

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
DECEMBER 11, 2008, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Riddle called the meeting to order 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, Jay Blake, Brian Payne, Bob Gerold, and Ann Bien. Also present was City Attorney Dick Schieffer.

AGENDA ADDITIONS/DELETIONS

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

Under Consent Agenda:

B. Personnel

1. Public Works
 - a. Bob Goodell, wage increase to \$7.00/hr. effective 12-02-08
 - b. Chris Schoenhals, hire as seasonal sidewalk maintenance @ \$15.00/hr. eff. 12-06-08
 - c. Chris Schoenhals, hire as warming house attendant @ \$7.00/hr. eff. 12-06-08
 - d. Jeremy Riddle, hire as seasonal snow removal \$20/hr. eff. 12-01-08/

APPROVAL OF MINUTES OF REGULAR MEETING OF NOVEMBER 20, SPECIAL MEETING OF NOVEMBER 25, AND STUDY SESSION OF DECEMBER 4, 2008

WHITCOMB MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 20, THE SPECIAL MEETING OF NOVEMBER 25, AND THE STUDY SESSION OF DECEMBER 4, 2008, AS WRITTEN. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

CONSENT AGENDA

A. Permits and Licenses

1. Annual City Licenses

ON-SALE INTOXICATING LIQUOR

Northern Attitudes
Princeton Golf Association
Steven Kranzler dba Classic Catering
Princeton Party House

CLUB ON-SALE LIQUOR

VFW Post No. 806

SUNDAY LIQUOR

Northern Attitudes
Princeton Golf Association
Steven Kranzler dba Classic Catering
Princeton Party House
VFW Post No. 806

ON-SALE NON-INTOXICATING MALT LIQUOR

Pizza Hut

OFF-SALE NON-INTOXICATING MALT LIQUOR

SuperAmerica
Holiday Stationstore
Pamida
Coborn's

CIGARETTE

Northern Attitudes
Speedway SuperAmerica
Holiday Stationstore
Casey's General Store – North
Casey's General Store – South
Circle 9 Conoco
Hofman Oil Co. Stationstore
Coborn's

GARBAGE AND RECYCLABLE HAULER

Jim's Mille Lacs Disposal, Inc.
Ace Solid Waste
East Central Sanitation & Recycling
Allied Waste Services

RECYCLING FACILITY

Jim's Mille Lacs Disposal, Inc.

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C. Donations/Designations

1. VFW Auxiliary No. 6843 - \$1,000 for Summer Baseball Program

STEINBRECHER MOVED TO APPROVE THE CONSENT AGENDA. DOBSON SECOND-ED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UN-ANIMOUSLY.

OPEN FORUM

PUBLIC HEARINGS: None

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

A. EDA

1. **Draft Minutes of November 20, 2008**
The above minutes were reviewed.

B. Planning Commission

1. **Draft Minutes of November 17, 2008**
The above minutes were reviewed.

C. Fire Advisory Board

- 1. Draft Minutes of December 2, 2008**
The above minutes were reviewed.

D. Park Board

- 1. Draft Minutes of November 24, 2008**
The above minutes were reviewed.

E. Public Utilities Commission

- 1. Minutes of October 22, 2008**
The above minutes were reviewed.

F. Princeton Area Visionary Committee

- 1. Minutes of November 10, 24, and 25 2008**
The above minutes were reviewed.

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. Annexation Petition from KAW Parks LLP

Blake reported the City received a petition for annexation from Mike Wadsworth, KAW Parks, LLP, for the annexation of the Sherburne Country Mobile Home Park (approximately 56 acres and 96 housing units). He explained the MN Pollution Control Agency (PCA) is putting pressure on KAW Parks to connect to city sewer or construct their own wastewater treatment plant. Both options will be at a significant cost to KAW. He stated the request meets all the requirements for annexation by petition.

Blake reported staff has talked with City Engineer Nielson (WSB) on how to provide sewer service to this area. He also recommended contacting Baldwin Township and attend a meeting to discuss what is happening and why.

Karnowski reported Princeton Public Utilities is not anxious to extend water at this time, but the well at the mobile home park is functional so there is no need. He explained the City would meter their main well and charge them accordingly for sewer. He stated a lot of engineering needs to be done and the project will be constructed to allow future extension to other surrounding areas.

Steinbrecher asked about financing and costs to the City. Blake explained the property is private so there would be no additional roads or sewer problems to maintain, but there could be more police calls. Tax benefits are unknown at this time, but it gets the City closer to the 5,000 population which will result in state aid.

Karnowski stated the project will be treated as a development and a retainer will be required up front to cover initial costs.

HALLIN MOVED TO APPROVE RESOLUTION #08-37, A RESOLUTION ACCEPTING PETITION FOR ANNEXATION FROM KAW PARKS LLP AND CALLING A PUBLIC HEARING ON ANNEXATION. STEINBRECHER SECONDED THE MOTION.

Dobson stated he was concerned about accepting the petition before the financial impact was known. Karnowski stated the City or petitioner can back out if the project is not feasible. Blake stated staff did not want to start engineering, etc. until the petition was accepted.

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

B. Invitation to Mille Lacs County Historical Society's Open House

The Council received an invitation to the Historical Society's Christmas Open House on December 14th.

C. Thank You from Princeton Area Chamber of Commerce

The City received a thank you from the Princeton Area Chamber of Commerce for it's support of their events in 2008.

