

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL HELD ON  
NOVEMBER 3, 2011, 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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Mayor Jeremy Riddle called the meeting to order. Council members present were Dick Dobson, Victoria Hallin, Thom Walker and Paul Whitcomb. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Developer Carie Fuhrman, Police Chief Brian Payne, Public Works Director Bob Gerold, and Liquor Store Manager Nancy Campbell. Also present: City Attorney Dick Schieffer.

**COUNTY COMPREHENSIVE PLAN**

Jordan Zeller, East Central Regional Development Commission, was present regarding the County Comprehensive Plan. Zeller stated that he was there as an introductory visit. Mille Lacs has been looking at updating their Land Use Plan. Their Comprehensive Plan was last updated in 1990, and they have asked the ECRDC to help put it together. We are just getting the ball rolling, asking for input, asking for help in promoting and working on the process and getting citizen input.

First off – what is a comprehensive plan? The Comprehensive Plan shows what the citizens want to see the county look like and helps guide the County, while a Zoning Ordinance is the rules and regulations. The County is also looking at an overall Strategic Plan update and to get input from the citizens. It is very common for local units of government to have a comp plan.

Zeller stated that the process will take approximately 18 months to 2 years, depending on the situation. The County is only in the preliminary stages right now. The County will be putting together a steering committee, and they will be overseeing the project. The Steering Committee will likely be made up of township, county, city, and other staff and officials. There are roughly 8 to 10 topics to be covered. What it will actually be could be different depending on what the Steering Committee decides. Right now we are hitting each City Council and briefing everyone on what the game plan is and looking for ideas. After the first of the year, we will be doing six public meetings across the County; looking at demographics; getting feedback; etc.

Zeller stated that the Steering Committee will be putting together a task force on each area or whatever the list will be. We will likely be looking for somebody to represent the city, township, business owner, citizens at varying ages, maybe MnDOT, County Highway Engineer, etc. Each task force might meet about two to five times, depending on the topic and weather.

Zeller stated that we are looking for the City's help on a variety of levels: First off, we would like input from city leaders, city staff, etc. We will also be looking to have you folks help it promote it when we have meetings, put on the website, newsletters, etc. Also, we may request to borrow the Council chambers to hold a meeting. We will be holding meetings roughly quarterly around the region.

Hallin asked if the same ten features were listed in the last comp plan update?

Zeller said roughly. We brought some of those in since we're also looking at a Strategic Plan as well.

Hallin asked if there was a task force back then?

Zeller said that she believed they did back then.

Hallin asked if they will go off the other comp plan and make additions, deletions where they need to be? Sounds like a big project.

Zeller invited the Council to please join them and asked if there were any other questions.

Hallin asked if they would send notification to the city regarding each meeting?

Zeller said that a page will be put together on the county website, and that they will blanket the information out to everyone when a meeting is going to be held, and they will make sure to let Mark and Carie know at the city level. Roxy is spear-heading it on the county level and he is the contact person at the ECRDC. Dr. Riddle is the vice chair of the commission, so you can give him a call as well. We will be back. We will probably try and get around to Chamber meetings to make sure we have the input of the business community as well.

The Council thanked Zeller for coming and informing the Council of the upcoming update.

### **UHRICH AGREEMENT OF ASSESSMENT AND WAIVER OF IRREGULARITIES AND APPEAL**

Schieffer stated that the waiving of the special assessment needs to be approved by the city and signed by the property owners, Jeremy and Angela Uhrich. The city would later adopt a resolution assessing the property. The bid that we have for the re-erection of the fence is \$785, and staff is recommending that amount be assessed at 5% for three years. The builder/fence contractor bid the project, but he said that he really does not want city staff involved because he cannot guarantee the work if someone helps out. Apparently, he does not think taking the fence down is a problem.

Hallin verified what that included.

Schieffer said that the contractor has seen the project. It will be assessed and paid with the real estate taxes. Schieffer asked if that would be on the 2012 tax roll?

