

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON  
MARCH 27, 2008, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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Acting Mayor Whitcomb called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Councilors Paul Whitcomb, Dick Dobson, and Victoria Hallin. Mayor Jeremy Riddle and Councilor Lee Steinbrecher were absent. Staff present was Mark Karnowski, Steve Jackson, Tom Mismash, Brian Payne, Joe Backlund, Bob Gerold, and Ann Bien. 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:

Under Petitions, Requests, and Communications:

E. Rum River Health Services Gambling Request

Under Unfinished Business:

B. David Patten Contract

Under New Business:

D. Squad Car Purchase Authorization

Under Miscellaneous:

A. Cable Commission Update

**APPROVAL OF MINUTES OF THE REGULAR MEETING OF MARCH 13, 2008**

HALLIN MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF MARCH 13, 2008, AS WRITTEN. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**CONSENT AGENDA**

**A. Permits and Licenses**

**B. Personnel**

**1. Public Works**

a. Tim Jensen, Step 5 Increase to \$20.79/hr. effective 03-18-08

**C. Donations/Designations**

HALLIN MOVED TO APPROVE THE CONSENT AGENDA. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**OPEN FORUM**

No one was present for Open Forum.

**PUBLIC HEARINGS**

**A. Fairview Health Services Refunding Bonds**

Karnowski explained the City of Princeton is being asked to authorize the City of Minneapolis to issue refunding bonds under MN Statutes to refund revenue bonds previously issued in 2005 by the City of Minneapolis, with the prior approval of the City of Princeton, to finance the construction of an approximately 47,500 square foot addition to Fairview Northland Medical Center in the City of Princeton.

Steve Borgstrom, Treasurer for Fairview Health Services, explained that by transferring the issuing authority to Minneapolis, it will save Princeton's issuing capacity. There were no comments, written or oral, from the public.

DOBSON MOVED TO APPROVE RESOLUTION #08-10, A RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE CITY OF MINNEAPOLIS ON BEHALF OF FAIRVIEW HEALTH SERVICES TO REFUND BONDS ISSUED TO FINANCE IMPROVEMENTS TO FAIRVIEW NORTHLAND MEDICAL CENTER UNDER MINNESOTA STATUTES, SECTIONS 469.152 TO 469.165, AND TO FINANCE AND REFINANCE OTHER FACILITIES OF FAIRVIEW HEALTH SERVICES OR ITS AFFILIATES. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

DOBSON MOVED TO CLOSE THE PUBLIC HEARING. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**B. Annexation Request from RW Properties of Princeton LLC**

Blake reported RW Properties of Princeton, LLC has requested Lot 1, Block 1, Railway Properties, Baldwin Township, be annexed into the City of Princeton. He explained staff has been working with Intelligence Ingredients to move and expand their business into the City of Princeton. They have looked at many sites within the city, but could not find a good location to fit their size. RW Properties of Princeton, LLC owns a site abutting city limits which would fit, but since the location is not within city limits, it does not qualify for certain funding assistance for which Intelligence Ingredients would like to apply. In discussion with Roger Winkelman, he agreed to request annexation for this one parcel, with the idea that the City would work on a tax abatement agreement with his renter. The EDA reviewed the request and based on the quality of the job and number of employees, recommends the City approve the annexation and tax abatement. The City would not provide sewer or water, since the site has well and septic. Part of the PUC's plat extends sewer and water close to this site, if and when it is ever requested.

The City received a letter from adjoining property owners, Jay and Carol Swanson, expressing concerns about being forced to annex. It was clarified the City's policy will continue to be that the Council reacts to petitions, not forcing annexation unless requested.

THE PUBLIC HEARING WAS OPEN TO THE PUBLIC COMMENT.

Fred Reitman stated he has a copy of the letter from Jay and Carol Swanson opposing the annexation and asked Jim Thompson to read it. Thompson stated he finds it absurd that the City would annex for a company that does not own the land.

Reitman stated he is against it also. He stated he brought his business from Wright County and wants to be in Baldwin Township, Sherburne County. He stated if he wanted to be in Princeton, he would have bought a place in Princeton. He does not need or want city sewer and water or to pay city taxes.

Bryan Lawrence, Baldwin Township Chair, stated he was speaking on behalf of the township. He stated he knows there are others against the annexation and asked the City not to annex this parcel. He explained Baldwin Township is currently in the process of working on an orderly annexation with the City. He stated the Hammer property was directly adjacent to city limits and needed for water treatment plant. This annexation is not an orderly annexation property, and no services are to be provided. Therefore, this is not an acceptable annexation and asked the Council to reconsider and proceed ahead with orderly annexation. He stated this piece does not make sense.

