

**MINUTES OF A BUDGET MEETING OF THE PRINCETON CITY COUNCIL HELD ON
OCTOBER 9, 2008, 6:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Riddle called the meeting to order. Council members present were Mayor Jeremy Riddle and Councilors Paul Whitcomb, Dick Dobson, Victoria Hallin, and Lee Steinbrecher. Staff present was Mark Karnowski, Steve Jackson, Brian Payne, Bob Gerold, Jay Blake, Nancy Campbell, Jim Roxbury, and Ann Bien.

2009 BUDGET

Jackson presented graphs showing the 2008 General Fund Total Expenditures by Type and a Levy Analysis from 2004 to 2009. He explained that 57.51% of the budget is for personnel with services coming in second at 29.30%. Riddle asked if any wages were included in services and Jackson answered no, it includes utilities, legal services, engineering, consulting fees, auditors, repairs and maintenance, printing, etc.

Jackson also reported the City's debt levy will probably increase because housing and big box developments have not occurred as expected, but the improvement bonds still need to be paid. He recommended, because of the uncertainty of Local Government Aid (LGA) and the length of the economic slowdown, that it is important to be cautious with delaying projects like sealcoating and capital improvement purchases. Budget adjustments should be sustainable for a longer period.

Steinbrecher asked if actual expenditures historically have been less than what was budgeted and thought that should be looked at. Jackson answered historically the City has spent 5-10% less than what was budgeted. Karnowski added that for the last few years, staff has tried to budget high on expenses and low on income, since with gas and heating prices going up, it's hard to know what the cost could actually be.

Riddle stated he thought there was a lot of merit in giving ourselves a safety net in the expenses side and we may want to plan for a buffer since we don't have control over "pricing", LGA, or unpaid property taxes. Jackson stated he factors in 5% for delinquencies, but this could be a little light for this year and next year because of all of the foreclosures.

Steinbrecher stated he thinks the Council's message should be the "wants" need to be put aside by the departments. Karnowski stated he thinks the department heads are pretty prudent and work well together seeing that priority items are first to purchase.

Dobson asked about refurbishing police squads. Payne stated that in checking with other police departments who did this thought the cost was not worth it and went back to purchasing their vehicles. He stated another possible option was to look into leasing cars.

Riddle asked and Jackson answered the largest increase for 2009 is in personnel, that being part of a new liaison officer and COLA increases. Dobson asked about using part-time officers. Payne explained there is a different attitude with part-time officers since they are usually living in the community and other officers have to pick up what they leave off at the end of their shift. Dobson added another down side is the union and negotiations for part-time. Riddle stated he thought the City could save in benefit costs with part-time employees. He stated the Public Works Department has been working short a man and has been doing a tremendous job using seasonal employees and PUC to help plow. Jackson stated another problem with part-time police officers is continuity; he thought 10-20 hrs. per week would work best. Payne added another challenge is with a part-time officer having to go to court.

Riddle suggested if there are resignations, the position can be filled with part-time, not filled, or the employee could become the part-time employee.

Karnowski reported there could be some drastic cuts with LGA within the next 6 months. Riddle stated there is a rumor that there may not be a State bonding bill next year.

Karnowski stated the City's Fire Department is larger than many volunteer departments and there may be savings in turnout gear replacement if the number is lowered. Roxbury explained it is staffed to make sure there is enough manpower to handle every situation. He stated he has looked into hiring firefighters not living in the area but working in the city during day hours.

Jackson explained another concern is that as the stock market goes down, so does the value of the fire relief. He stated there is potential that the City and townships will be on the hook to make them whole for funding. He added that in different economic times a recommendation may have been made for a part-time fire chief.

Riddle stated this discussion has only been for discussion and the Council is not intending to focus only on the Police and Fire Departments.

Jackson asked if there was a consensus on a target staff should work towards. Riddle stated the Council wants to make as many budget reductions as sustainable without just being a bandage and costing more in the future. Karnowski stated staff will provide a list of options and their impact and will also check with the Unions as to what can be done. Riddle stated services will also need to be looked at.

