

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON  
JULY 23, 2009, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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Mayor Riddle called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Councilors Paul Whitcomb, Victoria Hallin and Lee Steinbrecher. Councilor Dick Dobson was absent. Staff present was Mark Karnowski, Steve Jackson, Jay Blake, Bob Gerold, Brian Payne, and Katie Hunter. Also present was City Attorney Damien Toven.

**AGENDA ADDITIONS/DELETIONS**

It was the consensus of the Council to add the following items to the agenda:

**10. Unfinished Business**

- D. Meeting Originally Scheduled for July 31, 2009
- E. JAM Properties Request

**11. New Business**

- E. Hockey Arena Resolution #09-31
- F. Hockey Arena SAC and WAC Fees Waiver request

It was also the consensus of the Council to delete the following item from the agenda:

**6. PUBLIC HEARINGS**

- A. Assessed Costs for 101 thru 123 W. Branch Rd (Arcadian Homes)

**CONSIDERATION OF MINUTES OF THE REGULAR MEETING OF JULY 9, 2009**

WHITCOMB MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF JULY 9, 2009, AS WRITTEN. HALLIN SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

**CONSENT AGENDA**

**A. Permits and Licenses - None**

**B. Personnel**

- 1. Approve Katie Hunter's FMLA Leave (10 weeks: July 6-Sept 14)
- 2. Approve wage adjustments to new minimum (\$7.25/hr.)
  - a. Jenah Lundeen
  - b. Jon Zdenek
  - c. Jessica Jones
  - d. Joslyn Ingalls
- 3. Approve PFRD Leave of Absence
  - a. Firefighter Keith Young
  - b. Firefighter Gregory Johnson

**C. Donations/Designations: None**

STEINBRECHER MOVED TO APPROVE THE CONSENT AGENDA. HALLIN SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

**OPEN FORUM**

**A. Haye's K-9 Grooming/Handicapped Parking Spot (RoxAnn Hayes)**

RoxAnn Hayes was present at the meeting. Hayes explained to the Council that she owns a dog grooming business on 1<sup>st</sup> Street called Haye's K-9 Grooming. She stated she

has been handicapped for some time now after two surgeries in February and uses a wheelchair or a cane at times to get around. Currently, there are no Handicapped Parking Spaces in front of her business. Hayes asked the council if a spot could be made in front of her store so she could park there for ease of entering and exiting her store. She advised that she'd spoken with Chief Brian Payne who suggested that she come to council meeting.

Mayor Riddle asked Hayes if there is back entrance to the building. Hayes stated that she cannot climb the steps in the rear of the building. Steinbrecher pointed out that there would be no guarantee that the handicap spot will be open when she gets there. Hayes explained that she is usually the first to arrive at her shop and the last to leave.

Mayor Riddle explained that action will not be taken tonight due to late notice, but conversation will be started with staff at this point. Steinbrecher suggested a temporary sign instead of a permanent sign.

Karnowski stated that staff and the Police Chief have discussed this issue and Karnowski is trying to come up with a solution that could serve as a policy. Karnowski stated that staff is close to having something completed to address the situation. He will bring the information back to the Council at their first regular meeting in August

**PUBLIC HEARINGS** - None

**REPORTS OF OFFICERS, BOARDS, AND COMMITTEES**

**A. Fire Advisory Board Minutes of July 7, 2009**

1. By-laws consideration

Karnowski advised that the FAB had passed a motion recommending that the Council adopt by-laws for the FAB.

WHITCOMB MOVED TO APPROVE THE RECOMMENDED BY-LAWS FOR THE FIRE ADVISORY BOARD AS PRESENTED. HALLIN SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

Whitcomb noted that each of the Townships will also be asked to approve the bylaws.

**B. Princeton Area Visionary Committee Minutes June 8 & June 22, 2009**

**PETITIONS, REQUESTS, AND COMMUNICATIONS**

**A. Annual CGMC Visit (Tim Flaherty)**

Tim Flaherty with the Coalition of Greater Minnesota Cities updated the Council on their programs over the last year. Flaherty stated that both Councilor Vicki Hallin and Administrator Mark Karnowski are very active with the group. Flaherty also took time to thank Jay Blake for testifying at the Capital for a Senate Committee meeting.

**Land Use Reform:** Flaherty explained that this year's Annexation Bill was limited and provided a streamline annexation process to save time and money for cities and townships. It would prohibit excessive payments that townships have been asking cities to

make.

**Local Government Aid:** Flaherty explained that the CGMC's overall goal was to minimize the LGA cuts. The state deficit was so large this time (at 4.6 million), that the CGMC knew they'd be cut. The CGMC won Legislative support and also gained the public's support by distributing "Thank LGA" information to TV and radio stations explaining what LGA is to the community. Flaherty explained that most people don't even know cities receive money from the state to offset taxes. Flaherty explained that the issue about the LGA is not over, in some ways, it is just starting. The Council should keep in mind when doing their budgets that the November 2009 or the February 2010 forecasts may reveal a larger deficit than anticipated. On a good note, municipal employment has dropped 6% in the past 6 years which indicated cities have cut back significantly since 2003. City Revenue has decreased 13.7%. Flaherty advised that the 2008 and 2009 LGA Cuts can be levied back. The 2010 unallotment can be levied back to 2011. Another option is to cut services. Also, cities could use cash flow or reserves, which Flaherty strongly cautioned against.

