

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
AUGUST 26, 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 Paul Whitcomb, Victoria Hallin, Dick Dobson and Lee Steinbrecher. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Developer Jay Blake, Public Works Supervisor Keith Koehler, Police Sergeant Joe Backlund and City Clerk Katie Hunter. Also present: City Attorneys Damien Toven and Dick Schieffer.

AGENDA ADDITIONS/DELETIONS

Dobson asked the Council if he could add an update from the Public Utilities Commission under Miscellaneous.

CONSIDERATION OF MINUTES OF THE STUDY SESSION OF AUGUST 5, 2010 AND THE REGULAR MEETING OF AUGUST 12, 2010

WHITCOMB MOVED TO APPROVE THE MINUTES OF THE STUDY SESSION OF AUGUST 5, 2010 AND THE REGULAR MEETING OF AUGUST 12, 2010 AS WRITTEN. STEINBRECHER SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

CONSENT AGENDA

A. Permits and Licenses - none

B. Personnel

1. Police Department Step Increases

- a. Arnie Soden Step 2 Increase from \$20.47 to \$21.25/hour; effective 9-1-10
- b. Alex Dehn Step 3 Increase from \$21.25 to \$22.00/hour effective 9-9-10
- c. Matt Mullins Step 4 Increase from \$22.00 to \$22.75/hour effective 9-17-10
- d. Jason Cederberg Step 2 Increase from \$20.47 to \$21.25/hour effective 10-19-10

C. Donations/Designations - none

HALLIN MOVED TO APPROVE THE CONSENT AGENDA. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

OPEN FORUM

Sergeant Joe Backlund informed the City Council that himself and five officers from Princeton and about twenty-five officers from surrounding communities attended the funeral for Deputy Chris Dewey in Brooklyn Park on Wednesday, August 18.

PUBLIC HEARINGS

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

- a. Visionary Committee Regular Meeting Minutes of July 26, 2010
- b. Public Utilities Commission Meeting Minutes of June 23, 2010
- c. Public Utilities Commission Meeting Minutes of July 28, 2010
- d. Park Board Meeting Minutes of August 23, 2010

The above minutes were reviewed with no comments from the City Council.

PETITIONS, REQUESTS, AND COMMUNICATIONS

Karnowski explained that the Chamber of Commerce has requested use of the city's generator each year for the Chili Fest being held on Saturday, September 25, 2010. The Public Works Department is already aware of the request and has made arrangements each year for the delivery and set up of the generator for the event.

STEINBRECHER MOTIONED TO APPROVE USE OF THE GENERATOR FOR THE PRINCETON CHAMBER OF COMMERCE CHILI FEST. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

ORDINANCES AND RESOLUTIONS

A. Inline Packaging Tax Abatement Resolution 10-43

Blake explained that resolution 10-32 that the City Council considered and approved back in June of this year had incorrect dates listed. This new resolution that was before the council corrected the typo.

Dick Schieffer suggested to the council that the easiest process would be to rescind resolution 10-32 and consider the new resolution 10-43.

DOBSON MOVED TO RESCIND RESOLUTION 10-32. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

HALLIN MOTIONED TO APPROVE RESOLUTION 10-43. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

B. Fee Schedule Change Ordinance 655

Karnowski reported that Gerold with Public Works has suggested raising the price for Digging Deposits with the city. At this time, the city charges \$500.00 as a down deposit that the contractor receives back after they complete the work and the city road is back to usual again. This fee has not been increased since 2007. Gerold feels with the increased rate of asphalt and road work in general, that the increase is justified.

In addition, there was recently an excavation made and the quote that the contractor had received was \$1400.00. The contractor commented that he would actually 'make' money if he walked away from the job, since his deposit with the city was only \$500.00. Although that didn't happen, it shows the increased rate of road work.

The digging deposit fee increase that is being requested is \$1500.00.

Dobson asked if this fee was paid for by the home owner or the contractor. Karnowski reassured that the fee was paid for by the person taking out the permit to do the digging, which is most likely the contractor.

