

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JULY 24, 2007, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Riddle called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Mayor Jeremy Riddle and Councilors Dick Dobson, Victoria Hallin, Lee Steinbrecher, and Paul Whitcomb. Staff present was Mark Karnowski, Steve Jackson, Jay Blake, Brian Payne, Tom Mismash, and Ann Bien. Also present were City Engineers Mike Nielson, WSB, and John Stodola, SEH, and City Attorneys Dick Schieffer and Damien Toven.

AGENDA ADDITIONS/DELETIONS

IT WAS THE CONSENSUS OF THE COUNCIL TO ADD THE FOLLOWING ITEMS TO THE AGENDA:

Under Consent Agenda:

- B. Personnel
 - 2. Fire Department
 - a. Resignation of Bruce Healy effective 07-24-07
 - 3. Liquor Store
 - a. Patty Furness – Step 1 Increase to \$11.81/hr. effective 07-16-07

Under Ordinances and Resolutions:

- B. Bond for 10th Avenue and 2nd Street Funding

Under Unfinished Business:

- F. Offer for Liquor Store
- G. Planning Commission Member

IT WAS THE CONSENSUS OF THE COUNCIL TO DELETE THE FOLLOWING ITEM FROM THE AGENDA:

Under New Business

- A. Proposed DNR/City Contract for Airport Use

APPROVAL OF MINUTES OF THE REGULAR MEETING OF JULY 12, 2007

HALLIN MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF JULY 12, 2007, AS WRITTEN. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

CONSENT AGENDA

A. Permits and Licenses

- 1. Church of St. Edward – Exempt Gambling Permit for Bingo on 09-23-07 at 804 7th Avenue South

B. Personnel

- 1. Public Works
 - a. Steve Smith – Medical Leave of Absence effective 07-23-07 for 6-8 weeks
- 2. Fire Department
 - a. Resignation of Bruce Healy effective 07-24-07
- 3. Liquor Store
 - a. Patty Furness – Step 1 Increase to \$11.81/hr. effective 07-16-07

C. Donations/Designations

- 1. Princeton Jaycees - \$1,000 for Police Department Taser Fund
- 2. Princeton Jaycees - \$500 for Fire Department Dance
- 3. Princeton Used Clothing Center - \$500 for Police Department Taser Fund

STEINBRECHER MOVED TO APPROVE CONSENT AGENDA. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

OPEN FORUM

No one was present for Open Forum.

PUBLIC HEARINGS: None

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

A. Planning Commission

1. Minutes of June 18, 2007

The above minutes were reviewed.

2. Vacation of Drainage and Utility Easements

Blake explained the City owns the south 56' of the east 190' of Lot 1 and all of Lots 2, 3, and 4 of Block 3, Princeton Industrial Park Third Addition and is in the process of selling them to Dean Powell, owner of Anoco Metal Services. In order for the lots to be sold and developed as an individual building site, the drainage and utility easements along the internal property lines need to be vacated. The City Engineer and Public Utilities Commission reviewed the request and believe no negative impacts would result from the vacation of these easements. The Planning Commission held a public hearing on July 16, 2007, and recommends approval of the easement vacation.

DOBSON MOVED TO APPROVE RESOLUTION #07-36, A RESOLUTION VACATING UTILITY AND DRAINAGE EASEMENTS BETWEEN LOTS 1 AND 2, LOTS 2 AND 3, AND LOTS 3 AND 4, BLOCK 3, PRINCETON INDUSTRIAL PARK 3RD ADDITION. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

3. Lot Split Request from Patrick Fitzpatrick

Blake explained Patrick Fitzpatrick owns Lots 1-3 and 11-12, Block 34, Original Townsite and currently conducts a car sales business on Lots 1-3. He would like to expand his business onto a portion of Lots 11 and 12. The remaining portions of Lot 11 and 12 may be sold for commercial use. There has been a fair amount of discussion on the current zoning of the site and the official records indicate that the area remains zoned B-2 General Business. The proposed division meets the standards for lot sizes for the B-2 General Business zoning district. The Planning Commission held a public hearing on July 16, 2007, and recommends approval of the lot split.

