

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JUNE 24, 2010, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Jeremy Riddle called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Dick Dobson and Lee Steinbrecher. Council Members absent were Paul Whitcomb and Victoria Hallin. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Developer Jay Blake, Public Works Director Bob Gerold, Fire Chief Roxbury and Police Chief Payne and City Clerk Katie Hunter. Also present: City Attorney Dick Schieffer and Damien Toven.

AGENDA ADDITIONS/DELETIONS

Mayor Riddle asked if there were any other alterations to the proposed agenda other than those already noted on the revised agenda. It was the consensus of the Council to add discussion regarding recent actions of the PAVC's Joint Recreation and Resources Board to the agenda under "Miscellaneous".

CONSIDERATION OF MINUTES OF THE REGULAR MEETING OF MAY 27, and june 8 2010

DOBSON MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF MAY 13, 2010. STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

CONSENT AGENDA

STEINBRECHER MOVED TO APPROVE THE CONSENT AGENDA. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

OPEN FORUM

Paul Parsons, representing CenterPoint Energy presented check of \$1500 to the Princeton Fire Department for the purchase of two gas detectors and an automatic defibrillator for the Department's use.

PUBLIC HEARING

A public hearing to determine whether the city should approve a tax abatement proposal for In-Line Packaging was opened at 7:04 PM.

Development Director Blake advised the Council that that In-Line Packaging was proposing to build a 16,000 square foot addition to their building and add 15 to 20 new employees over the next 10 years. The addition would, obviously add to the city's tax base. He advised that In-Line was requesting a series of tax abatements to move forward with the project. Blake further advised that. In order to proceed, a public hearing was required. Blake noted that the city's past practice is to abate up to 90% of the increase in the value or taxes that result directly from the expansion and that the abatement is be paid only after the property taxes have been paid. The total abatement is proposed to be capped at \$24,000 per year. The abatement, if approved, will not result in any net loss of property taxes to city. Blake noted they will be asking for a similar abatement from Sherburne County and that one of the state requirements for consideration of abatement is that a public hearing be held. Blake noted that the city had not received any written or verbal correspondence on the proposal.

Mayor asked if there was any comment from the persons currently at the meeting. There were none.

DOBSON MOVED TO CLOSE THE PUBLIC HEARING. STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

Blake then requested that the Council adopt Resolution 10-32.

STEINBRECHER MOVED TO APPROVE COUNCIL RESOLUTION 10-32, A RESOLUTION APPROVING PROPERTY TAX ABATEMENTS FOR INLINE PACKAGING INCORPORATED. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

The Council reviewed the minutes from the May 24 Princeton Area Visionary Committee meeting; the May 17 Planning Commission meeting; the May 3 and June 7 Airport Advisory Board meeting and the June 1 Fire Advisory Board meeting without comment. Mayor noted there were no items requiring Council action.

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. "Thank You" from Princeton all night senior party

The Council reviewed a thank you note from the committee that organized the annual all-night senior party for the soda supplied by the liquor store.

B. Request for benefit funding

The Council reviewed a request for a liquor store gift card for the upcoming Rick Taylor benefit event. Administrator Karnowski stated that the request doesn't meet the criteria the Council set for such contributions in that contributions are to go to larger, more universal events rather than those benefiting individuals.

DOBSON MOVED TO DENY THE REQUEST TO CONTRIBUTE LIQUOR FUNDS FOR THE BENEFIT BECAUSE IT DID NOT MEET THE CITY'S SET CRITERIA. STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

C. Thank You from Larry and Debbie Carlberg

The Council reviewed a letter from Larry and Debbie Carlberg commending City Clerk Katie Hunter and Public Works employee Tim Jensen for their efforts in helping them work on their Family's genealogy search.

D. City Engineer update

Engineer Nielson highlighted some of an engineering update memo on issues currently being worked on.

The Old County Road 18 project: Nielson noted that the city was trying to coordinate a joint stormwater pond with Sterling Pointe and the Dunkley property. If agreement can be reached they would have a turn key site so they wouldn't need to design their own pond.

Bridge Project: Nielson advised he'd talked to our project engineer and it they are getting back on schedule. The Dunn Bridge is ahead of schedule but the TH95 bridge is still about 1-2 days behind schedule. The concrete demolition took longer than anticipated.

WWTP: Mayor Riddle asked about the work associated with the new main lift station. Nielson noted that work done on 4th Avenue (leading to the WWTP) will include a new force main and that that pipe will be located in the south ditch, which will save having to reconstruct the road. That force main will be in addition to the existing force main on east side of that road.

Karnowski commented that he had received an email from Mille Lacs County Engineer Cochran who advised that the re-naming of the Dunn Bridge may require special legislation even though the name is not changing.

E. Sherburne County Liquor Compliance Check

The Council reviewed a letter from Sherburne County advising that all three off-sale 3.2 liquor establishments (Coborns, Pamida and Super America) had passed their annual compliance check.

ORDINANCES AND RESOLUTIONS - none

UNFINISHED BUSINESS

A. Airport resurfacing pay estimate #2

The Council reviewed pay estimate #2 prepared by SEH engineering for the airport runway rehab project in the amount of \$21,936.64 to Astech Corp.

STEINBRECHER MOVED TO APPROVE PAY ESTIMATE #2 TO ASTECH CORP. IN THE AMOUNT OF \$21,936.64. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

B. 21st Avenue Land Acquisition

Neilson reviewed a memo with the Council proposing that the city purchase a net 0.94 acres of land from John Westling in anticipation of the 21st Avenue extension construction.

The deal would include the vacation of a portion of the current access road to the airport in favor of Westling. The agreed to propose a price is \$30,000 dollars. Nielson noted that it will cost an additional \$3,000 to plat the split and suggested to Westling that he split the costs. Nielson noted that Westling was not willing to do that.