Steve stated that it all depends on how quickly the project is done. I think the County would still take it if we were able to approve it this month, but I'm not sure that we'll be at that point.

Schieffer said if it doesn't get assessed now, it will be on the 2013 payables.

Hallin asked if the City would be paying the contractor then?

Schieffer stated yes. The Council can approve the agreement tonight, but I have to make a few changes in the agreement, but that's not a problem.

Dobson asked if we can approve it subject to his changes?

Schieffer states yes, and that the property owner is in agreement with it.

Dobson said it would be good to get done before it freezes or snows.

**DOBSON MOTIONED TO ACCEPT THE UHRICH AGREEMENT OF ASSESSMENT AND WAIVER OF IRREGULARITIES AND APPEAL, SUBJECT TO THE CHANGES TO BE MADE BY THE CITY ATTORNEY. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).**

### **2012 BUDGET**

Jackson introduced the issue of the 2012 Budget. This year, I thought I would organize it by Department Head rather than by the budget book. Liquor is on top of the budget list. Nancy pretty much developed the budget by looking at last year and this year's sales and made adjustments according to sales trends. If you look at the revenue, which is on the bottom of the first page, and compare with the third page, you'll see that it is a pretty favorable situation. I think Nancy has been doing a good job with adapting the business to the new location and hopefully we'll get some more traffic out there.

Nancy stated that it would help if the proposed neighbor comes in.

Walker stated that one thing they had talked about at the EDA meeting was the possibility of a reader board/message board put up on the liquor store sign post?

Campbell stated that she has thought of that – if they could see it from the highway. People really look over there from the highway. People do notice it, and it would help tremendously.

Walker stated that you could put sales on and community information; chamber of commerce advertising events; etc.

Campbell stated that she usually tries to read the reader board sign in Elk River.

Walker stated it might be something to add to next year's budget. It might be an investment worth making for the city in general.

Campbell stated that it would be nice to advertise the Civic Betterment Club events as well. Campbell stated that the other thing we have been working on is changing the credit card company to hopefully save some money. U.S. Bank is one of the sponsors for MMBA and they have offered a discount price for the entire city. So, we are looking into changing over to lower rates so we wouldn't pay out for swiping cards.

Walker asked what the typical sale is per person.

Campbell answered 20 to 25 per person.

Walker asked what the change of fee would be.

Jackson answered 12 cents for the swipe of debit and credit cards.

Campbell stated that it costs every time you swipe. Discussion ensued regarding credit card and debit card costs for swiping.

Walker asked if this was a promotional rate?

Jackson said that it is not a promotion rate. This would be the third or fourth time that they have changed, and each time we save more money.

Campbell stated that the majority of sales are on a card. We hardly get any checks – probably about 10 a day.

Dobson stated that there is a new thing where people go to pay and they just give their name, clerk punches a button, and it is automatically deducted off of the account, with no paper trail.

Dobson (speaking to Campbell) stated you have been doing a terrific job out there. I am surprised we are in as good of a shape as we are with the economy and the move of the store.

Campbell said that sales trends are different with the economy the way it is; and she buys different because of it.

Hallin stated that you have incredible staff over there.

Campbell stated that she does have good staff. We have not had turnover in awhile.

Hallin said they are nice, kind, personable, etc. You should teach people how to hire.

Campbell said the wine club has done really well. The first one had ten people, and the last one had 85 people. It is located at Steven's, and he does such a great job. He charges very reasonably.

The Council thanked Campbell, and Campbell thanked the Council

**a. The Princeton Area Chamber of Commerce (Genny Reynolds, Mary Chapman, Scott Berry, and Jim Townsend) will be present to answer any questions regarding the attached memo)**

Scott Berry, Chamber of Commerce Board Director member, said they were requesting \$10,000 from the City. We had come to the City at an earlier date, but the City had asked the Chamber to come back at budget time. So, we are back doing that. We are in the process of adding new members, which is exciting, and things seem to be coming back around. We have had some good new members and some good things happening. We are trying to develop some partnership with different city committees and with Fuhrman to assist businesses coming into town. We have a breakdown of where we plan to apply those expenses requested from the City, which is on the 3<sup>rd</sup> page of the Chamber's memo.

