

**MINUTES OF A SPECIAL MEETING OF THE PRINCETON CITY COUNCIL HELD ON
NOVEMBER 25, 2008, 6:30 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, Jim Roxbury, and Ann Bien.

FIRE DEPARTMENT GRANT

Karnowski reported Fire Chief Roxbury applied for and received a \$4,000 grant from the State for Fire Department equipment. They are proposing to purchase radios and lighting units with the funds.

DOBSON MOVED TO AUTHORIZE THE MAYOR AND ADMINISTRATOR TO SIGN THE REQUIRED DOCUMENTS. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

EDA GRANT

Karnowski reported 8 responses were received to the Request for Qualifications for engineering services for the construction of an algae-generating wastewater pretreatment facility. He also reported EDA Director Blake has been working on getting federal grant dollars for the project. John O'Leary, with the Federal EDA, indicated that although the project would be in Sherburne County, since it was "green" and had relevance, they would seriously look at funding it.

BUDGET DISCUSSION

Finance Director Jackson suggested a public information session be held at one of the December meetings even though a public hearing is not required this year.

He then went on to review various graphs. He explained the budget is relying more heavily on taxes this year, since the estimated tax capacity rate of 60.35% is the lowest we've had for six years.

Jackson emphasized there is not much "wobble room" in the 2009 budget and a cut back in LGA would hurt considerably. He stated that although Governor Pawlenty has pledged there would be no cuts for 2008 or 2009, the 2010 budget could be "ugly" since we've keep this budget flat and there is a good possibility of inflation and possible future state cut backs. He added the Capital Improvement Program will become part of the budget.

Jackson went on to report the \$3 million Phase 1 of the proposed public safety building is not included in the budget document. If the City bonds to help with the financing, the levy would go into affect in 2010.

The Council discussed pros and cons of building in 2009, acknowledging costs could be lower because of economy, but higher taxes could hurt. Jackson suggested talking with George Eilertson of Northland Securities, about getting information on different scenarios.

Jackson pointed out there is a sewer rate increase included in the sewer budget. He stated there has not been an increase for 7-8 years, and added the PUC is looking at a 6% electric increase in 2009.

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RIDDLE MOVED TO INCREASE SEWER RATES BY 5% EFFECTIVE JANUARY 1, 2009. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Gerold brought up that there are a few manholes in need of repair and suggested an annual maintenance program be started.

There being no further business, STEINBRECHER MOVED TO ADJOURN AT 7:25 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