

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
DECEMBER 9, 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 Director Bob Gerold and City Clerk Katie Hunter. Also present: City Attorney Dick Schieffer.

AGENDA ADDITIONS/DELETIONS

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

Under Consent Agenda, Permits and Licenses:

Intoxicating/Sunday On Sale Liquor License for Madre Loca Inc, effective December 20, 2010 for a pro-rated cost; pending background check approval

Under Unfinished Business:

WWTP Change Order #1 (Pre-Load – changes completion date)

Under New Business:

Liquor/Tobacco/Garbage Hauler License Memo

**CONSIDERATION OF MINUTES OF THE REGULAR MEETING OF NOVEMBER 18, 2010,
REGULAR MEETING MINUTES/BUDGET SESSION HELD ON NOVEMBER 23, 2010 AND
STUDY SESSION/BUDGET SESSION HELD ON DECEMBER 2, 2010**

Whitcomb stated that on November 23, he was not present.

HALLIN MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETINGS OF 2010. STEINBRECHER SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

CONSENT AGENDA

A. Permits and Licenses:

- A. Pull Tab License for the Princeton Youth Hockey Association for the Casa De Miguel Mexican Restaurant (effective for one year from date of Council Approval)
- B. Intoxicating/Sunday On-Sale Liquor License for Madre Loca Inc, effective December 20, 2010 for a pro-rated cost; pending background check approval

B. Personnel

- A. Bob Gerold Step 4 Increase to \$64,805/year effective 11-29-2010

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

OPEN FORUM

Carla Vita, a Parks and Recreation Advisory Board member, who is up for reelection, was present to express her interest. Vita stated that she cannot be here in two weeks on December 23 when the City Council makes the final call on who will be appointed for the Parks and Recreation Advisory Board. Vita stated that she is still very interested in being on the Parks and Recreation Board or the Planning Commission.

Dobson thanked Vita for taking the time to come to the meeting and show her interest. Dobson also added that Vita has been an asset to the Park and Recreation Board.

PUBLIC HEARING - Discussion of 2011 Budget and Levy Public Input

The Mayor called the Budget and Levy discussion to order at 7:14 PM.

Jackson reported that the proposed 2011 budget was handed out along with a proposed resolution #10-52 adopting the revised 2010 budget which lists a total levy of \$2,183,350.00. This represents a zero percent tax increase for the year of 2011. The estimated tax capacity rate for 2011 is 72.88 with an 11.91 percent change from the year prior.

Jackson went on to explain that the City is not anticipating that the full amount of Local Government Aid is received, which is listed at \$723,241.00 in the budget booklet.

PUBLIC COMMENT

Dave Dykstra said he owns a 125-year old home in Princeton. His statement for his proposed 2011 property taxes showed a 266 percent increase. The proposed increase was \$600.00.

Mayor Riddle asked if Dykstra lives in this home or if it was rented out. Dykstra commented that he took the home off homestead last year. Riddle said that removing the homestead status was the reason for the tax increase. Riddle went on to suggest Dykstra speak with Mille Lacs County.

Riddle also explained to another commenter; Bud Hannon; that the city is proposing a zero percent increase. Some of what people are seeing on their proposed tax statements are from the School District and County. In addition, these are proposed bills. On Thursday, April 7 at 4:30 PM, both Sherburne and Mille Lacs County will be present in front of the City Council for an Open Board of Appeal for residents to attend.

Scott Liestman with Edward Jones Investment and Brandon Hein with Gary's Barber Shop were present to discuss the taxes proposed for Riverside Plaza. Liestman also included Eric Brandt who has a business in the same mall is as concerned as Liestman and Hein with his property tax proposal. The Edward Jones taxes have increased twelve percent, although the assessed value has stayed the same. The City of Princeton was listed as the highest at seventeen percent. Liestman asked how they can promote business or even be able to have the current businesses stay.

Riddle said that the City Council had that exact discussion last week and that the maximum three months ago was set at five percent increase because a proposal was needed in order for the county statements to go out. Now, this evening, a zero percent increase is being looked at. Jackson stated that Liestman can see his increase to drop that five percent from the city. Although, the City Council has no control over what the County and the School Board propose as an increase.

Liestman thanked the City Council for the opportunity to speak.

Marlene Trebesch, who owns one of the townhomes in Fairway Ponds along Fourth Avenue South. Trebesch noted that she has lived in her home for eleven years. She sees the city taxes going up and the valuation going down, along her chart she has kept for the past eleven years. Her recent proposed statement shows a 13.8 percent increase. Trebesch added that she is now a widow with a mortgage and being unable to sell her home,

she cannot afford this.

