Mayor Paul Whitcomb called the meeting to order. Council members present was Thom Walker, Jack Edmonds, and Jeff Reynolds. Staff present, Administrator Robert Barbian, Finance Director Steve Jackson, Police Chief Todd Frederick, Public Works Director Bob Gerold, Clerk Shawna Jenkins, Liquor store manager Nancy Campbell, Wastewater Plant Manager Chris Klinghagen and Fire Chief Ron Lawrence. Absent was Jules Zimmer

WSB Franchise Fee Proposal

Brotzler stated that as the Council has discussed in the past, the implementation of franchise fees for gas and electric utilities is being considered as a revenue source to fund the City’s local share of the Great Northern Trail Project which has been awarded federal funding for a portion of the cost. The City’s estimated local share is approximately $450,000. In addition, the replacement of equipment in existing parks has also been identified as a need.

At the March 1, 2018 City Council Study Session, preliminary information was reviewed that compared funding the City’s local share for the Great Northern Trail Project with general tax levy funds versus franchise fees along with estimated monthly franchise fee rates and annual revenue. Since this meeting, we have collaborated with staff to create the attached proposed process and timeline for the development and implementation of franchise fees. Also attached is an estimated hourly fee to support the franchise fee process.

Included within the proposed process is the development and refinement of project funding needs for Council review and further consideration on the process. Now, we would like to review the proposed process with Council in draft form and receive feedback to develop a final process, scope and estimated fee for approval at the April 12, 2018 City Council meeting.

Proposed Franchise Fee Process

The public involvement and outreach could include any/all of the following:

- Refine number of meters and types of facilities in Princeton to clarify and refine a proposed franchise fee rate.
- Conduct a public open house meeting to explain the program and obtain feedback from the public. Two meetings.
- Develop frequently asked questions that can be published on the City web site.
- Work with the local newspaper to publish an article on the proposed program.
- Post regular website updates and consider other social media avenues for sharing information with the public.
- Develop a power point that can be posted on the website with specific details for public information.

Tentative timeline

April 2018

- April 12, 2018 City Council Meeting – Final proposal of services and estimated fee for authorization.
- Develop parks project list, cost estimates, and exhibits collaboratively with City staff.
- April 23, 2018 Park Board Meeting – Round table discussion to obtain input on park improvement list.
- Initial meeting with private utilities to review proposed timeline.
- Draft “Parks and Trail Improvement Plan”.

May 2018
- May 3, 2018 City Council Study Session - Present draft “Park and Trail Improvement Plan” with updated franchise fee rates and options (trails only / park improvements and trails).
- Publish information on city web page.
- Prepare comparison of funding methods – needed for public hearing to Tax method – fund improvements through tax generation, highest valued properties pay largest share of costs, properties utilizing Tax Abatement or located in TIF districts do not contribute as well as churches, schools, and non-profits
- Include diagram of what taxes would be on each property type should a tax increase be implemented
- Mid-May - Public informational meeting #1

June 2018
- June 7, 2018 City Council Study Session (alternate date of July 5, 2018 City Council Study Session) to Finalize “Parks and Trail Improvement Plan”.
- Finalize funding levels.
- June 14, 2018 City Council Meeting (alternate date of July 12, 2018 City Council Meeting) to Adopt “Park and Trail Improvement Plan”.
- Authorize preparation of franchise fee ordinance and agreements and order public hearing.

June/July 2018
- Public information meeting #2

July/August 2018
- Public Hearing and adopt franchise fee ordinance and agreements, authorize implemention of franchise fees.
- 60-day notification to utility companies.

October/November 2018
- Utilities start collecting fees.

Edmonds asked if we would lower the park dedication fees if a franchise fee was adopted. Barbian said that was not discussed, but the Council could review that in the future if they chose to. Brotzler stated that cities sometimes struggle with the park maintenance costs, and that is where a franchise fee like this is helpful. It would help pay for items outside what Park Dedication fees will cover.