Hallin asked about the block party and pork chop dinner.

Berry stated that they are looking at separating the block party from the pork chop dinner. The block party is still a private event, with the Vhamber being involved in some fashion. We are very excited for that. I am here to answer any questions that you might have. We do have an operating budget, which is about \$85,000 with all the events, salaries, overhead, etc.

Hallin asked how much the City gave last year?

Mary Chapman, Chamber Director, answered \$4500.

Chapman stated that one thing new that we had done this year was the Harlam Ambassadors' basketball game, which cost a little over \$5000. We did things to try to entice sponsorship and sold tickets and things, but we still lost over \$1,000 on that. This event budget – there may be other things that we might try and bring into the City. That was a great community event that brought people into the City. It would be really nice to be able to do more things like that for the community. Jeremy and Paul can probably attest - it was great for the community. This is just the normal events that we have. There are other things that we could do as well – working with the public schools. We brought in the BMX bike show. The chili fest was such a huge success; very family oriented, kid-oriented. Even though the Princeton Chamber puts this on, people see the City of Princeton. We will also include the City as a sponsor. So, we are trying to do

the best quality to bring the best entertainment, highest quality, entice people to come here, bring their businesses here, and make a good community here.

Hallin said she was excited about the bike show.

Fuhrman mentioned that her and Chapman have been working together on ideas for helping existing businesses and bringing new businesses into town. In fact, Chapman and some of the Chamber Board members are coming to the next EDA meeting to work together on coming up with ideas for promoting the City. It would be nice to continue the relationship between the City and Chamber because we both have similar goals in many areas.

Scott Berry mentioned that they are looking to start a mentoring program where a new business owner will get paired with an existing business owner in town. There are some successful business owners in town that understand and are willing to help out the new business owners. They are bugging me about it, so we are trying to get that up and running. In addition, the Flair Program has been very successful. We are also going through and surveying our membership. We are trying to get back to the membership and citizens to find out what they are thinking.

Walker asked how do you measure if you are being successful?

Berry said the number of new members; events; and we have had new speakers come in.

Chapman stated that at general membership meetings, we used to have five to eight people attend. We are now running at 30 to 40 that come to the monthly meetings. That tells me that people are more involved, are interested in what we are doing, and so on.

Hallin stated that it is great that you host your meetings at different locations: district office, library, etc. When I was at the library I was lucky to get a chair.

Riddle said going off what Fuhrman said – there had been talk about possibly putting a contract situation together between the City and Chamber, but it's been awhile.

Karnowski stated what it amounted to is that the City itself is prohibited from making a contribution to the Chamber, and the City cannot be a member of the Chamber of Commerce. But, the liquor store can be a member and can make a contribution. But, you can also contract for services. For instance, if the City wanted to work with the Chamber to entice new businesses to come to town; the City could enter into a contract to provide that service for whatever amount was agreed upon between the Chamber and City. So, rather than just a contribution, you would be actually setting up a contract with what you were doing and how we were doing that.

Walker said I can see the logic with that.

Riddle stated that there is no doubt that the Chamber provides a lot of things to the City atmosphere that would not happen without it.

Karnowski said that there are organizations that will come in and help businesses, develop business plans, etc. As Scott Berry has suggested, a mentoring program between existing and new businesses – I don't know of any city that has actually done that, but that could be a benefit.

Riddle said that we were looking at setting up a SCORE office between the ECRDC...it was well over \$10,000. If the Chamber can provide some of that efficiently...

Dobson stated that existing businesses have a feel for the community and contacts, which can help new businesses. It's nice to have local help that has already been successful.

Hallin said that she liked that, and if more communities did that, the ratio would hopefully change for success rates for businesses.

