates the proceeds from the flower delivery charges to the fire department. This year the donation was \$800.00. He is asking for Council to accept this donation to the fire department.

J GEROLD MOVED TO APPROVE RESOLUTION 22-38 ACCEPTING THE DONATION FROM COBORNS. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

8.4. Resolution 22-39 - Twice New Clothing Donation for Free Splash Park Day

WALKER MOVED TO APPROVE RESOLUTION 22-39 ACCEPTING THE DONATION FROM TWICE NEW CLOTHING FOR A FREE SPLASH PARK DAY. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

8.5. Resolution 22-40 - Princeton Evangelical Church Donation for Free Splash Park Day

J GEROLD MOVED TO APPROVE RESOLUTION 22-40 ACCEPTING THE DONATION FROM PRINCETON EVANGELICAL CHURCH FOR A FREE SPLASH PARK DAY. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

8.6. Resolution 22-41 - Twice New Clothing Donation to the Police Department

WALKER MOVED TO APPROVE RESOLUTION 22-41 ACCEPTING THE DONATION FROM TWICE NEW CLOTHING FOR THE POLICE DEPARTMENT. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

8.7. Bill List

J GEROLD MOVED TO APPROVE THE JULY 27, 2022, CHECK REGISTER CONTAINING CHECKS 85161 TO 85222 IN THE AMOUNT OF \$664,947.28. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

8.8. City Administrators Report

McPherson had the following observations and information to share from the last update:

Airport

Staff has received the results of the MN Dot Aeronautic 5010 Inspection. While there were several items that need to be corrected, Public Works has them under control.

Development

The Sylva Purchase Agreement was on the agenda. Staff is working on a second Purchase Agreement to sell another parcel in the Princeton Business Park.

McPherson said she contacted David Carlson of Gatehouse Properties Ltd; he was interested in the multi-family project on the Pontious property near New Life Church. He has withdrawn his interest due to the doubling of interest rates and building costs increasing at nine (9) percent per year.

McPherson stated she also received communication from TDS Telecom; they were interested in building a broad band/internet/cable television network within the city limits. They too have determined that, at this time, the project is “economically impractical”.

McPherson reported that herself, Public Works Director Gerold, and PPU General Manager Butcher met with the City Engineer to discuss the County Road 4/7th Avenue street and utility project. The city will be taking the lead on the project and WSB will draft a scope to study the following components:

- Street – curb and gutter, on-street parking (one, both, neither), pedestrian facility
- Stormwater (hydraulic study)
- Intersection Improvements – 12th Street, Rum River Drive
- Utilities – water, sewer, lift station, electrical service

This first step, once approved, will likely take three to four months. The next steps will be preliminary design, final design and then construction. We are on track for a 2024 build which is when the ARPA funds need to be encumbered in a project.

The Transportation and Pavement Management Plans are nearing completion. McPherson stated that she and Public Works Director Gerold will be meeting with WSB in August to review them and give final direction to WSB to finalize the plans.

Finance

Financial Assistance

McPherson reported that she is waiting on a proposal from Abdo to provide intermittent financial support. They were extremely helpful during the audit and answered several non-audit questions while they were here.

Finance Software Update

The finance software update is going well. There has been a lot of training, but it is going well. Accountant Hodge is very excited about the ease of use of the software and how many steps it is eliminating to complete a task, be it in payroll or bill processing. The support staff at Civic Systems has been extremely helpful in resolving unusual circumstances that have arisen due to the update.

Minnesota State Aid System

McPherson advised that she, Public Works Director Gerold and the City Engineer will be meeting with staff at MNDOT on Thursday, July 28 to review the process/steps to enter the city into the State Aid program. This will allow the City access to State Aid funds for our roads/streets.

Fire PERA Analysis

Staff has received information from Sharyn North at PERA regarding the financial status of the City's plan. As of July 11, the account is fully funded at 118%. Per the policy adopted in 2021, the funding level may be allowed to be at 113%. To that end, we are inquiring with PERA as to what the contribution level may be increased to before it drops below 113%. Staff will keep the Council informed as information is presented.

Grants

Staff is still waiting on the results from the grant application to the Federal EDA for the Business Park infrastructure. Jordan Zeller of the East Central Regional Development Commission has been tracking this application as well as others and there has been radio silence from the Federal government.

Personnel

There is no change in terms of personnel. McPherson stated that she has been thinking about the two open positions and options for the Council to consider. Once she has a plan and has gathered input from the other managers, staff will bring them to the City Council.

Interns

The summer interns have stepped up to assist and fill in on projects that were under the oversight of the Community Development Manager. We have increased their hours; any overage will be covered by the un-used salary so the overall department budget should have no impact. The intern departure dates are August 12, 17 and 19, so we do not have them for very many days yet. They will be making presentations to the City Council on August 11 as to their time here.

Cargo Bike Details and accessories

McPherson stated that the Age Friendly Group is recommending the wood color, and side door and weather cover be purchased. They are also willing to pay for the Bimini Top cover and decals. The door is \$300, and the weather cover is about \$30, so the grant will cover the cost. If the Council is good with it, staff will proceed with the purchase. The Council consensus was to go forward with the purchase.

J Gerold would love to talk about the lodging tax, but there are 2 council members absent. Walker asked how much it would equate to per room. J Gerold said 99% of cities do the 3%. With the average cost of a room being \$100 per night, so it would be \$1, \$2 or \$3 per night.

Walker asked how much staff time it will take to calculate and collect the tax. J Gerold said working as a past hotel manager, the hotel fills out the form and sends the funds to the City so there will be little work on the city's side.

9. Committee Reports

J Gerold reported that she missed the Chamber Meeting but said the Golf Tournament was well attended and everyone had a great time!

McPherson and PPU Manager Butcher provided a short recap of the PPU meeting.

J Gerold advised that she stopped in for the soft opening at Sunken Ship Brewery and the building is gorgeous.

10. Adjournment

REYNOLDS MOVED TO ADJOURN THE MEETING AT 8:02PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Thom Walker
Mayor