

**MINUTES OF STUDY SESSION OF THE PRINCETON CITY COUNCIL
HELD ON JUNE 5, 2008, AT 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Acting Mayor Paul Whitcomb called the meeting to order. Council members present were Dick Dobson, Paul Whitcomb, Lee Steinbrecher, and Victoria Hallin. Mayor Jeremy Riddle was absent. Staff present was Mark Karnowski, Steve Jackson, Jay Blake, Tom Mismash, and Ann Bi-en.

CONSENT AGENDA

1. Hire Devon Soule – P.T. Summer Help @ \$8.25/hr.
2. Contribution - \$500 to PRRD (Smoke House) from Mystic Rider’s Snowmobile Club
3. Depository Pledge Agreement w/Bremer Bank (Auditor requirement)

STEINBRECHER MOVED TO APPROVE THE CONSENT AGENDA. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Geographic Information System (GIS) Mapping

Blake reviewed that in December, 2007, the City entered into a contract with WSB to complete the GIS program that included zoning, land use, and the scanned images for the City wastewater collection system. That project is essentially completed, including training. However, the original contract did not include the approximate 450 lot splits that have been approved by the City. Blake asked the Council to consider amending the GIS mapping contract with WSB Engineering to allow for the completion of the base mapping process. He stated funding is available in the Comprehensive Plan budget.

Jackson also informed the Council that the City’s plotter may need an upgrade. Staff will work on costs to present at a future meeting.

DOBSON MOVED TO APPROVE THE CONTRACT AMENDMENT WITH WSB FOR \$3,800 TO INCLUDE LOT SPLITS IN THE BASE MAPPING PROCESS WITH THE FUNDING COMING FROM THE COMPREHENSIVE PLAN BUDGET. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

USDP Pre-Treatment Discussion

Blake informed the Council that he has had a discussion with U.S. Distilled Products regarding the strength and volume of their wastewater. He stated one option would be a pre-treatment plant, either constructed by USDP on their own, or in a joint project with the City if the plant is constructed to be expandable for other companies. The project will require engineering, but funding is not budgeted for this type of work. The USDA has a grant program which the City may be eligible for. Blake suggested we talk with our engineers to see if they will do the preliminary engineering necessary to submit a grant application.

Karnowski explained if we get grant, this initial engineering cost can be rolled into grant amount. If the work is not done, the engineer might have to eat it.

Blake stated USDP has already expanded their business and staff expects them to stay in the city. He stated it was important to take them into our plant. He suggested a mini-RFP be put out and asked authorization to start it.

IT WAS THE CONSENSUS OF THE COUNCIL TO HAVE STAFF START WORK ON A REQUEST FOR PROPOSAL FOR INITIAL ENGINEERING WORK ON A PRE-TREATMENT PLANT.

PUBLIC HEARING

A. Public Hearing on USDA Rural Development Loan Application

The hearing was open to the public. Karnowski reported the City is listed in the USDA farm bill which was recently passed. He stated this means the City could get a loan for the wastewater treatment plant project at a 3.75% or lower interest rate. He explained today's public hearing is a requirement to offer the public a chance to respond to the City applying for USDA funding.

No one from the public was present.

Dobson asked what happens if we do not need the funds right away. Karnowski answered the USDA has to commit funding before September, 2008. Tracy Ekola, the City's engineer with SEH, explained if Princeton is not ready this year, the City would be considered next year since all our paperwork would have already been submitted.

Dobson also asked if this is a one time application or can more funding be applied for next year. Ekola stated this is a one time application, there could be other loans available but not likely. She stated right now the only other loan source would be revenue bonding.

Hallin asked if sand filters are not installed at this time and we find out later they are needed, can we apply for that as another project. Ekola answered probably, since it could be considered another project.