Riddle said it might be interesting to see a proposal between what Fuhrman has been talking to the Chamber about, get a list, see what the costs/values are, try and get in time for budget, or if there is room to include that in there.

Walker stated that along with that, going back to my first comment – I would like to see some sort of measure of success as well. From the Chamber's perspective, having business involvement and current interest, more members, etc. But what about from the city's point of view and new businesses? Obviously we want new people too. We want a growing base.

Riddle stated part of that would be referrals and how many contacts did we gain.

Walker stated that I don't know what the metric is for measuring success. I would like to at least try to measure it.

Riddle stated that ECRDC has some pretty good background on measuring those types of things.

Walker stated that it's an increase you are asking for and we want a reason for doing it.

Dobson stated that he has seen a lot of growth in the Chamber over the last ten years. It used to be just an office that people went to occasionally, and now there are more and more functions. Even if the Chamber does something, it is still the City of Princeton where it's being held, and people relate that to the City. If they have a good time; they'll come back; and they'll bring some people back. If we can get some new businesses. I don't know how you measure success rate though.

Hallin stated that she has noticed the same thing: the exposure of the city, the events, the expansion of the Chamber, etc. People leave those events feeling good and wanting to come back. That to me indicates success.

Walker stated that I am glad that we have an invitation to the Chamber to attend the EDA meetings, so you are always invited whether you are on the agenda or not. We can always make sure you are on the agenda.

Riddle stated that the Chamber has been meeting with Zeller on how to recruit. Maybe we can help them recruit and get things off the ground.

Walker stated that maybe the EDA can do some of that. The EDA gets to do things that the City cannot do, so maybe that's a way that we can make some of this work.

Riddle stated that it would be nice to see some of those things not being able to get done actually get done and support the Chamber activities.

Walker stated if you could get somebody to buy one of those Aero Business park lots.

Berry stated that is one of the ideas with the mentorship program. The concept is to find out what is available in Princeton. Not only to help existing, but to help recruit. What are the types of business that we want and will work in Princeton? Encourage and assist them to come in to town – that’s what we are trying to do. The issue is time, resources, etc. We got the concept and the idea, it’s developing that, getting together with Fuhrman, and moving that forward.

Walker stated that he wanted to make it clear that he is not against this; it is just that part of the deal is we better be spending it for a good reason.

Berry stated that I think we will be able to measure that going forward. If we are bringing people in, we can maybe measure that way.

Walker stated you get a chance for three of us in two weeks (at the EDA meeting).

Chapman stated that she would have something for you at that meeting.

The Council thanked the Chamber, and Scott Berry thanked the Council.

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Jackson stated that he had one other handout that we can address fairly quickly regarding fencing. The Police Department has been looking for an area to securely store impounded cars. Probably about seven or eight years ago, it was decided that if we could fence off a small area within the Public Works property, it would have double security. There has been \$5,700 set aside from a forfeiture that occurred a few years ago. Todd Frederick has gone around and received quotes for the fencing material. Bob Gerold had decided to erect the fence. They are hoping to get the Council to agree to purchase the fencing and allow Public Works to install it. Frederick received three quotes, and we are recommending Oberg Fence.

Hallin asked if the setbacks would be established.

Steve stated that we would have handled it differently, but Gerold prefers to do it prior to the frost being in the ground. They had \$5,700 set aside, but they also have more than enough money in the forfeiture fund that has not been designated to pay the \$600 difference.

Dobson stated that it is the fence that the City really needs. It will deter the average person from trying to access the vehicles.

Hallin asked if Oberg was local.

Gerold stated that they are out of Deerwood. They have done work here before.

WHITCOMB MOTIONED TO HIRE OBERG FENCE TO PROVIDE THE FENCING MATERIAL TO FENCE OFF THE STORAGE AREA FOR THE IMPOUNDED VEHICLES. HALLIN SECONDED THE MOTION.

Dobson asked Police Chief Payne about the vehicles.

Payne stated that normal vehicles go to the impound lot of the towing place. This is for situations that involve certain criminal acts that would allow us to forfeit that vehicle.

THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

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Fire Protection: Steve stated that he has spoken with Jim Roxbury quite extensively about the Fire Department budget. The decision by the Fire Board has been to increase the overall budget by about three percent, which has been the case for the last two or three years. That is picked up pro-rata with the other townships, so we share that increase. Part of what I want to draw your attention to is that they are proposing a \$1/hr increase for the firefighters. We were trying to figure out when they last actually received a raise.

Hallin asked if we have records.

Whitcomb stated that it has been awhile.

Jackson stated that they are where they were eight or nine years ago. They had gotten an increase; then they agreed to a reduction in order to help further retirement; then, probably two or three years ago, they got that dollar back. This is probably the first time in about ten years that they have requested an increase.

Hallin asked how that would affect things overall.

Jackson stated that gets factored into the three percent. Some of the other numbers have gone down.

Hallin asked if it was a little over \$9,000 per year?

Jackson said yes, but that varies on the number of fire calls. That is his request. It works out to within that three percent total increase.

Whitcomb stated that the townships had no problem with the increase either way.

Hallin stated they are due for an increase. Roxbury has been saving us lots of money with all the great deals that he finds.

Jackson stated that there are a lot of things that the fire department has that they probably would not have other than through some of Roxbury's dealings.

Hallin stated that different communities across the state – I have talked to several people who have worked with him. He has a very good reputation out there, which helps the City's reputation. He has done the leg work.

Jackson stated that if you do not want to go along with it, then you would probably as a consensus ask for it to be removed from the budget. At this point, I would assume it is Council consensus to leave it in the budget.

Walker stated that as long as you have no problem getting new firefighters when the others retire.

Karnowski stated that Princeton is unique in the fact that we are able to maintain the size of the department that we have and we are able to find volunteers to fill in when people retire or move out of town. That does not seem to be the general rule in other cities. There are departments that are really hurting.

Jackson stated that several of the last recruits actually had experience, which saves on training.

Emergency Management: Jackson stated that Emergency Management is a rather small department and does not have a lot for expenditures, assuming no major problems come up. It is mainly just a maintenance budget along that line. As the City begins to expand again, there will probably be other issues to discuss and to resolve as far as making sure that other areas do get added and are covered.

Karnowski stated that Jim has been promoting that Developer's Agreements address the emergency siren system. If the new development is not covered by the existing siren system, we should be requiring that an emergency siren be installed, instead of having the City come back after the fact and cover it.

Fire Relief: Jackson stated the only thing that goes through there is the payment of state aid funds that the city receives and is paid out. It went up quite a bit this year, which we don't know why.

Fire Department Reserves: Jackson stated that the next two pages include the fire department reserve, which has been built up over many years. It is for equipment and also includes some for a fire station, so there is a little bit of money for that. This is the fund that gets transferred into. All of the townships and cities, since we have started charging for fire calls and accidents – the townships and cities have agreed to have those fees placed into this fund also. Roxbury shows \$70,000 for a tanker rehab for next year.

Fire Equipment Grant: 2011 was the wrap-up for the fire department grant.

Disaster Relocation Fund: The last one is the Disaster Relocation Fund – revenue is entirely from the nuclear power plant. The expenditure page shows the different areas – a lot of it is for training, volunteers, fire personnel, response techniques.

Discussion ensued regarding the disaster relocation funding.



Police Department: Payne stated that there are a few increases in there. This was an unusual year with unplanned events. Overall, things went real well, but I wanted to make sure and get enough in there for possible increases. Gasoline is one that I'm kind of curious about. It's not coming down, and I'm afraid we may be stretching it there. Capital Improvements – we are interested in a squad car. The computer systems are seven year old, and we're looking to replace them in the office.

Payne discussed the radio system, which is still up in the air. There was some miscommunication with the Sheriff's office. Other than that, I really cannot think of too much. I'm trying to keep our training budget on even-keel. Thank you to staff and the mayor for helping with that last training.