Walker asked if 10% of the Franchise Fees could be put aside for the Park CIP budget yearling. Gerold said that would help to update and replace some items. Jackson agreed, it would be a definite help to the Park CIP.

Frederick stated that when he was the Park Board Chair, they did have a wish list of items, and it would be really nice to upgrade some items.

Walker added that he thinks 10% would be a nice start, even though the goal is to pay for the trail.
Walker asked how often the utility companies would be issuing payments to the City. Brotzler replied that had not been determined as of yet. Jackson added that bond payments are made twice a year, so it would be nice to have the payments that often.

The Council was in agreement to proceed with the franchise fee process.

**Agreements with the School District**

- Purchase Agreement:
- Common Wall Agreement
- Ingress & Egress Easement Agreement

Barbian advised that the issues with the Common Wall has been resolved with the building inspector, so these agreements can be moved forward. He added that these will be put on the consent agenda for approval at the next meeting.

**Fire Department**

6% increase

Lawrence advised that last year was the busiest year the fire department has experienced. We had a 103-call increase from 2016. The additional call load increased the payroll by more than $11,000.00. This does not include fuel and maintenance for the apparatus.

Normally the Fire Department has a standard 3% increase every year. Throughout last year, he stated he kept the Fire Advisory Board informed of the added calls. In January, he said he shared with the Fire Advisory Board about the extra cost to the dept. The Fire Advisory Board made a motion to increase this year’s budget to 6%. This is a one-time increase. He is respectfully asking the Council to review this request.

Walker questioned if the funds that are received from the Insurance Companies will cover these increases in the future. Lawrence responded that if the city and townships continue to grow, the standard 3% may need to be increased as the call volumes increase.

Whitcomb added that the Townships are aware that we receive a lot of medical calls to the Townships, and they do want the department to respond to those.

The townships allow the fire department to bill for various accidents, and the Townships usually opt to put those funds in the truck and equipment fund.

**EDMONDS MOVED TO AGREE TO THE ONE TIME 6% INCREASE, PENDING BOGUS BROOK’S APPROVAL. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.**

CIP Purchase of Generator for Public Safety Building
Lawrence reported that in the CIP for this year, you approved the purchase for a generator for the Public Safety Building. The budgeted amount was for $80,000.00. After obtaining three different quotes, Emergency Management has reviewed the quotes and would like to have Princeton Electric start with the purchase. Princeton Electric was the lowest quote.

After discussion with the E.M. team, we would like to upgrade to the 125 KVA generator for future expansion of the Public Safety Building and also purchase the sound enclosure for the generator. Total cost for this project is expected to be around $53,635.00. We are asking to have a spending amount for $60,000.00 in case there are any unforeseen expenditures. I would also like to share that 25% of the total cost will be funded from the Relocation budget. With no additional expenditures, the cities cost would be approximately $40,226.25 and Relocation’s portion would be $13,226.25.

WALKER MOVED TO AGREE THE PURCHASE OF A GENERATOR FOR UP TO $60,000. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

**PFRD Vehicle purchase**

Lawrence advised that the vehicle committee has researched purchasing a vehicle for the fire dept. We are looking at purchasing a 2006 Ford Expedition from Hugo Fire Dept. It has 41,600 miles. This vehicle may be used to run medical calls instead of creating extra stress on the grass trucks. The purchase price of the vehicle is $5000.00. The vehicle will need to be updated with lettering, but it comes with the light package which itself is worth about $4000.

EDMONDS MOVED TO PURCHASE THE 2006 FORD EXPEDITION FROM THE HUGO FIRE DEPARTMENT FOR $5,000. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

**Public Works Hot Box trailer disposition request**

Gerold reported that the Public Works Department is requesting disposition of our current Falcon brand hot box trailer for trade in on a new 2018 Falcon 4-ton hot box trailer.

The current trailer does not fit our needs and the proposed model from Laursen Equipment is a better fit for the needs of the city. This trailer will be used for patching streets and parking lots in the city.

The $2,000 for trade in will come from the street maintenance budget.