HALLIN MOTIONED TO APPROVE ORDINANCE 655 A FEE INCREASE FOR THE DIGGING DEPOSIT. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

C. Resolution 10-44 Public Utilities Billing Properties Certified to the County

Karnowski explained that earlier in the year, the council had approved an ordinance that okayed certifying past due accounts to the county several times throughout the year instead of just once a year. The accounts that are requested to be certified to the county were as follows:

PAST DUE UTILITY ACCOUNTS
TO BE COLLECTED WITH 2011 PROPERTY TAXES

<u>Parcel ID</u>	<u>Amount</u>
24-040-0590	\$154.20
24-161-0430	\$1,481.91
16-221-0010	\$576.13
24-680-0212	\$192.34

GRAND TOTAL \$2,404.58

DOBSON MOTIONED TO APPROVE RESOLUTION 10-44 CERTIFYING PAST DUE UTILITIES TO THE COUNTY. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

UNFINISHED BUSINESS

A. Block Party Generator Request

Karnowski updated the council on the city block party scheduled for tomorrow, Friday, August 27, 2010 on Rum River Drive and that it appears to be coming together. A few issues that need council approval are:

1. The group organizing the event has asked for permission to use the city's generator. Apparently they have a lot more businesses participating that need electricity and the number of outlets on the area poles are insufficient. The city has allowed the use of the generator for numerous Chamber events in the past, so this would not be setting any new precedent. If the Council concurs with the staff recommendation to allow their use of the city generator, a motion to that effect would be in order. The group did write a letter to the city with the stated request.
2. A number of participating businesses will use up more space than is available on the street itself. The group is, therefore, requesting permission to use the part of the adjacent parking lot that abuts Sherburne Bank, Berry Law office (the organizers of the event) and the Pizza Factory. The balance of the parking lot will remain open for the use of the adjacent businesses. Again, the group wrote a letter with the stated request.

In addition, Public Works is already aware of the generator request and has line up use.

DOBSON MOTIONED TO ALLOW USE OF CITY GENERATOR FOR CITY BLOCK PARTY; STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Dobson commented that at least two of the three businesses that use the parking lot are organizers of the event (Sherburne State Bank and Berry Law Offices), so it shouldn't be much of a problem. Riddle said he had spoke to the businesses to make sure it was okay with the rest of the businesses to use the parking lot for the block party.

DOBSON MOTIONED TO APPROVE USE OF THE PARKING LOT THAT ABUTS SHERBURN STATE BANK FOR THE BLOCK PARTY. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

B. Sterling Pointe Development Agreement

Schieffer explained that the plat for Sterling Pointe lies in the northeast quadrant of the intersection of Old County Road 18 and Northland Drive (formally Smith Systems Road). To eliminate the sharp angle, the engineer connected the two roads via a curved right-of-way which necessarily caused several small parcels near the old intersection to be undesirable for development, to be used for the curved right-of-way, or to be needed by the city for storm water drainage.

Early in negotiations between the developer, Roger Fink, and city staff, the city requested the developer acquire several of the small parcels to be conveyed to the city for right-of-way and drainage purposes. These parcels became all or part of Outlots B, C, D and E on the plat.

The developer was willing to acquire and transfer these properties as part of the whole negotiation package, in part, because part of his financing package is an SBA loan in which his land acquisition costs were thought to be available as collateral for the loan. The developer found out when encountered with the SBA regulations, that the land acquisition costs were ineligible for collateral on the loan because they were transferred to the city free of charge.

The developer has request6ed that the city consider revising the agreement by paying the developer \$25,000 for one of the free lots and then increasing the Municipal Service Fees the developer pays to the city by \$25,000. There would be no net gain or loss to either the city of the developer, but then the developer could increase the collateral for his loan by \$25,000 for eligible project costs.

It is appropriate to make this change because the planning, engineering, legal and administrative costs incurred by the city are higher than the estimates in the existing agreement. Staff proposes to increase the planning, legal and administrative costs from \$2,500 to \$6,500; and engineering from \$3,000 to \$24,000.

WHITCOMB MOVED TO APPROVE THE AMENDED STERLING POINTE AGREEMENT AS WRITTEN. HALLIN SECONDED THE MOTION.