Jackson asked if the Sheriff has reached a decision as far as passing on any of the licensing charges.

Payne stated that we can't apply for grants to get radios. It has to be applied by the County, and the Sheriff did apply again. Discussion ensued regarding radio programming for 800 mega Hertz. There may be a yearly user fee per radio.

Payne stated that squad cars will be up in the air for what we can get. I am hoping for some fairly decent gas mileage that would last 100 to 120,000 miles. There are some interesting prospects out there.

Discussion ensued regarding Crown Victorias as police squad vehicles.

Dobson stated that I think all of your department members are doing a terrific job. I hear a lot of positives from the public. He said that I watch when they are making stops, and they are very professional.

Payne thanked Dobson.

Animal Control: Jackson stated that Animal Control is basically impound fees, and every so often we have to buy new license tags.

Property Confiscation: He has a few other funds of Property Confiscation.

Dobson asked if the department would save any money if we had a community service officer to take care of the lockouts, the dog calls, and let the officers that we have do the other stuff?

Payne stated that he likes the idea and he applauds the thought. The non-emergency calls are handled when the other severe calls are not being handled. It costs a substantial amount of money for uniforms, training, etc. I am not very comfortable with having Community Reserve Officers out on their own because the community does not know they are only Reserve cops. It is something we can look at, but I don't think it will save us any money. My personal feeling is that it hasn't been done before for many reasons.

Walker stated unless you have a big enough scale, I just don't see them being useful.

Payne stated if we had parking meters or something like that. Elk River has Community Service Officers – their main job is animal complaints. Not to say we don't have those issues, but our officers are capable to handle those in between the more major phone calls.

Dobson said that he was just throwing that out there.

The Council thanked Payne.

Public Safety Programs, Info Buy Fund, and Felony Investigation: Jackson stated that the next ones do not have much activity. No tax dollars go into them. No discussion took place.

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Building Inspection: Fuhrman explained the overages in the expert and professional category, which are due to increases in building permit activity. This will be made up in the revenue portion though.

Planning & Zoning: Jackson stated that the majority of the overages were from Flaherty & Hood, and some from Schieffer's time, due to the annexation issue. We decided to leave that up a little bit higher for 2012 in the thoughts that there may be some additional development.

Fuhrman mentioned that the \$10,000 was for the sewer updating on the GIS computer mapping system that they are hoping to do soon.

Economic Development: Jackson stated that predominantly revenues are property tax and transfer in from the general fund. Expenditures are an allocation of Carie and Mary Lou's time. By far, the largest dollar number is the taxes and licenses, which is paying the special assessment on Aero Business Park. We had \$10,000 under for the airport hangars on the north end to try and get some of that wrapped up.

Surfacewater Management Plan: Jackson stated that he thought we have not received any utility fees yet. The intention is for those utility fees to fund this fund. As far as expenditures – there is going to be some work done over in the Industrial Park for stormwater and drainage.

Neighborhood Stabilization Program: Steve stated that this will hopefully get wrapped up in 2011. He stated that it was very good for the City in many ways.

Small Cities Development Program: Jackson stated that it is just a stab in the dark for when the money comes in. We put it in there just for budgeting purposes. The timing of it is totally based upon other people.

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PW Administration: Gerold addressed the rehabbing of the Public Works office on the north end of town.

Storm Sewers: Storm sewers has not changed.

Jackson stated that at some point once that surface water management utility – this might actually even disappear and be handled through that fund.

Streets: Gerold stated that there was some overages on seal-coating. Mainly from excess material hauled in because of an inadvertent mistake on bid documents.

Traffic Signs/Signals: Gerold stated that we are a little up on that because of lighting costs and costs of electricity.

Discussion ensued regarding reflectivity of signage.

F.S.S. Maintenance: Gerold stated no changes there.

Compost Site: Gerold stated we got rid of that.

Street Cleaning: Gerold stated that not much has changed, but we went over on diesel, which caught us by surprise.