WALKER MOVED TO APPROVE THE TRADE IN OF THE CITY’S CURRENT FALCON HOT BOX TRAILER TOWARDS A NEW 2018 FALCON 4TON HOT BOX TRAILER FOR NOT MORE THAN $2,000. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.
Community Solar project discussion

Connie Wangen from the PUC provided a review of the solar program. A panel is subscribed to, and each month you receive a credit on your bill for the solar electricity that your panel generates. Each customer may purchase the output from enough panels to cover up to 75% of their average monthly usage over the most recent 12-month period.

Walker asked how many panels the PUC purchased. Wangen replied they purchased 10 for the water plant and 5 for the shop.

SMPA is interested in building the next solar site in Princeton, but they need to get more subscribers to build here. She said has gone around to several businesses, but they have not sold enough yet for the site to be built.

SMPA currently has a solar plant in Owatonna, and subscribers would immediately begin seeing credits on their account.

Walker stated he thinks the City should participate as well. He thinks the city should match PUC’s purchase of 15 panels.

WALKER MOVED TO PURCHASE 5 PANELS FOR THE LIQUOR STORE, AND 10 FOR THE WATER PLANT. EDMONDS SECONDED THE MOTION.

Walker asked how many panels would get SMPA to the 35% they would like to have to build a site here. Wangen said it would be about 2000 panels.

THE MOTION CARRIED UNANIMOUSLY

Forfeited Parcel

Barbian advised that the City of Princeton was sent a memo from Mille Lacs County in regards to a parcel of land that has been forfeited. This site is located west of Highway #169 in wetlands where there is a limiting development possibility.

The parcel next to this site has been in discussion with City staff in 2017 about a possible three phase apartment site. There was interest of this forfeited site being used as a public trail for the apartment complex. Because of the wetlands, a private party would not be able to purchase this site.

Staff is requesting the City Council to give approval to write a letter of proposal to Mille Lacs County to hold this strip of land from sale. The City would have six months of review to make a final decision of whether to purchase it and what price.

There are a couple benefits of obtaining the land such as; installing a public trail and this would increase our park land which would help in applying for future park funding.

The Council was in agreement for staff to send a letter showing interest in possibly purchasing the land.
Administrator Report

Barbian reported that the Central Minnesota Housing Partnership agreements are close to being finalized and he is expecting to bring them to the Council for approval in April or May. There were some previous discussions about establishing a TIF district in 2017, so that will require that process to begin. The Next agenda will include a resolution calling for the public hearing. There were a number of items discussed as part of that project, so staff is making sure the agreements are reviewed and approved.

There will also be a resolution calling for a public hearing for a TIF district for Jumpin Gymnastics, which will allow the city to recoup some of the cost of Aero Business park. A sales agreement is also in the review process.

Moving Wall addendum for estimated overtime.

Gerold reported that staff was able to determine some of the approximate needed overtime costs for the Moving Wall. As of right now, they are estimating about $750 for Public Works, $3,224 for the Police Department and $640 for the Fire Department.

Walker asked if the Sheriff’s department is also participating. Frederick replied that the County has a multitude of events across the county, so they are going to be spread pretty thin.

Walker asked if he has commitments for the reserve officers to be available. Frederick responded that he does not yet, and it said it is a tough weekend to schedule volunteers with the holiday weekend.

Jackson said the Fire Department is also volunteer, so staff isn’t sure how many will wish to volunteer their time. Lawrence said they are aware of the event, but it is early yet.

Walker stated that he is happy to hear that they are planning for things that could happen. Frederick added that he has meetings set up with the state patrol as well, since there are always problems with people parking on the shoulders of Highway 169 and Highway 95 to watch the fireworks.

Adjournment

EDMONDS MOVED TO ADJOURN THE STUDY SESSION AT 5:54PM. REYNOLDS SECONDED THE MOTION. MEETING ADJOURNED

Respectfully Submitted,

_________________________
Shawna Jenkins
City Clerk

ATTEST:

_________________________
Paul Whitcomb, Mayor