Dobson said that one of the things that the City has done is not give employee's Cost of Living increases and have asked the employees to take a week off without pay each year, a furlough. Dobson explained that when townships, cities, counties all have to set a budget and then are unallocated the amount that you thought you were going to receive, then the money has to be "made up" from the prior year.

The Public Hearing was closed at 7:30 PM.

STEINBRECHER MOTIONED TO APPROVE RESOLUTION 10-52, ADOPTING THE REVISED 2010 BUDGET WHICH LISTS A TOTAL LEVY OF \$2,183,350.00 AND A ZERO PERCENT TAX INCREASE. DOBSON SECONDED THE MOTION.

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

- A. Planning Commission Meeting Minutes of November 15, 2010
- B. Visionary Committee Meeting Minutes of November 8, 2010
- C. Princeton Park and Recreation Board Minutes of November 22, 2010
- D. Princeton EDA Board Minutes of November 18, 2010

The City Council reviewed the above listed minutes, but no action was needed or taken.

PETITIONS, REQUESTS, AND COMMUNICATIONS - none

ORDINANCES AND RESOLUTIONS - none

UNFINISHED BUSINESS

A. Airport Lighting Final Pay Estimate

As discussed earlier this year, the EGAN Company replaced several of the lighting fixtures at the airport under an FAA 95-5 grant. In June, the Council approved the initial payment of \$21,370.25 and retained \$1,124.75 pending final inspection. Engineer Dresel has inspected the final product and recommends that the Council approve and release the final payment.

HALLIN MOTIONED TO APPROVE THE FINAL PAYMENT OF \$1,124.75. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

B. Library Carpeting

Robin Suhsen had obtained a bid from Hiller's to replace the Library's community room. The Council had asked staff to advertise for other firms interested in doing the work and received three more bids.

<i>Floor to Ceiling, St Cloud:</i>	\$5,460.00
<i>Hiller's; Rochester (state contract pricing):</i>	\$5,588.55
<i>Flooring Solutions, St. Cloud:</i>	\$6,024.00
<i>Multiple Concepts Interiors; Waite Park:</i>	\$7,500.00

Whitcomb asked if each bid included not only the carpet replacement, but the disposal of the old carpet, etc. Karnowski said when the Request for Proposal (RFP) was sent out, it was outlined what was being asked to be done. Karnowski does have an email that each firm answered "yes" to when asked if their bid included all that was listed in the RFP.

Hallin expressed her liking to go with the lowest bidder, Floor to Ceiling of \$5,460.00. Dobson added that they are closer than Rochester is and he likes that.

HALLIN MOTIONED TO GO WITH FLOOR TO CEILING AS THE COMPANY TO REPLACE THE LIBRARY'S CARPET. STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

C. Wastewater Treatment Plant Change Order #1 Preload

Karnowski said that the preconstruction conference for the pre-loading of the Waste Water Treatment Plant (WWTP) was held this past Wednesday. The Project Engineer is proposing a change order. The start date was pushed back because of a delay in getting necessary USDA-Rural reviews and approvals, so the end date must also be pushed back. The original Substantial Completion Date was slated for December 31, 2010. The proposed new Substantial Completion Date is March 4, 2011. The Final Completion date of May 31, 2011 has not been changed.

DOBSON MOVED TO APPROVE CHANGE ORDER #1 AS PRESENTED. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

NEW BUSINESS

A. Surplus Vehicle For Fire Department

Karnowski said that the State of Minnesota acting through the Commissioner of the Department of Natural Resources is making available at no cost a fire vehicle to the City of Princeton Fire and Rescue Department. The vehicle is a 500 GMC Water Truck with 16,019 miles. It will be stationed at the Wyanett Township Substation. Karnowski added that this is again, thanks to Chief Jim Roxbury.

The Council asked if there was a problem with the vehicle, whom would pay to repair it. Karnowski assured the Council that it would be the City's cost to repair it.

The Fire Advisory Board was in favor of obtaining the fire vehicle at their board meeting two evenings ago.

HALLIN MOTIONED TO APPROVE OBTAINING THE SURPLUS VEHICLE FROM THE STATE TO BE STATIONED AT THE WYANETT SUBSTATION. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

The Council asked Roxbury if he has had a chance to look at the vehicle. Roxbury stated that he has not seen the water truck. He added that although it is not a new vehicle, this opportunity will get the City into the system for future opportunities.