Mosquito/Weed Control: Gerold stated that nothing has really changed there. We did go over on the supplies/spray in order to finish out the season with the extra rain that we had.

Shade Tree: Gerold stated there are no changes there.

Recreation Program: Gerold stated no changes there.

Depot Center: Gerold stated that it's basically maintaining the parking lot and mowing around the schoolhouse and stage. We maintain the grounds.

Jackson said that the City gave the Historical Society basically just the building.

Splash Park Operations: Gerold stated that we were only down \$800, so we're coming closer to zero.

Walker asked how the utilities went down from the budget from 2011 to 2012?

Gerold said some were oversights on coding on his part. I cannot tell if it's the ballfields, splash park, etc.

Park Maintenance: Gerold stated we are up with the addition of Riebe Park, additional maintenance for that area, as well as for storm damage cleanup, etc.

Cemetery Operations: Gerold stated that fencing is in there, but I am actually going to try a vegetative fence. We were able to get some rose bushes that seem to be doing quite well, which we should be able to split into a hedge.

Walker asked on what side?

Gerold said on the north side along West Branch.

Solheim Field: Jackson stated that this transfers in from the general fund and park dedication. It gets spent by the Legion.

Civic Center: Gerold stated there is the \$250,000 for improving that. Jackson stated that we did not put that in, but it can be reinstated.

Gerold stated that if it's not reinstated we should look at sealing the building up until we can make necessary improvements. Katie seems to be handing out more refunds and people are not happy with it. Gerold stated that we do not have any money to do much except clean it up the best we can.

Jackson stated that the transfer in on page 18 – that's what the General Fund transfers into makes up between rentals and expenses. We are looking at \$1,200 to \$1,400. It is not an in-demand facility.

Fuhrman stated that she is still looking at grants for improving the building.

Dobson asked about the non-profits that we donated the building to – have they come back and said they want their money back?

Jackson said no, they make it work.

Dobson stated that there was an actual contract that was signed.

Walker asked if there are any restrictions on the use of the building or rehabilitation of the building.

Jackson said they'd have to look into that.

Park Improvements: Gerold stated that there is \$100,000 for a possible mini-golf course to put in next to Splash Park. The mini-golf course is an amenity that the Park Board would like to add if they can come up with the Park Dedication funds to make that happen.

Airport: Karnowski stated that we met two weeks ago with MnDOT and FAA talking about the entitlement money and the fact that Congress has not authorized payment, so some of that stuff is still up in the air. He said that we had batted around the idea of maybe taking a look at increasing the lease rates for the hangar spots. Even with the grant dollars from the state and entitlement dollars from the Feds, the airport does not break even, and I don't think that it ever will. However, maybe looking at some sort of an increase in the lease rates. Again, we have multi-year leases, so it would be awhile before they all kick in. It might be something that we want to look at.

Dobson stated that you don't want to make money, but you want to keep that difference as close as possible.

Karnowski stated that the ballpark users are no different than the flyers stationed there utilizing city hangars. The MAC has increased the fees in Anoka and Flying Cloud, which is part of the reason we are getting an increase in the hangars here. They are trying to balance their books as well. We could take a look at that if you are interested in that.

Walker asked if we could plug in some type of inflation number?

Karnowski stated that you could do that.

Riddle stated that a lot of private leases are done that way.

Walker asked how many leases are out there?

Jackson stated maybe 15 or 20 leases.

Karnowski stated there are more than that now.

Discussion ensued regarding the airport hangars.  
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Sanitary Sewer: There was discussion on the timing of the rate increases and the effect on the revenue. It was noted that some of the operating expenditures would go up once the new plant is operational, but that since it was difficult to know how much the expenditures would go up and when the plant would be fully operational the budget does not contain estimates of those increased expenditures. Those increases will be included in next year's budgeting process.

Sewer Trunk Fund: This fund accounts for the payments of trunk fees when land is developed. This revenue is then used to pay for some of the costs that are incurred in sewer system improvements and extensions.