Blake stated he understands the concerns raised by the individuals not wanting to be annexed, but this annexation would not be forcing other properties to annex. He clarified that the business did try to locate within current city limits, but large enough buildings or parcels were not available. This business is not a high water user and the septic is adequately sized. The proposed tax abatement is subject to several caveats.

Karnowski clarified that the abatement process is when you pay your property tax, you get money back, not upfront money, so if they leave and/or do not pay their taxes, they do not receive anything.

Dobson asked if either the well or septic fails, will the City be required to provide water and sewer. Blake answered he understood that if they fail, it may not be feasible for the services to be extended so the property would be allowed to repair or replace the septic or well. If the property owner requested city services, they would be responsible for the cost. It was asked if the City were to extend the utilities, would other property owners be required to hook up. It was explained the City will not allow properties outside of city limits to be hooked up to city services. The City cannot assess properties outside of city limits.

Reiter stated he was concerned that his property will be disturbed if utilities are provided. Karnowski explained the City cannot go on his property, the lines would go down the railroad property. He stated the only way the City can take his property is through a contested annexation, which takes years, and the City has never gone that way.

Mismash added the City's ordinance states if well and septic fail and city service is not available, the property owner can rehabilitate their service. If there is sewer and water available, they have to hook up.

Jim Thompson stated he has a business on the south side of town but lives in the city. He asked if anyone who lives in the city knows this new business is asking for free money. He stated he was not happy to fund someone else's business. Blake explained they are now paying about \$1,100 in taxes. City taxes would be \$5,000, but the City is willing to abate up to 75%, leaving their taxes about the same. Since the City has not been receiving any taxes from this property, the City will come out ahead even with the abatement.

Thompson asked what jobs are being brought in and if they will only be \$8/hr. Blake answered there will be about 10 jobs with a minimum of \$11/hr.

DOBSON MOVED TO CLOSE PUBLIC HEARING. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

DOBSON MOVED TO APPROVE ORDINANCE #615, AN ORDINANCE OF THE CITY OF PRINCETON ANNEXING LAND OWNED BY RAW PROPERTIES OF PRINCETON, LLC LOCATED IN THE TOWN OF BALDWIN, SHERBURNE COUNTY, MINNESOTA, TO THE CITY OF PRINCETON, SHERBURNE COUNTY, MINNESOTA, PURSUANT TO MINNESOTA STATUTE §414,933 SUBD 2(3) PERMITTING ANNEXATION BY ORDINANCE. HALLIN SECONDED THE MOTION.

Reiter stated he thought there should be a public vote and this vote shows there is too much government.

ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**C. Business Subsidy Request from RW Properties of Princeton LLC**

Blake reported the EDA reviewed the request from RW Properties of Princeton, LLC for a Business Subsidy Agreement and Tax Abatement Agreement for Lot 1, Block 1, Railway Properties which was just annexed. He explained Intelligence Ingredients provides quality jobs paying a minimum of \$11/hr. The abatement will be for 10 years and will be null and void if they move or if sewer and water is extended.

THE HEARING WAS OPEN TO PUBLIC COMMENT.

Jeff Holm asked for clarification of where the money will go. Blake explained the individual lease holders will be paying taxes and they will receive the abatement, not the owner. Their benefit will be no additional taxes.

Chad Winkelman explained the reason they were asking for the abatement was because they were not hooking up to sewer and water.

Blake agreed the taxes were reduced because the City was not able to provide these services at this time, but when they become available and the property hooks up, the property will become a full fledged taxed entity.

Thompson stated he moved here without receiving an abatement, as did other companies, and asked why can't this company come in without getting a tax break?

Stephanie Ketterl explained her support for the tax abatement.

Lawrence asked if there has to be a dedicated zone for JOBZ and other programs. Blake explained this is not JOBZ, this is abatement and can occur anywhere in the city. Lawrence clarified this is only tax abatement and Blake answered yes.

DOBSON MOVED TO CLOSE THE PUBLIC HEARING. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

HALLIN MOVED TO APPROVE RESOLUTION #08-12, A RESOLUTION APPROVING PROPERTY TAX ABATEMENTS FOR RW PROPERTIES OF PRINCETON, LLC. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Dobson thanked the people in the audience for their questions and concerns. He stated he also had some of the same questions and appreciates that the Township and City are trying to work together. He stated the City does not seek annexation but does not turn away requests.

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

**A. Airport Advisory Board**

**1. Minutes of February 11, 2008**

The above minutes were reviewed.

**B. Park Board**

**1. Minutes of February 25, and Draft Minutes of March 24, 2008**

The above minutes were reviewed.

Mismash stated the Board continues to work on improving the Splash Park and Mark Park in general. A representative from ARC was present at their meeting to discuss new fixtures for the Splash Park. Mismash stated the Board would like to replace some fixtures and add two new fixtures to make the park more interactive. The total cost would be approximately \$21,000 There is \$15,000 budgeted in the CIP and he requested authorization to spend this amount.