DOBSON MOVED TO ADJOURN THE BUDGET MEETING AT 7:00 P.M. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

Ann Bien, Deputy City Clerk

ATTEST:

Jeremy Riddle, Mayor

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
OCTOBER 9, 2008, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Riddle called the meeting to order at 7:05 p.m. and led the Pledge of Allegiance to the Flag. Council members present were Mayor Jeremy Riddle and Councilors Paul Whitcomb, Dick Dobson, Victoria Hallin, and Lee Steinbrecher. Staff present was Mark Karnowski, Steve Jackson, Brian Payne, Joe Backlund, Bob Gerold, Joe Backlund, and Ann Bien. Also present City Attorney Damien Toven.

AGENDA ADDITIONS/DELETIONS

IT WAS THE CONSENSUS OF THE COUNCIL TO ADD THE FOLLOWING ITEMS TO THE AGENDA:

Under Ordinances and Resolutions:

- A. Resolution #08-30, Proclaiming Manufacturers' Week.

Under Unfinished Business:

- A. JPA with Dalbo Fire Department and Wyanett Township

Under New Business:

- C. USDA Grant Authorization

APPROVAL OF MINUTES OF REGULAR MEETING OF SEPTEMBER 25, 2008, AND STUDY SESSION OF OCTOBER 2, 2008

WHITCOMB MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 25 AND STUDY SESSION OF OCTOBER 2, 2008, AS WRITTEN. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

CONSENT AGENDA

A. Permits and Licenses: None

B. Personnel

- 1. Public Works
 - a. Todd Ross, Step 5 Increase to \$20.79/hr. eff. 10-14-08
- 2. Police Department
 - a. Jason Cederberg, Hire as Police Officer @ \$17.53/hr. eff. 10-19-08

C. Donations/Designations: None

HALLIN MOVED TO APPROVE THE CONSENT AGENDA. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

DOBSON MOVED TO APPROVE THE HIRING OF JASON CEDERBERG AS A POLICE OFFICER @ \$17.53/HR. EFFECTIVE 10-19-08. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

City Administrator Karnowski administered the oath of office to Jason Cederberg.

OPEN FORUM

No one was present for Open Forum.

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

A. EDA

- 1. **Draft Minutes of September 18, 2008**
The above minutes were reviewed.

B. PUC

1. Minutes of July 23, 2008

The above minutes were reviewed.

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. Request for Support of Senior Van

The Council received a petition from 23 citizens requesting the Council put the \$1,500 prize money towards the Senior Citizens bus. The Council took the petition under advisement and will review it at the next budget meeting.

B. "No Parking" Designation Areas

Karnowski reported the Princeton School District has notified the City that their school busses are having some difficulty driving down 8th Avenue South because of traffic parked on the west side of that street. The School District is requesting that the City post "no parking" signs on the west side of 8th Avenue South from a half block south of 6th Street South to its intersection with the High School parking lot. The east side of that street already is posted for no parking. The School District has volunteered to pay for the cost of the signs if the City crews will erect them.

He also reported that when staff was discussing putting the School District's request before the Council, the Police Chief noted that there is another problem area he would like to have addressed at the same time. Apparently there is one parking space along the west side of Rum River Drive just south of its intersection with 3rd Street North. The Police Department has received complaints that traffic travelling on 3rd and approaching Rum River Drive from the west are having a tough time seeing the cross traffic. The Chief is recommending that the City paint the curb in the subject area yellow to prevent cars from parking there.

Whitcomb asked if the "no parking" signs would be for specific hours. Gerold stated the current signs on the east are for 8 a.m. – 3 p.m. on school days. Dobson stated he would also be concerned with fire trucks getting through.