ORDINANCES AND RESOLUTIONS

A. Ordinance #624, Sewer Rate Increase

Karnowski reviewed that the Council had approved an increase in the sewer rate at their last regular meeting, which could be considered the introduction of the ordinance.

WHITCOMB MOVED TO APPROVE ORDINANCE #624, AN ORDINANCE AMENDING EXHIBIT 3, FEE SCHEDULE OF THE PRINCETON CODE OF ORDINANCES. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

A. Historical Preservation District

Karnowski recapped that at the last regular Council meeting, it was suggested the City learn more about the obligations the City would incur by entering into an agreement with the State Historical Society and who would be responsible for carrying out the duties required under the agreement. He stated he spoke with Susan Roth from the State Historical Society who advised that, in her experience, a majority of the cities that are working on Historical Preservation Districts via an agreement with the State Historical Society have a member of the City's planning staff doing most of the work for the Historical Preservation Commission, since the Commission is a Commission of the City (like the Airport Board, Fire Board, Planning Commission, etc.). She did not know of any cities where the work is NOT done by city staff. She advised that the person in charge of that program is Mike Koop and suggested the City meet with him to explain the program more completely.

DOBSON MOVED TO DIRECT STAFF TO INVITE MIKE KOOP FROM THE STATE HISTORICAL SOCIETY TO THE FEBRUARY STUDY SESSION. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

B. Payment Request from Municipal Builders for WWTP Phosphorus Removal Mod.

STEINBRECHER MOVED TO APPROVE PAY REQUEST NO. 15 TO MUNICIPAL BUILDERS, INC. IN THE AMOUNT OF \$45,706.980 FOR WORK ON THE WASTEWATER TREATMENT PLANT PHOSPHORUS REMOVAL MOD. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

C. 2009 Budget

Although a public hearing was not required, Jackson reviewed the proposed budget again for the public. He explained the total certified levy was reduced from 2008 by .02%. However, the budget was made on the assumption that the City would receive Local Government Aid (LGA). Based on information at this time, that aid could be cut significantly. Since the amount is unknown, it is difficult to react to it, and the actual impact may not be known until April.

Steinbrecher stated he sees very little in the operating budget which can be cut. He stated he would hate to see the City put in a financial bind and thought the Council should consider adopting the preliminary levy. Dobson and Hallin agreed the proposed budget should be looked at again.

Riddle stated he thought the proposed levy should still be considered since the Council took into account there may be LGA cuts. He stated it was not certain there would be cuts and asked what would be done with the extra money if there were no cuts. He stated the City has reserve in the general fund to fall back on so cuts in services may not need to be drastic.

Hallin stated any extra collected could be put towards the next year when more LGA cuts could occur.

Steinbrecher stated he would like to see we have planned ahead for future LGA cuts, adding that if we don't, the net affect next year would be much larger.

Riddle stated he did not like taxing if it was not going to be spent, but did see merit in making an adjustment for possible LGA cuts, but not going back to the full preliminary levy.

Karnowski stated there may be an unallotment of LGA for the balance of this year. He explained if the second payment due in December is cut for this year, there is no way to cut back since the budgeted amounts have already been spent. He stated he was concerned with how to balance the budget if the full LGA is cut. He stated he was mostly concerned with 2008 and 2010. He explained Public Works is already short one person and has cut back in some services; Public Safety is even more difficult to cut.

Jackson reviewed the revenue analysis and pointed out almost 29% of the revenue comes from LGA. Revenue from building permits has significantly dropped (almost half) and is not expected to increase in 2009.

Jackson also explained that when the City goes out for bonding, its general fund is looked at and the City has received lower rates in the past because of our healthy fund balance. If the general fund is greatly reduced, future interest rates will most like increase. The liquor store also has a good fund balance, but business will probably decrease because of the poor economy.

Jackson informed the Council, the levy needs to be approved by December 27th. If the Council decides to go back to the preliminary budget amount, a truth in taxation hearing is not required.

Riddle pointed out the State is not the only entity in a budget crunch, families and businesses are also hurting. He stated he does not want to increase taxes if there are other ways to cut. He stated he thinks there needs to be some kind of balance and he does not think LGA will be cut entirely.

Whitcomb stated he believed at least 10% could be taken from the second payment for 2008.

Steinbrecher stated he thinks some adjustment has to be made to have a little cushion.

Karnowski suggested watching to see what the governor will do in the next couple of weeks and not approve the budget at this meeting.

STEINBRECHER MOVED TO CALL A SPECIAL MEETING FOR DECEMBER 23RD AT 6:00 P.M. TO DISCUSS AND APPROVE THE 2009 LEVY. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

A. 2009 AFSCME Contract Re-Opener

Karnowski reported the 2009 AFSCME Contract Re-Opener includes a 3.65% wage increase (which was budgeted) and no change in health premiums. He advised the Council that the Police Union, LELS (Law Enforcement Labor Services), has agreed to keep their benefits the same since insurance premiums are not increasing.

RIDDLE MOVED TO APPROVE THE 2009 CONTRACT RE-OPENER WITH AFSCME AND APPROVE NO BENEFIT CHANGE FOR LELS. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

MISCELLANEOUS: None

BILL LIST – \$448,781.80

HALLIN MOVED TO APPROVE MANUAL CHECKS NUMBERING 59763 AND 59842-59847 FOR A TOTAL OF \$163,076.33 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST, WHICH WILL BE CHECKS NUMBERING 59848-59961, FOR A TOTAL OF \$286,705.47 AS SHOWN ON THE BILL LIST. 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 8:15 P.M. STEINBRECHER 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