B. Smith System Road Funding Options

WSB Engineer Mike Nielson recapped the current maximum Rural Development funding assistance level has been set at \$18,299,000.00. The latest estimates for the Waste Water Treatment Plant and related construction are at \$19,011,990.00 which is \$712,990.00 over the funding budget. This number doesn't include a ten percent contingency of \$1,120,000,000.00 which may not be needed based on the current bidding climate. The Smith System Road sewer project is estimated at \$2,536,412.40.

If the City were to delay the construction of the main lift station, the initial construction cost would be reduced by an estimated \$1,665,000.00. In addition, the city has requested to construct two thirds of the reed beds at this time. This will reduce the construction cost by \$800,000. With these changes, the approved Rural Development funding could be a limit of \$18,299,000.00.

The existing lift station has a capacity to serve an average daily flow of 600,000 gallons per day. The most recent 12 month flow data shows an average daily flow of 373,000 gallons per day. This would indicate that the existing lift station has adequate capacity to handle the flow from USDP and a significant number of new homes.

Nielson went on to say that WSB is looking for consensus from the Council to further investigate the possibility of delaying the construction of the main lift station.

If the Council does not wish to take this route, the second alternative would be to sell a bond.

Hallin said as she understands it, if the city eliminates one-third of the reed beds at this time and don't do lift station, and if bids come in twenty percent lower than we anticipate, than a bond will not have to be sold.

Hallin asked how long the city could go without the one third of the red bed. Neilson said it is approximately like doubling the plant instead of tripling it.

HALLIN MOTIONED TO WORK WITH USDA TO SEE WHAT COULD BE DONE WITH TRIPLING THE PLANT BUT ONLY USING TWO THIRDS OF IT. STEINBRECHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

As an added thought, Jackson commented he feels this is a reasonable approach.

C. Airport Engineer Selection

Karnowski reminded the Council that every five years, the city has an obligation to do a Request for Quotes for engineering services. Accordingly, staff under direction of the Airport Advisory Board, advertised for engineering firms interested as airport engineer for the City of Princeton. There were ten responses to the inquiry with three firms actually turning in proposals. Those firms were:

- Landform of Minneapolis
- Short, Elliot & Hendrickson (SEH) of St. Paul
- Tilts, King, Duval & Anderson (TKDA) of St. Paul

The Airport Advisory Board reviewed the proposals, and agreed that they are happy with

the work that Joel Dresel and SEH has done for the city and the airport. The AAB is recommending that the City stick with SEH for a maximum of five years.

DOBSON MOTIONED TO APPROVE SEH AS THE ENGINEER FOR THE AIRPORT. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

D. Liquor/Tobacco/Garbage Hauler Licenses

Hunter put together the proposed licensees for the year 2011 for Liquor, Cigarettes and Garbage/Recyclable Haulers. Most companies have the correct paperwork submitted, but some are subject to a passing background check by the Princeton Police Department, the correct fee(s) paid, and any other paperwork required (proof of insurance, etc.)

HALLIN MOTIONED TO APPROVE THE LIST OF LICENSEES FOR 2011 WITH THE LIMITATIONS LISTED ABOVE. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Steinbrecher asked why the Princeton Golf Course was not listed. Hunter explained that as they did last year, the Princeton Golf Course goes for a prorated liquor license rate and becomes licensed effective in April.

The following business will be licensed IN 2011:

ON-SALE INTOXICATING LIQUOR

Madre Local Inc
Steven Wrangler dab Classic Catering
Northern Attitudes

CLUB ON-SALE LIQUOR

VFW Post No. 806

SUNDAY LIQUOR

Steven Wrangler dab Classic Catering
VFW Post No. 806
Northern Attitudes
Madre Local Inc

ON-SALE NON-INTOXICATING MALT LIQUOR

Pizza Hut
Moose Lodge

OFF-SALE NON-INTOXICATING MALT LIQUOR

Holiday Station store
Pamida
Coborn's

CIGARETTE

Holiday Station store
Casey's General Store – North
Casey's General Store – South
Circle 9 Conoco

Hofman Oil Co. Stationstore
Coborn's
Dollar Bell

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.

BILL LIST – \$306,032.06

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$65,415.12 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 63381 TO 63471 FOR A TOTAL OF \$240,616.94. 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 8:45 PM. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter
City Clerk

ATTEST:

Jeremy Riddle, Mayor