HALLIN MOVED TO APPROVE RESOLUTION #08-29, A RESOLUTION APPROVING THE INSTALLATION OF "NO PARKING" SIGNS ALONG A CERTAIN PORTION OF 8TH AVENUE SOUTH AND THE DESIGNATION OF A NO PARKING AREA LONG A PORTION OF RUM RIVER DRIVE. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

ORDINANCES AND RESOLUTION

A. Resolution #08-30, Proclaiming "Minnesota Manufacturers' Week"

WHITCOMB MOVED TO APPROVE RESOLUTION #08-30, A RESOLUTION PROCLAIMING "MINNESOTA MANUFACTURERS' WEEK." STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES – 5; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

A. Wyanett Township Fire Substation

Karnowski reported Fire Chief Roxbury has been working with the Wyanett Township Board and the Dalbo Fire Department to respond to Dalbo Township's desire to have a Princeton Fire Department substation located in their township. The Township's proposed program was to have the substation operated jointly by both the Dalbo and Princeton Fire Departments (both departments currently serve portions of Wyanett Township). The Fire Advisory Board agreed that, with the impending replacement of the TH95 bridge and the ongoing absence of a second crossing of the Rum River, a Wyanett substation would have benefit to our ability to fully service the area. It could also impact the ultimate size of any future Public Safety facility to have equipment located elsewhere. Wyanett Township is in the process of modifying an existing building to house two pieces of firefighting equipment and is looking at constructing a more permanent structure in the future. Dalbo and the City will each provide equipment.

DOBSON MOVED TO APPROVE THE PRINCETON-DALBO-WYANETT FIRE DISTRICT JOINT POWERS AGREEMENT AND AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR TO ENTER INTO THE JOINT POWERS AGREEMENT ON BEHALF OF THE CITY. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

A. Contract with KDV

The Council reviewed the letter of understanding from KDV dated October 1, 2008. Jackson explained this agreement is for the 2008 audit, which is the second year of a 3 year contract.

DOBSON MOVED TO APPROVE THE CONTRACT WITH KDV FOR AUDITING SERVICES FOR THE YEAR ENDED DECEMBER 31, 2008. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

B. MPCA Environmental Assistance Grant Application

C. USDA Grant Authorization

Blake reviewed that staff and USDP representatives have met over the past year regarding the waste flow issues for United States Distilled Products (USDP). He explained the City's current wastewater treatment plant is not capable of handling the flows and quality of the non-human wastes that are generated at the USDP facility. Currently USDP collects the waste from the bottling processes and trucks them to the former waste treatment ponds in Zimmerman, which is expensive for them.

Blake reported staff and USDP are currently pursuing assistance from the US Economic Development Agency for a pre-treatment plant. However, in the meantime, BioMatrix has approached USDP with a proposal to utilize the wastes and produce an algae byproduct that can help BioMatrix with product development. This process has been used in locations all over the world since 1967.

Blake explained USDP and BioMatrix would like to develop a pilot project on the BioMatrix site that can be used to finalized the designs for the USDP system. The project would cost around \$100,000. Blake has been looking for grant funds and located two potential sources - \$40,000 for an Environmental Assistance Grant from the MN Pollution Control Agency and \$10,000 from the United States Department of Agriculture. USDP and BioMatrix will provide the remaining \$50,000. Construction costs for this type of facility is about 60% less than a pretreatment plant.

WHITCOMB MOVED TO AUTHORIZE STAFF TO SUBMIT THE PRELIMINARY APPLICATION TO THE MPCA FOR A \$40,000 GRANT FOR THE USDP/BIOMATRIX PILOT PROJECT. HALLIN SECONDED THE MOTION.

Dobson asked if the plant goes forward, who will be responsible for running it and maintenance. Blake stated Karnowski has been searching for a template agreement and staff will negotiate with both BioMatrix and USDP as to who will be overseeing the plant. Riddle stated the other path we were heading down was that it would be City owned and maintained, stating this could save money and it would be good to piggy back with private investment. Blake added this will also be going to the EDA for discussion.

ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

STEINBRECHER MOVED TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR TO SIGN THE AGREEMENT WITH THE US DEPARTMENT OF AGRICULTURE FOR \$10,000 ASSISTANCE FOR THE PILOT PROJECT. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

BILL LIST - \$384,442.29

HALLIN MOVED TO APPROVE THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST, WHICH WILL BE CHECKS NUMBERING 59519-59602, FOR A TOTAL OF \$384,442.29. (THERE WERE NO MANUAL CHECKS.) WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

There being no further business, DOBSON MOVED TO ADJOURN AT 7:46 P.M. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

Ann Bien, Deputy City Clerk

ATTEST:

Jeremy Riddle, Mayor