DOBSON MOVED TO APPROVE REPLACING SOME FIXTURES AND ADDING TWO FIXTURES TO THE SPLASH PARK FOR A COST OF APPROXIMATELY \$21,000, WITH \$15,00 FROM THE CIP AND UP TO \$6,000 FROM THE PARK DEDICATION FUND IF THE FUNDING IS THERE. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**C. Planning Commission**

**1. Draft Minutes of March 17, 2008**

The above minutes were reviewed.

**D. Princeton Area Visionary Committee**

**1. Minutes of March 10, 2008**

The above minutes were reviewed.

**PETITIONS, REQUESTS, AND COMMUNICATIONS**

**A. Request from Senior All Night Party**

Karnowski explained this is an annual request for a six-pack of pop for each graduating student.

HALLIN MOVED TO APPROVE A DONATION OF A SIX PACK OF POP FOR EACH GRADUATING STUDENT ATTENDING THE SENIOR ALL NIGHT PARTY. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**B. Request from Fire Department Relief Association**

Karnowski explained the Princeton Fire Department Relief Association is requesting permission to hold their annual dance in the Princeton Mall parking lot on August 16, 2008, from 9 p.m. until 12:00 midnight. They are also requesting permission to serve alcohol through a licensed liquor caterer. Dobson asked if the caterer will have insurance and Karnowski answered yes.

DOBSON MOVED TO APPROVE THE PRINCETON FIRE DEPARTMENT RELIEF ASSOCIATION HOLDING THEIR ANNUAL DANCE IN THE PRINCETON MALL PARKING LOT ON AUGUST 16, 2008, FROM 9 P.M. UNTIL 12:00 MIDNIGHT AND ALSO TO SERVE ALCOHOL USING A LICENSED LIQUOR CATERER. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES – 5; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

**C. Request from Lions for Donation**

DOBSON MOVED TO APPROVE THE DONATION OF FIVE (5) \$20 GIFT CERTIFICATES FROM PRINCETON WINE & SPIRITS FOR THE PRINCETON LIONS ANNUAL SPRING RAFFLE. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES – 5; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

**D. Thank You from Friends of Library**

The City received a thank you from the Friends of the Library for the City's donation of \$1,200.

**E. Rum River Health Services Gambling Application**

HALLIN MOVED TO APPROVE THE APPLICATION FOR EXEMPT PERMIT FROM THE RUM RIVER HEALTH SERVICES, INC. FOR A RAFFLE ON MAY 30, 2008, AT THE PRINCETON GOLF CLUB. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**ORDINANCES AND RESOLUTIONS**

**A. Resolution #08-11, Proclaiming Day of Prayer**

Dobson asked about including the word "God" in the proclamation. Toven stated the City should not be in trouble with including the word.

HALLIN MOVED TO APPROVE RESOLUTION #08-11, A RESOLUTION PROCLAIMING "A DAY OF PRAYER." DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**UNFINISHED BUSINESS**

**A. Riebe Park Structure Salvage/Removal Update**

Blake reported two quotes were received for the removal of asbestos materials from the Riebe house on 4<sup>th</sup> Street Circle North. He stated he expected the cost to be about \$5,000, but the bids were \$10,385 from EPS Environmental Plan Services and \$6,336 from Quad State Asbestos Removal. The bids were apparently not for the same work and he has requested additional quotes so he is asking that no action be taken tonight. Schiefer suggested both quotes be rejected.

DOBSON MOVED TO REJECT THE TWO QUOTES RECEIVED FOR THE REMOVAL OF ASBESTOS MATERIALS FROM THE RIEBE HOUSE. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Blake went on to explain a local resident has asked if he can removal some of the combination windows from the porch of the Riebe house. He stated he check with the City's insurance, LMCIT Insurance, and found they would provide coverage in the event someone would get hurt. He also suggested the Council adopt the following rules if it agrees to allow others to scavenger portions of city buildings:

1. Those wishing to remove items would have to get prior approval from the City and list, specifically, which items they plan to remove. They would be limited to only those items listed.
2. Permission to remove items from the structures would be granted on a "first come, first served" basis.
3. Salvagers are required to sign a waiver.
4. The City has the right to deny any and all requests.