Ekola informed the Council the size of the proposed expansion may not be justified since the housing market has decreased and the demographer's estimate is lower than expected. She stated Princeton would have to justify tripling the capacity but the USDP may play into our argument. She stated as long as doubling the capacity will provide for growth, they will fund it.

DOBSON MOVED TO CLOSE PUBLIC HEARING. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Ekola reported the NPDES permit has been issued but has been contested.

Ekola reminded the Council that part of the judge's order was that Princeton negotiate a phosphorus trade. She stated the City looked for trading partners and found one that will be low cost and fast moving. She stated the Metropolitan Council Environmental Services treats for phosphorus and has credits available. They will trade with Princeton for Princeton doing non-point projects (e.g. bumper strips at various locations). The City will need to buy 6,000 pounds.

Karnowski explained we are obligating ourselves to spend money to take phosphorus out of the river. This trade and condition will be a more positive affect on the Rum River than if we just lowered our phosphorus.

Dobson asked if some right-of-ways in the townships would have to be purchased. Karnowski answered it may be possible, or we may pay a farmer not use a portion of his land. We also may put in riprap along the river. There may be grant funds from the Soil and Water Conservation District.

Mismash suggested we may get the most from our money on drain tiles in the ditches. Ekola pointed out Exhibit A of the agreement shows possible bmp projects

Ekola also reviewed the updated cost estimate for the proposed improvements at the wastewater treatment plant. The cost estimate has increased from \$13,413 in 2002 to \$20,158,000 in 2008, including sand filters for \$2,800,000. Ekola stated she hopes to get the permit by this fall so design work can start this fall.

Steinbrecher stated he thought at some point the Council needs to discuss the size of the plant, including looking at demographics and taking USDP's volume into consideration, and not assume we need to triple the plant. Other council members agreed. Steinbrecher suggested discussing this at a future study session and thought it may take a few meetings.

Karnowski suggested the main question is do we spend dollars to triple rather than double at this time. He stated the cost differential could make more sense to triple, adding although building has slowed down, it could increase in a few years.

Steinbrecher stated the cost has increased, but population has not. He stated he thinks the Council needs to review projects and make an informed decision.

FAA Grant Award

Mark reported the City received the grant from the MN Department of Transportation for 95% of the cost to purchase the Westling hangar at 1111 19th Avenue South. The grant is in the amount of \$57,000 and the City's share is \$3,000.

STEINBRECHER MOVED TO APPROVE RESOLUTION #08-20, AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT AND LAND ACQUISITION. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

School liaison contract

Karnowski informed the Council that the School Board has approved a second liaison officer;. He stated he advised them that the City does not need a second officer on call, so the School District will pick up 75% of the cost for the second officer. Dobson asked if an additional officer will have to be hired and Karnowski answered yes.

HALLIN MOVED TO APPROVE THE CONTRACT TO PROVIDE FOR YOUTH SERVICES OFFICER SERVICES BETWEEN PRINCETON SCHOOL DISTRICT NO. 477 AND THE CITY OF PRINCETON. STEINBRECHER SECONDED THE MOTION.

Hallin asked if 75% included benefits. Jackson stated it includes medical insurance, but the City will pay for uniforms.

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

BILL LIST - \$347,712.84

HALLIN MOVED TO APPROVE MANUAL CHECKS NUMBERING 58746, 58826, AND 58827 FOR A TOTAL OF \$99,039.34 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND

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GENERAL CITY BILL LIST, WHICH WILL BE CHECKS NUMBERING 58829-58930, FOR A TOTAL OF \$248,673.50 AS SHOWN ON THE BILL LIST. STEINBRECHER SECONDED THE MOTION.

Dobson asked about the credit card overcharge. Jackson explained it was due to a problem with the credit card system at the airport and we have been repaid by the company.

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

There being no further business, STEINBRECHER MOVED TO ADJOURN AT 5:45 P.M. HAL-LIN SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

Ann Bien, Deputy City Clerk

ATTEST:

Jeremy Riddle, Mayor