Steinbrecher asked if this was step one and if additional acquisitions would be needed. Nielson noted that the city still needs to acquire current airport property or get an easement.

Karnowski suggested that, if the Council agrees to purchase the property, that the city maintain an arrangement with Westling to continue using the existing road until new one is constructed. Schieffer note that the city will not vacate old right of way until the new road is in place.

STEINBRECHER MOVED TO APPROVE THE PURCHASE OF THE WESTLING PROPERTY AS RECOMMENDED FOR \$30,000. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

New Business

A. 2009 Audit Review

Beth Berthume for the auditing firm of KDV reviewed the city's 2009 financial statement with the Council.

She noted that the total revenues for the city were about \$104,000 over budget for the year with most of the variance due to property taxes paid that were anticipated to be delinquent. Expenditures were under budget by over \$300,000. She noted it was a good year given the cuts in LGA.

She advised the Council that the city needs a \$1.4 million fund balance to cover the first 6 months of the year before the first State and County payments are received.

She further advised that, although the city's tax levy has gone up each year the tax rate has remained stable and is the same as it was four years ago. She noted that public safety uses about have the city's budget and that is pretty common in all cities. Still all departments were under budget for the year.

The Liquor fund showed sales were up a little from the previous year and purchasing is down.

The Airport fund has had a loss for the past 5 years while operations remained the same. Upon questioning from Steinbrecher, she said that was common for cities with airport and hanger rental and fuel profits are not covering the cost of maintaining the airport.

The Sewer fund broke even for the year and the charges are covering depreciation.

Dobson thanked the city staff and department heads for keeping such a good handle on financing and said it's got to be hard the way everything is going. He said he was really happy, the council concurred with his statement.

Finance Director Jackson explained that the transfers outlined in Resolution 10-33 were already represented in the audit. The intention of the resolution is to transfer enough to funds to balance out the shortfalls in some funds. He noted that two transfers are for un-budgeted expenditures, the \$108,944.91 closing out fund that was initially started for an apartment building on 1st Street that was supposed to be TIF funded, but the developer was unable to complete the project. What was anticipated to be reimbursed through the TIF deficit needed to be closed out. The other one was for the LaGrande improvement, and is debt service on Rum River Drive improvements don in 1996-7 that ended up with a surplus after bonds were paid. Jackson said that, typically over the years, the city has used the surplus to offset other funds that are showing deficiencies. Most of the other ones were either budgeted but not actual known what the amounts were.

STEINBRECHER MOVED TO APPROVE THE RESOLUTION 10-33 APPROVING INTER-FUND TRANSFERS FOR 2009. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

B. Local Board of Appeal dates

The Council reviewed the available dates for board of appeals training. Dobson indicated he will attend again.

C. Relocation Trailer Bid Consideration

Fire Chief Roxbury advised that there is an enclosed trailer that is coming up for auction in about a week and that the use of that trailer would be for Monticello relocation activities. The trailer that is currently being used is a converted army trailer and is not enclosed. Chief Roxbury asked for permission to submit a bid for the trailer. The Chief advised that it the expense was in the proposed 2010 budget and it is, basically, relocation dollars, not city taxpayer dollars. The Chief requested authorization to submit bid as long as it doesn't cut into general fund dollars.

DOBSON MOVED TO APPROVE THE SUBMITTAL OF A BID FROM RELOCATION FUNDS FOR THE PURCHASE OF AN ENCLOSED TRAILER. STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

D. Elim Home Street Closing

Karnowski advised that the city had, again, received a request from the Elim Home to close certain streets for their annual event on August 8th and also to get assistance from the public safety and public works departments for necessary traffic control.

Payne indicated the closure has not been a problem in the past.

STEINBRECHER MOVED TO APPROVE THE TEMPORARY STREET CLOSING AS REQUESTED. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

E. Nordic Components firearms proposal

Police Chief Payne approached the Council to advise that Nordic Components was getting into the manufacturing of firearms and are going to market training rifles for police departments. They are building a 22 caliber replica of the assault weapons the PD carries in their squad. The training rifles, using .22 bullets will save a lot of funds for necessary training. The proposal was for the city to purchase two samples, \$540 rifles for \$50 per rifle.

Dobson agreed that, in the long run, a lot of money would be save for department in ammo costs alone.

DOBSON MOVED TO APPROVE THE PURCHASE OF TWO SAMPLE RIFLES FOR \$50 EACH. STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

Miscellaneous

Dobson noted that the Rum River Recreational Resource Board was moving along according to schedule. They have plans going out as far as 2011 on how each month something will be accomplished. The board is applying for a grant for to help with administra-

tive costs. The grant is through Community Conservation and had to be submitted by 4:00 today. Letters of support could be sent in on Monday or Tuesday. He was asking to have the city send a letter in support of this draft.

Blake noted that the RRRB was moving along well and was recognized as a good example of how regional planning could be done. The proposed grant would help them complete their trail work. He said it was a positive thing with positive public relations for the community.

Mayor Riddle asked if matching dollars were required and was told that, no, matching contributions could be in-kind.

STEINBRECHER MOVED TO APPROVE SENDING A LETTER OF SUPPORT FOR THE GRANT AS REQUESTED. RIDDLE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

BILL LIST

STEINBRECHER MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$486,856.46 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 62360 TO 32464 FOR A TOTAL OF \$243,516.21. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

ADJOURNMENT

There being no further business:

DOBSON MOVED TO ADJOURN THE MEETING AT 7:55 PM. STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (3 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter; City Clerk

ATTEST:

Jeremy Riddle, Mayor