Dobson added that the developer and city have been able to work so well when there have been bumps in the road. He complimented both Blake and the developer who have been able to work so close together. Roger Fink, the developer, "seconded that motion" in the audience.

THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

NEW BUSINESS

A. Council Pay Study

Karnowski explained that the filings for Council and Mayor positions have been closed; and again, the city went for quality rather than quantity. There had been discussions that perhaps the council salaries were not representative to the amount of time it takes to serve on the council. Hunter and Karnowski did some research on what other cities are paying their councils. Council salaries that are currently being paid in Princeton were adopted in 2004. Because budgets are tight and employees have had their wages frozen for two years and taken furloughs, staff also took a look at cost of living increases given since 2004. Cost of living increases were given to staff and over the past six years, there has been a total of 20 percent increase. If the Council's salaries are increased by 19.7 percent, they would be:

Mayor: \$4,309 Council: \$3,699

Karnowski found cities with at the same or less populating and the same proximity to the cities. He added that if there is any adjustment to a salary for Mayor and Council, an increase or a decrease, whatever is adopted doesn't go into affect until after the election.

1999:	Mayor: \$3,500	Council: \$3,000
2004-current:	Mayor: \$3,600	Council: \$3,090
	(plus \$40 per special meetings up to a total of \$400)	

Dobson commented that his personal feeling is that now is not the time to discuss increases with the city employee's held wages, with not knowing what the budget will look like, not knowing what LGA will be, with the possibility of laying off some people. He would not feel comfortable increasing the council's wages. Whitcomb said that he agrees completely with Dobson.

Steinbrecher admitted that when he first got on the council, he didn't even know there was any money given to the council. Whitcomb agreed and added that the right reasons for being involved in City Council are not for the money.

Hallin, on the other hand, agreed with Riddle. The increase wouldn't be excessive.

Riddle added that when staff and council plan to discuss the 2011 budget, council salaries should be discussed at that time. Karnowski said next year's budget will be on next week's Study Session. He added that the city's preliminary levy has to be adopted by the council by September 15 of each year.

Riddle and the council members decided not to make any motions, but to table this discussion until after the budget for next year is completed in conversation, perhaps the end of October of 2010.

Riddle added as a last note that he felt what the council is currently being paid may have a direct impact on the reduced number of Affidavits of Candidacy that were filed this year for Mayor and Council. Steinbrecher asked Riddle if he had that any direct comments from people when Riddle was encouraging residents to file. Riddle said the question was asked several times as to what amount the Mayor and Council was paid.

MISCELLANEOUS

Dobson updated the council that the Vision Committee has been actively planning for the amphitheater at Riverside Park. At the last Public Utilities meeting, the made a motion that they would abandon well #5 and the well house, as long as there was no cost to PUC and that the permits were correctly taken out. Dobson thanked the PUC for working well with the Visionary Committee.

Hallin mentioned that she went to the CGMC (Coalition of Greater Minnesota Cities) Conference last week and enjoyed it very much. There were good debates and topics discussed such as the budget crisis and how if an employee is gone, how the other staff step up to the plate.

Karnowski said on the same note, Bob Gerold called this afternoon and said he was home from the hospital and things are looking very good. With the surgeries that he had, he has the feelings back even in the bottom of his foot and he will beginning the rehab and may even be back in the office in a couple of weeks. Gerold mentioned that he is working on his department's budget materials at home and will have them ready by next Thursday's meeting.

Karnowski said Keith Kohler, Public Works Supervisor, has stepped up to the plate and in fact, all of the guys at the Public Works Department have come through with flying colors and everything that has needed to get done, has gotten done. Staff and the council thank Kohler and the Public Works Department employees for their hard work.

BILL LIST – \$238,723.89

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$97,075.55 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 62906 TO 62973 FOR A TOTAL OF \$141,648.34. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

ADJOURNMENT

There being no further business:

STEINBRECHER MOVED TO ADJOURN THE MEETING AT 7:40 PM. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter
City Clerk

ATTEST:

Jeremy Riddle; Mayor