

**MINUTES OF A BUDGET MEETING OF THE PRINCETON CITY COUNCIL HELD ON
NOVEMBER 24, 2009, 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Acting Mayor Whitcomb called the meeting to order. Council members present were Acting Mayor Paul Whitcomb and Councilors Victoria Hallin, Dick Dobson and Lee Steinbrecher. Mayor Jeremy Riddle was absent. Staff present was Mark Karnowski, Steve Jackson, Jay Blake, Bob Gerold, Brian Payne, Jim Roxbury, and Katie Hunter. Joe Backlund arrived at 5:30 pm.

2010 BUDGET

Finance Director Steve Jackson explained that in the General Fund the taxes have been going up prompted by Intergovernmental Revenue declines. Property taxes include the \$80,000 done for this year to partially offset the cut in Local Government Aid. Most of the revenues are consistent, although a small increase in building permits from what was expected this year; with a good portion of that being the new hockey arena and the schools. The Administrative Fines are almost disappearing throughout the years.

Karnowski said he felt that the city should as much saving of funds as possible at this time because he feels the next few years will be bad; as far as Local Government Aid.

Jackson explained that the Levy Analysis shows a decrease in net tax capacity of the City due to the decreasing market values associated with the economy. All of the increases in the tax capacity rate are attributable to the reduction in Local Government Aid (LGA) and the decrease in the net tax capacity.

Steinbrecher stated that his main concern would be if the city's expenditures were less than the city's revenues. Karnowski said that the word is that the state will still be under significant stress in 2010. On the other hand, the city's budget looks good for 2010 considering a one week furlough again for each employee. Karnowski reviewed that employees will still receive their step increases but receive no Cost of Living increase. Karnowski is beginning negotiations with the Police Union tomorrow.

Steinbrecher stated that the city has to be careful in this economic time with giving raises. The City and the School District have to consider that other businesses have declined and other workers have taken pay cuts or layoffs.

Karnowski said the approach will be to protect the positions that we have with furloughs, but no raises.

Jackson stated that the General Fund is in balance with a small reserve. Departments are trying to maintain a zero increase where possible and still be realistic.

\$19,000 is spent in General Government Assessing. Karnowski wondered if the surrounding Townships were being charged as well – if they were, the City could get charged less.

Legal services are at \$59,400. Steinbrecher stated that the city's legal services have improved since he has been on the Council and it's so nice to have the attorney who is knowledgeable in so many areas and to have the attorney at most of the meetings.

The Fire Advisory Board agreed to a 3% increase. There are no new officers for the Police Department in 2010.

The Public Works Department has been doing well as far as decreasing over-time hours through the past couple years. The compost site is down to advertising to remind people of the new disposal site and then this account may disappear.

The topic of the outdoor ice rink was discussed. The budget currently has one rink, which does get used. The city may reduce the hours of the warming house. The Council discussed the worth of having the ice rink open. Steinbrecher said that a resident had asked him about opening up the pond by Meadowview for skating. Gerold said a few years ago the city plowed the pond and they didn't see enough activity, so they discontinued it. Whitcomb suggested 'promoting' the pond as the city skating rink and close the other and not have a warming house to save on costs. Steinbrecher stated that he was not for using the pond one way or another, it was just a suggestion given to him. The consensus was to leave the budget for this department as presented and continue to discuss the use of the pond as the season progresses.

Steinbrecher asked if the City uses Park Dedication funds for this kind of thing. Steinbrecher asked where the park dedication funds are going. Karnowski stated that if improvements are made you can use Park Dedication Funds. You cannot use it for maintenance or operations.

The City does minimal work at the Depot. The Public Works Department still plows the sidewalks in the winter.

The Splash Park operations are as follows: the income for the Park is about \$20,000 and the expenditures are around \$36,000. But, the Council agreed that the Splash Park is a hit and the residents really like it.

Karnowski feels it is a make or break deal this year for the Civic Center. Steinbrecher said we could get a 'free' idea of what could be done from a friend of his. The architect that did the liquor store could give us an idea of what could be done at no cost. Cities are getting stuff done for 65% of the cost due to lower prices. The Council agreed that now is the time. As discussed at a previous meeting, some of the log structure and the fireplace will be salvaged.

Fire Department Reserve: Fire Chief Jim Roxbury explained that the Department wants to place an engine at the Wyanett Township substation. He found a used truck in Robbinsdale that he would like the Council to consider. Although he noted, it still has to go in front of the Fire Board, the General Fire Department and Relief Association.

Roxbury explained that the 1980 truck would benefit the townships and benefit city residents if we had a fire in town we would have extra pumping capacity with the 500-gallon pumper. The purchase price is set at \$4,800.00. The consensus of the members so far is that the Relief Association would purchase the truck and donate it back to the City. Roxbury explained that he is not asking for any funds from the city. Steinbrecher asked if the truck was mechanically good. Roxbury answered that it appeared to be, although no one has gone to look at the truck yet. Karnowski stated that the annual insurance would increase about \$400 a year. Roxbury is asking if the Council gives permission to pursue purchasing the truck or not. Dobson stated he feels more comfortable having a pumper in Wyanett Township rather than just a Grass Rig. Roxbury stated that Steve Olson felt that the ISO rating of the city would increase with an extra pumper as would the township. Also, while the bridge is out next year, having a truck on the east side of town will benefit everyone. The Council concurred in having Roxbury to proceed with purchasing the truck.

The Council asked what the estimated amount was in the Park Improvement Fund. Jackson thought somewhere between \$75,000-85,000.

There has been a lot of activity at the Airport with the recent improvements. Even so, it doesn't produce enough revenue to support itself. Karnowski stated that the City has reached an agreement with Richard Anderson for the airport lot on the North end.

The Council wondered if the City can enter into agreements for lease purchases for building projects. Karnowski stated that the only way a city can do that is through the EDA. Jay added that revenue bonds can be purchased for that sort of thing but only through the EDA and there are limitations. Blake said he hasn't heard of cities doing that, but we could ask Northland Securities.

Jackson reminded the Council that the December 10th, 2009 meeting date will be used to discuss the budget and invite the public to speak. At this time, staff is looking for a consensus from the Council to move forward with what is presented as the current budget. The City Council concurs. They praised Jackson's hard work. Jackson praised the Department Heads who have been very cooperative in putting the budget together. Dobson commended Staff and Department Heads in including only necessities in the budget; and no wish list items.

RESOLUTION #09-49 ACCEPTING \$1000 DONATION FROM PRINCETON JAYCEES

DOBSON MOVED TO APPROVE RESOLUTION #09-49; ACCEPTING A \$1000 DONATION FROM THE PRINCETON JAYCEES FUNDS TO BE USED FOR THE SPLASH PARK. HALLIN SECOND THE MOTION. ON THE VOTE: AYES – 4; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

DOBSON MOVED TO ADJOURN AT 6:22 P.M. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

Katie Hunter; City Clerk

ATTEST:

Paul Whitcomb; Acting Mayor