The CGMC Summer Conference will be held next week, in which a lot of these topics being discussed. The CGMC also has a service program called a Labor Employee Relations Program, which covers subjects like wage freezes, furloughs, and other issues. Flaherty stated that he appreciates in the City of Princeton's support and membership.

Riddle asked what the LGA cut was in 2007. Flaherty said about \$40 million.

The Council thanked Flaherty for coming.

#### **ORDINANCES AND RESOLUTIONS** - None

#### **UNFINISHED BUSINESS**

##### **A. Secure Vacant Building Ordinance #634; Second Reading**

Karnowski explained that, at the July 9<sup>th</sup> meeting, a proposed Secure Vacant Building Ordinance was introduced. Karnowski modified it slightly to make it easier to insert into the city's current ordinance book and to address the increase in the number of days a property owner has to secure the building as recommended by City Attorney Dick Scheiffer. Otherwise, the language is the same as reviewed at the first reading.

STEINBRECHER MOVED TO APPROVE ORDINANCE #634. WHITCOMB SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

##### **B. Garage Sale Sign Ordinance #633; Second Reading**

Karnowski explained that the Garage Sale Sign Ordinance was revised as suggested at the first reading to include requiring the times for the sale and the amount of the Administrative Fine of \$25.00, which matches other current similar city fines.

Hallin asked if the address and dates had to be on the front of the sign. Karnowski noted that the Ordinance only states that somewhere on the sign the address and dates of the garage sale need to be written. The front of the sign is not specified.

WHITCOMB MOVED TO APPROVE ORDINANCE #633. HALLIN SECONDED THE MOTION.

Steinbrecher asked if there was a specific period of time that the resident has to take the sign down. Karnowski stated that the current ordinance already states that within 4 or 6 hours later they have to get the sign down. The council agreed that this is ample amount of time to take the sign down.

ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

**C. Consideration of GMHF Grant Application**

Jay Blake stated that staff seeks the authorization from the City Council to submit an application for interim financing for the NSP Program to the Greater Minnesota Housing Fund (GMHF). The purpose of the application is so they will provide funds for immediate use for acquisition of properties in the NSP Program.

The proposed terms are for two years up to \$150,000 at 2% interest on funds used. The funds would be used for acquisition and earnest monies to accompany purchase agreements.

In addition, staff recommended that we reserve up to five down payment assistance loans for qualified buyers. The loans would be administered by the Central Minnesota Housing Partnership and be closed as part of the final closing by the prospective buyers. If the funds go unused, they can be refunded to the GMHF.

STEINBRECHER MOVED TO APPROVE THE SUBMITTAL OF THE GMHF GRANT APPLICATION. HALLIN SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

**D. Meeting on July 31 , 2009**

Karnowski explained that, with August 4 being the new Study Session date, there was no need for the special July 31 Council meeting.

WHITCOMB MOVED TO APPROVE THE CANCELATION OF THE JULY 31, 2009 MEETING. HALLIN SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

**E. JAM Properties**

Jay Blake stated that JAM Properties (who purchased the old city liquor store) is requesting that the City allow him to lien/encumber the property that he purchased at 602 Rum River Drive. Brueske proposed a dollar for dollar encumbrance. For every dollar he pays down on the existing contract for deed, the city would allow their financial institution to lien the property for that dollar amount. That would allow JAM Properties to start the renovation and operation of the building, and would not expose the City of Princeton to any further liability than their original commitment.

Blake explained that the City Attorney drafted an agreement to allow for pay down and lien for up to amount he paid \$190,000.

Karnowski asked if land deals are part of the City's retainer agreement with the City Attorney. He suggested that, if the work is not included in the retainer, then JAM should be charged for the city attorney's work. Damien Tovan said he would look into the answer to that question and get an estimate. Blake stated that Brewske would bear any applicable costs. There being no further discussion:

STEINBRECHER MOVED TO APPROVE THE LIEN OF THE PROPERTY LOCATED AT 602 RUM RIVER DRIVE SUBJECT TO MR JOSEPH BRUESKE PAYING ANY ADDITIONAL ATTORNEY FEES. WHITCOMB SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

## **NEW BUSINESS**

### **A. Insurance Renewal**

Rollie Natvig, with Princeton Insurance Agency, presented the proposed 2010 insurance renewal with LMCIT. He noted that last year's premium was \$98,299 and the 2010 amount is \$100,609. The increase is due to an increase in value of city owned property. Natvig advised that the state increased the tort liability Limits from \$400,000 per person and \$1,200,000 per incident to \$500,000 per person and \$1,500,000 per incident for general liability, auto liability, and airport liability. Liquor liability is \$1,000,000 across the board. Natvig advised that the city had two optional coverages: whether to waive monetary limits on tort liability (for an additional \$892 premium) and whether to get a million dollar umbrella policy over and above general with an additional \$1,000,000 coverage on liquor liability (a larger exposure).