Whitcomb asked there is a concern with removal of the windows before the asbestos is removed. Blake replied the asbestos is not in the building with these particular windows. Police Chief Payne asked for use of the house for training purposes a couple of days before the buildings are demolished. Toven recommended the City retain the right to reject any request

DOBSON MOVED TO APPROVE THE ABOVE RULES REGARDING SCAVENGING CITY PROPERTY AND ALSO APPROVE THE POLICE DEPARTMENT USING THE RIEBE HOUSE FOR TRAINING PRIOR TO ITS DEMOLITION. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**B. David Patten Landscaping Contract**

Blake reported the Visionary Committee received a \$5,000 grant for planning and development of a community-wide vision for recreational enhancements. The Committee was originally working with David Patten through RLK. However, Patten is no longer working for RLK, Therefore, the Committee is recommending the City enter into a contract with David Patten Landscape Architecture to continue and complete the work. Blake explained the City has received a release from RLK to allow Patten to continue work. Since a portion of work has been completed and paid to RLK, Patten's contract shall not exceed remaining portion of the \$5,000 grant.

DOBSON MOVED TO APPROVE THE PROPOSAL FOR PROFESSIONAL SERVICES FROM DAVID PATTEN LANDSCAPE ARCHITECTURE FOR THE PROPOSED PRINCETON AREA ENHANCEMENT MASTER PLANNING PROCESS AT A COST NOT TO EXCEED THE REMAINDER OF THE \$5,000 GRANT (\$4,130.00). HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**NEW BUSINESS**

**A. Public Works – Purchase of Black Top Roller**

Mismash reported he received four quotes for the purchase of a blacktop roller to replace their 30+ year old roller. The lowest quote was for a 2005 Wacker Roller RD11 from United Rental for \$9,030.14. \$20,000 is allocated in the CIP for the purchase in 2008. The Council stated they were impressed the cost is over \$10,000 under budget.

DOBSON MOVED TO APPROVE THE PURCHASE OF A 2005 WACKER ROLLER RD11 FROM UNITED RENTAL FOR \$9,030.14. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES – 5; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

**B. Comprehensive Plan Consulting Contract**

Blake reported the 2008 CIP budget included funds for an update of the City Land Use Map and Comprehensive Plan that would incorporate changes in the land uses around the municipal airport, downtown, and other growth areas. The budget included \$30,000 for the land use maps and plan updates and \$10,000 for an economic analysis of the City to determine future markets for commercial and industrial uses. Staff obtained two quotes for planning consulting services and is recommending approval of the low bid of \$20,250 from Hoisington Koegler.

HALLIN MOVED TO APPROVE A CONSULTING CONTRACT WITH HOISINGTON KOEGLER FOR \$20,250 FOR UPDATING THE CITY'S LAND USE MAP AND COMPREHENSIVE PLAN. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**C. Subordination Agreement with Bremer Bank**

Jackson explained the City currently holds a second mortgage to Bremer Bank for units 104, 105, and 106 of Princeton Riverside Plaza Condominiums. The owner would like to take advantage of low interest rates at this time and is refinancing the current obligation. This agreement acknowledges there is a new first mortgage and there is no deterioration of the City's position in this instance,

DOBSON MOVED TO APPROVE THE SUBORDINATION AGREEMENT DATED MARCH 27, 2008, WITH BREMER BANK FOR UNITS 104, 105, AND 106 OF PRINCETON RIVERSIDE PLAZA CONDOMINIUMS. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**D. Squad Car Purchase**

Police Chief Payne requested authorization to purchase a 2008 Ford Crown Victoria with emergency and digital recording equipment. He explained this is the same type of vehicle as other current vehicles. He explained emergency equipment will consist of light bar and emergency lighting, "Police" graphics, siren, roll bar, medical equipment, gun locks, etc. They will be using the radar system from the old squad car (saving \$1,400) and the digital recording equipment will replace the old outdated VHS system in the old car. He estimated the cost to be around \$36,500 and had budgeted \$40,000 in the 2008 CIP.

WHITCOMB MOVED TO APPROVE OBTAINING FORMAL BIDS FOR A 2008 FORD CROWN VICTORIA, EMERGENCY EQUIPMENT, AND DIGITAL RECORDING EQUIPMENT. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**MISCELLANEOUS**

**A. Cable Commission**

Hallin reported the City of Princeton received a little of \$27,000 from cable fees for 2007. The Board is looking at fees and how they should be distributed. Their next meeting is April 7<sup>th</sup> and Hallin emphasized it is important for someone to attend. If not, the money may be stopped.

**BILL LIST – \$336,675.02**

HALLIN MOVED TO APPROVE MANUAL CHECKS NUMBERING 58383-58384 AND 58449-58452 FOR A TOTAL OF \$248,062.46 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST, WHICH WILL BE CHECKS NUMBERING 58453-58517, FOR A TOTAL OF \$88,612.56 AS SHOWN ON THE BILL LIST. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

There being no further business, DOBSON MOVED TO ADJOURN AT 8:30 P.M. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

Ann Bien, Deputy City Clerk

ATTEST:

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Jeremy Riddle, Mayor