

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL
HELD ON MAY 5, 2022 4:30 P.M.**

1. Call To Order / Roll Call

Mayor Thom Walker called the meeting to order. Council members present were Vicki Hallin, Jenny Gerold, and Jeff Reynolds. Staff present, Administrator Michele McPherson, Community Development Manager Heather Brooks, Technology Services Manager Ed Yost, Clerk Shawna Jenkins, Public Works Director Bob Gerold, Police Chief Todd Frederick, Wastewater Plant Manager Chris Klinghagen, and Fire Chief Ron Lawrence. Absent was Jules Zimmer

2. Pledge of Allegiance

3. Review of Open Meeting Law

McPherson presented a brief overview of the Open Meeting Law.

4. Review Computer Use Policy

Yost asked that the Council review the draft computer use policy and let him know if they have any questions. It is a basic policy in regards to employees not using their work computer for personal use. The Policy will be on an upcoming meeting for approval.

5. Review Email Policy

Yost asked that the Council also review the draft email policy in regard to emails only being kept for 180 days before being deleted. This meets the Data Retention requirements, while making any possible data requests much less difficult and time consuming if someone has months and years of emails.

6. Review TIF/Tax Abatement Policy - Delaying to a Future Meeting

7. Discuss Finance Staffing Options

McPherson reported that the Finance Director position has been vacant since March 3. Since that time, the following steps have been taken to fill the position:

1. Posting to the LMC website. First round resulted in three applications; one applicant has now taken a remote-only private sector position paying significantly more; one applicant was a repeat from the previous hiring round and the last applicant was underqualified. The job is still posted to LMC.
2. Posting to both Indeed and Zip Recruiter. Personal invites were sent to 16 potential applicants; two indicated interest but never submitted an application; one declined due to pay amount; one declined as they did not wish to relocate and the remainder did not respond.

The finance work has been divided into the following roles:

Accountant: payroll (including various spreadsheets, taxes, and related items), accounts payable & receivable, bill list, onboarding new staff for benefits

Administrator: managing investments, entering liquor and city deposits, processing the HSA information, monthly reconciling and payment of sales taxes, providing direction to the Liquor Store and Tech Services Manager

Abdo: audit prep with limited remote access to scanned files and a static version of the finance software; staff plus the intern will provide information needed to complete this work

Northland Securities:TIF reporting and calculation of TIF payments; staff plus the intern will need to provide some requested information to finish this activity

Analysis:

Given the lack of applicants and the difficulty of hiring, I reached out to my peers via the LMC listserve for advice. First, it appears that the City Administrator serving as the Finance Director is not an unusual circumstance. Isanti, Elko-New Market, Lake Elmo, Park Rapids (this is a permanent arrangement) and Appleton (also a permanent arrangement) have all experienced the need to temporarily combine the positions and utilize outside Finance Director services on an interim basis.

My conversation with the Elko-New Market City Administrator was enlightening if not a bit depressing; they were unable to hire a Finance Director – the number of qualified public sector employees are not available and public sector pay cannot compete with private sector pay in this area. He ended up hiring a lower-level private sector accountant and has spent three years mentoring and grooming them into the Finance Director position (currently ongoing). We may need to consider something similar depending on the results of the Classification-Compensation Study

Recommendation:

Given the above considerations, I would like to propose to the Council the following:

1. Maintain the current duty assignments. While the intern is employed, both the Accountant and I will shift some duties/tasks to them, for me it will mean the entering of deposits.
2. Obtain quotes from both Abdo and CliftonLarsonAllen (suggested by Lake Elmo) for limited Finance Director services, specifically:
 - a. Guidance regarding preparation of the budget. Staff does an excellent job with budget preparation and the new finance software should make the 2023 budget process easier.
 - b. Assistance in preparing the personnel cost changes for the budget (this was completed by Ms. Peters for 2022)
 - c. Assistance in preparing the preliminary and final budget levy as well as certifying the levy to the counties and state.
 - d. Assistance, guidance and direction in preparing various state reports outside of TIF reports. TIF reporting will remain with Northland Securities.
 - e. Assistance with special assessments and the tax settlements.
 - f. On-call for questions that come up on an as-needed basis.
3. Revisit the position needs and approach to hiring once the Classification and Compensation Study is complete and the new pay scale is recommended and adopted by the Council, should such action occur.

I believe the scope of work for an outside consultant can be managed to stay within the personnel costs of the vacant position for 2023.

Walker advised that the agenda item for this meeting is to discuss and consider terms of an offer to purchase or sell real estate.

This portion of the properly noticed meeting of the Princeton City Council will be closed pursuant to Minnesota Statutes under the real estate sales or purchase exception to the Minnesota Open Meeting Law, pursuant to Minnesota Statute Section 13D.05 Subd 3(a)(3).

The need for confidentiality outweighs the purposes served by the open-meeting law in this case based on the following:

Confidentiality is necessary to protect the City's negotiating strength and interests as to real estate negotiations.

- The purpose of the closed meeting is not to make a decision behind closed doors, but instead is to determine what actions are appropriate with respect to the real estate negotiations.
- The only business to be discussed in this portion of the meeting are the real estate negotiations, and what action, if any, should be taken.

II. Closed Sessions

The Council will now go into a closed session. The time is 5:48

Only the officials and consultants of the Council who reasonably require access to this data may be in attendance at any portion of the meeting for this agenda item.

I will now entertain a motion to close this portion of the meeting.

HALLIN MOVED TO CLOSE THE MEETING AT 5:48PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Walker addressed the Members of the Council, following the completion of our business, we will now adjourn into open session, and I will entertain a motion to adjourn the closed portion of the meeting and go back into open session.

HALLIN MOVED TO ADJOURN THE CLOSED SESSION AND GO BACK INTO OPEN SESSION AT 6:39PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

9. Adjournment

HALLIN MOVED TO ADJOURN THE MEETING AT 6:40PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Thom Walker,
Mayor