Mayor/City Council: Jackson stated that he pretty much did a status quo. I am not aware of any large increases or changes in there.

Administration: Jackson stated that he is not aware of any different proposals. The major changes are in the fringe benefits, which is incorporated in the health insurance increase.

Elections: Next year is a major election year, so that will go back up.

Legal: Jackson stated that I budgeted that to stay the same.

Jackson stated that the next few sheets try and give an overview of where we are at according to the budget. This normally would have been at the front of the document, which shows the total expenditures as presented. The next two pages show the anticipated revenue for the general fund. If you look at 2011 revised: it is about a \$20,000 excess revenue, and 2012 is a break-even with a 2% increase built in to the levy.

Assessing: From there, it is assessing, which is a charge from the County.

Finance: There is actually a little bit of a decrease because of changing into one part-time from full-time.

Technology: Jackson stated there was no real change.

Library Building Maintenance: Jackson stated there's a little bit of a reduction, which is basically in the improvements.

City Hall: Jackson stated that it is basically the same as last year's adopted.

Unallocated: Jackson stated that it shows an increase. There is an amount in the top part on the 2012, which would be to allow for either/or/and an increase or elimination of the furlough for the city employees. We have had two preliminary discussions with the Unions, which is safe to say they are both interested in doing something this year.

Karnowski stated that the initial request from AFSCME was a two percent increase and cost of living increase, dropping furlough, and having the city pick up the entire cost of the medical increase. I believe they are aware that will not all happen.

Jackson stated that most of the other stuff is a continuation from other years. Most of these other ones would be ones that we really do not need to address because they are all special revenue, meaning that they are self-sustaining on their own. Only the amount of revenue that comes in gets spent. None of them require transfers of tax dollars into them. If you want, we can go through them, or we can quit for the night.

Jackson stated that we have one more session scheduled for November 22<sup>nd</sup>. At that point, I would plan to have the document along with the text part ready. It would be at that point that we would need to make some decisions whether to go with that. By that time we'll have the numbers from the county so we know what it does to the tax rate, and we will probably have some feedback from residents and business owners. Jackson stated if there is anything that you know right now that you want to change, you can. This is not the final decision, but if you know of something – we could change it now and have it ready for the next go around.

Karnowski asked if there were any thoughts on the union proposal? In his mind, it would be nice to have the contracts done by the end of the year.

Discussion ensued regarding a cost of living adjustment (COLA).

Riddle stated that the idea being that if we had enough of a surplus to cover the increase, then we would go for it.

Walker asked about a COLA and furlough?

Riddle stated he remembered that one percent COLA was just about five figures.

Jackson said one of the Unions proposed having a voluntary furlough. Nobody knows if anyone would actually use that or not.

Riddle asked how you budget for that.

Karnowski stated that in an earlier conversation with AFSCME, if it was going to come down to getting rid of the furlough or get a COLA – they appeared to favor the COLA and keep the furlough.

Dobson stated that we do owe the employees some type of increase. The furlough – I like the idea because it saves money.

Jackson stated that it comes close to two percent with a five day furlough.

Whitcomb asked how long the contract is for?

Karnowski said the police like to do more than one year. The contracts are written so that it defines how much the city is going to pay for health insurance, so if health insurance goes up and the contract isn't adjusted, then actually the employees' share increases. We have always negotiated a dollar amount.

Walker stated that he would like to bias towards the COLA part of it.

Hallin stated if that seems to be the strongest message received.

Dobson stated that it was also brought up that if we don't do something with the COLA as people retire, what kind of caliber people are going to apply for the job?

Hallin stated that is hard to explain financially.

Jackson stated yes, you have to adjust across the board.

Hallin stated that she agrees in a gradual increase.

Karnowski said we can talk to them and see what happens.

## **ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS:

DOBSON MOVED TO ADJOURN THE MEETING AT 6:51 PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

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Carie Fuhrman  
Community Development Director

ATTEST:

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Jeremy Riddle, Mayor