

PUBLIC UTILITIES COMMISSION
JOINT WORK STUDY SESSION MEETING

May 6, 2021, 4:30 P.M.

Pursuant to due call and notice thereof, the Joint Work Study Session Meeting of the Public Utilities Commission, City of Princeton and Princeton City Council, was held at Princeton City Hall, 705 North 2nd Street, on May 6, 2021, at 4:30 P.M.

Present: Chairman Greg Hanson and Commissioners Dan Erickson and Rick Schwartz.

Also Present: Manager Keith Butcher, Secretary Kathy Ohman and PUC customer Jack Edmonds.

Present from the City of Princeton were Mayor Thom Walker, Council Members Vicki Hallin, Jenny Gerold, Jules Zimmer and Jeff Reynolds. Staff present were Community Development Manager Stephanie Hillesheim, Clerk Shawna Jenkins and Fire Chief Ron Lawrence.

Meeting was called to order by Chairman Hanson at 4:30 P.M with Pledge of Allegiance.

Chairman Hanson called for additions or deletions to the agenda. There were none.

Mr. Schwartz made a motion to approve the agenda of the May 6, 2021 Joint Work Study Session Meeting. Mr. Erickson seconded. Motion carried unanimously.

4. JOINT MEETING WITH THE CITY OF PRINCETON

a. MEMO 21-14: PILOT PROGRAM:

Mayor Thom Walker stated he sees this portion of the meeting is to find out where everyone is on various issues. City Administrator Michele McPherson reported her and General Manager Keith Butcher have met to discuss the history of the PILOT program, identify cost of services, collaborate opportunities and discuss options for the PILOT program to be presented at this meeting. The PILOT program began pre-1976 and was based on a percentage of revenue from electric gross sales. Over the years, changes were made to the program with the most recent change in 2008. The total PILOT was an annual amount of \$52,500.00 allocated to both Electric and Water. There was a discussion on the services provided and performed by PUC. In 2020, the PILOT program was placed on hold by the PUC because of their financial position and the need to build their days of cash reserves. Council member Jules Zimmer was placed on a committee along with General Manager Keith Butcher, Chairman Greg Hanson and City Administrator Robert Barbian in 2020 to discuss reinstating the PILOT program. An agreement was made at the committee meeting but when the proposal was presented to City Council it was rejected. Committee meetings ended at that time.

Three options were discussed:

1. Re-establish an Annual Flat Fee
2. Forgive Municipal Water and Electric Fees
3. Annual Payment Based on a Percentage of Electric Sales

After discussion on why the PILOT program was placed on hold and the options presented for the PILOT program, it was the consensus of everyone present to move forward. It was the consensus of the members present to form a committee consisting of City Administrator Michele McPherson, City

Counselor Jules Zimmer, PPU General Manager Keith Butcher and PUC Chairman Greg Hanson to meet on a regular basis to discuss the PILOT program and work on a resolution to re-instate the program.

b. MEMO 21-15: FIVE MEMBER COMMISSION:

City Administrator Michele McPherson reported the Five Member Commission has been discussed in the past and it will require legislative approval if it were to be agreed upon. Mayor Thom Walker stated it really did not matter to him as the legislature is the one to approve it and that would take a while before it could happen. As a five member commission, the PUC would have the ability to discuss ideas with one other commissioner which they cannot do at this time without being considered a quorum. Commission Rick Schwartz and Dan Erickson both were in favor of increasing to a five member commission. Chairman Greg Hanson was opposed stating he likes that nothing can be discussed with another member outside of a meeting. He feels it is more transparent that way. Commissioner Dan Erickson clarified that while he would like to see it increase to a five member commission, he feels no more than one Council member should be allowed to hold a seat on the PUC Commission. Commission Rick Schwartz agreed. After some discussion it was decided to place this item on the agenda for the next PUC Meeting in May.

c. MEMO 21-16: CREDIT CARD CONVENIENCE FEES:


City Administrator Michele McPherson reported that credit card companies are charging a fee for the use of credit cards at retail establishments or for paying bills. The fees can either be a flat fee per transaction or a percentage of total sales. Currently the PPU absorbs the credit card fee. A portion of the customers' bills include the City's sewer charges. There was a discussion on figuring what the cost in the office would be to process cash and check payments versus credit card payments. In a survey of other electric utilities, only one other SMMPA member out of 18 is known to charge a convenience fee. In a quick review of electric utilities in Minnesota, seven out of 66 charge a convenience fee with one of those stating they will be eliminating their convenience fee this fall. Finance Director Tracy Peters suggested offering a discount if customers signed up for ACH payments. Mayor Thom Walker suggested the City concur on whatever the PUC decides on convenience fees.

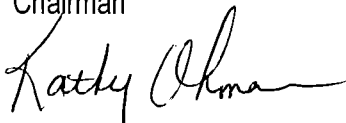
PPU Commissioner Rick Schwartz left the meeting.

d. MEMO 21-17: PROMOTING PRINCETON GROWTH:

Commissioner Dan Erickson stated he feels anyone with a Princeton address lives in Princeton, not just those within City limits. He would like to keep in mind and look to work together on projects such as the new Industrial Park. Chairman Greg Hanson stated he views the PPU as a resource for the City as talks about companies expanding and the PPU could provide assistance in what companies may require in services. Mayor Thom Walker added that in the EDA they hear about municipal utilities as an asset. If the PPU is on board, they will begin utilizing that.

There being no further business, Mr. Erickson made a motion to adjourn the meeting at 6:09 p.m. Mr. Hanson seconded. Motion carried unanimously.


Gregory Hanson
Chairman


Kathy Ohman
Secretary