Steinbrecher questioned if the League of Minnesota Cities covers most cities in the state. Karnowski stated that LMCIT insures all but 2 or 3 cities in the state. Karnowski also said a few cities have decided to go with portions with general coverage.

Hallin stated that the city has never waived monetary limits on tort liability in the past.

STEINBRECHER MOVED TO APPROVE THE INSURANCE POLICY STAYING WITH THE BASE RATE AND NOT ACCEPTING OPTION 1 OR 2. HALLIN SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

### **B. State Demographer Estimate**

The Council reviewed a memo advising that the Minnesota State Demographer's Office set Princeton's estimated population and number of households for the year ending December 31, 2007 is a population of 4,530 with households 1,972. According to the State Demographer, Princeton's population dropped in 2007...we're now almost back to where we were in 2006.

Karnowski reminded the council that the State Demographer's estimates do not impact LGA or other revenue calculations. Those are based solely on the US Census numbers.

### **C. Relay for Life Contribution Request**

Karnowski explained that there was a grant funding request form submitted from Relay for Life for their Cancer Walk Event. In the past, the city has not given to fundraising events

such as this.

Steinbrecher asked if the city contributes to the other fundraisers for health issues. Jackson stated that the city generally has not.

Steinbrecher stated that a lot of organizations are struggling; and the city has taken a stand to only give to those people in Princeton. Riddle suggested to have the Liquor Store donate water and/or soda up to a certain retail value versus a money donation.

STEINBRECHER MOVED TO APPROVE A \$200.00 DONATION TO THE RELAY FOR LIFE CANCER WALK IN NON ALCOHOLIC BEVERAGES. WHITCOMB SECONDED THE MOTION. ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

**D. Decertification of TIF Dist. #1 Resolution #09-30**

Jackson explained that in the Bill List, it was approved for the city's last payment for downtown tax increment bonds. The city is required to decertify the increment which is put forth in resolution #09-30.

HALLIN MOVED TO APPROVE RESOLUTION #09-30 AS WRITTEN. WHITCOMB SECONDED THE MOTION.

Whitcomb questioned if a public hearing needs to be set. Jackson confirmed that yes, it does.

ON THE VOTE: 4 AYES AND 0 NAYS. THE MOTION CARRIED UNANIMOUSLY.

**F. Hockey Arena SAC and WAC Fees Waived**

The Council reviewed a letter from Dan Schroeder, the President of the Princeton Youth Hockey Association, asking for reduction both the building permit fees and the SAC and WAC fees associated with the building of the new ice arena. Jay Blake noted he was not representing the Hockey Association and was disappointed they had no one there to speak on behalf of the request.

Blake said Building Inspector Lynn Paulson estimated the permit amount of approximately \$18,000.00. 40% of that fee would go to Metro West Inspections with the balance remaining with the city. Blake noted that the only difference in the ice arena request versus other organizations' requests is that they are a non-profit community organization. Steinbrecher asked how the fees are calculated. Blake stated that SAC and WAC are both based on seating capacity (1200 for this building). Blake stated that a payment plan could be an option.

Mayor Riddle asked the total project cost. Blake said it was \$2.3 million and is the largest project in the city this year.

Karnowski noted that Belle Haven requested a similar reduction which wasn't granted. Steinbrecher stated that School District did new buildings and the city did not reduce the fees then either. The Daycare Center was accommodated by allowing a payment plan over three years.

Steinbrecher stated he was sympathetic that this is a community project versus a private entity. Steinbrecher suggested that staff have a discussion with the Hockey association to see what kind of deal could be worked out. Blake suggested the council direct staff to put together a payment plan on SAC fees and the building permit reduction.

Riddle pointed out that, on a \$2.3 million project; even a payment plan wouldn't really make much of a difference in the total budget and payment.

Karnowski reminded the Council that the city is looking at a new wastewater treatment plant, and money given away will have to be found somewhere else.

The Council appeared to support the Hockey Association; but noted that money is tight. There were no SAC and WAC reductions for the school district and that services all kids in school, whereas the hockey arena will only service those children that play hockey.

Riddle suggested that the council might be open to having a discussion with the association; after Blake and Jackson put something together and bring it before the council.

Jackson said that he received a call from the Association's attorney regarding the public hearing for the Arena's funding and he told him they did not need to attend the meeting but that Jackson did not know the building fee issue was being added. Blake and Jackson will look at a deferment plan that may or may not be beneficial. No action was taken.

**MISCELLANEOUS:** None

**BILL LIST – \$253,485.78**

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$97,520.15 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 61025 TO 61099 FOR A TOTAL OF \$253,485.78. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**ADJOURNMENT**

There being no further business:

WHITCOMB MOVED TO ADJOURN AT 8:30 P.M. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

Katie Hunter;  
City Clerk

ATTEST:

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Jeremy Riddle, Mayor