STEINBRECHER MOVED TO APPROVE RESOLUTION #07-37, A RESOLUTION AUTHORIZING A LOT SPLIT FOR PATRICK FITZPATRICK. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

B. EDA

1. Minutes of June 21, 2007

The above minutes were reviewed.

PETITIONS, REQUESTS, AND COMMUNICATIONS: None

ORDINANCES AND RESOLUTIONS

A. Resolution #07-35, Official Depositories

WHITCOMB MOVED TO APPROVE RESOLUTION #07-35, A RESOLUTION STATING THE DESIGNATION OF THE OFFICIAL DEPOSITORIES FOR THE CITY OF PRINCETON, MINNESOTA, IN 2007. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

B. Bond for 10th Avenue and 2nd Street Funding

George Eilertson, Northland Securities, reported one bid of 4.2147% (true interest cost) was received from People's Bank of Commerce for the \$234,000 General Obligation Improvement Bonds, Series 2007A. The bonds are structured over a 15 year financing term.

STEINBRECHER MOVED TO APPROVE RESOLUTION #07-39, A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$234,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2007A, PLEDGING SPECIAL ASSESSMENTS FOR THE SECURITY THEREOF, AND LEVYING A TAX FOR THE PAYMENT THEREOF. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Jackson stated a resolution needs to be adopted declaring the City's intent to reimburse ourselves for expenses we will/have paid. This allows us to make payment out of other funds.

WHITCOMB MOVED TO APPROVE RESOLUTION #07-38, A RESOLUTION ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

A. WWTP Update – Stodola

John Stodola, SEH, reviewed that Karnowski, Nancy Burke, and he met with the MN Pollution Control Agency (MPCA) to discuss costs for the new wastewater treatment plant and its affect on city residents. He stated the MPCA has changed its criteria for priority points for funding projects (low interest loan). With the new criteria, the City will be penalized for going into the river since they do not take into account how clean our water will be. Staff will still be working with them, but it is unlikely we will move up on the funding list.

Stodola then introduced Clayton TenEyck, who gave a progress update on phosphorous reduction plant. TenEyck reported Municipal Builders have been excellent to work with so far. Surveying for the project started on June 14 and construction began on June 20. Bob Gerold, Public Works Foreman, is overseeing the project.

Stodola then introduced Tracy Ekola, who is working on an additional alternative which the City is required to look at (cluster system) if Princeton needs to triple. The MPCA is asking the City to only double its capacity and then use cluster systems for other areas. Ekola stated that after looking at soil surveys, it is found 50 % of the proposed area is very limited for using this type of system and the other 50 % is limited. In addition, the area is very vulnerable to ground water pollution. She stated it is more cost effective and environmentally prudent to discharge to the Rum River than to use cluster systems. She stated the City needs to purchase credits for discharging phosphorus and needs to find a facility in the same basin discharging downstream.

B. 21st Avenue South Extension – Feasibility Report

Mike Nielson, WSB, presented a draft feasibility report for extending 21st Avenue south from 1st Street to the industrial park. He stated we will have to approach the FAA and MNDOT for a possible land swap since the road will either be on airport property or will have to be pushed closer to wetlands. He recommended curb and gutter with storm sewer improvements to accommodate and treat stormwater runoff. The estimated cost for the property is \$1,190,328.15 being funded through an area wide assessment. He stated the next task is to get the wetlands delineated. The City will also need to acquire land from John Westling for right-of-way purposes. Westling is also interested in getting his adjacent property delineated, at his cost.

DOBSON MOVED TO AUTHORIZE WSB TO COMPLETE THE WETLANDS DELINEATION FOR A COST NOT TO EXCEED \$5,000 AND IF WESTLING WANTS HIS LAND DELINEATED AT THIS TIME, IT WOULD BE HIS COST. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

C. Airport Hangar Offer

Karnowski reported the City received a proposed purchase agreement from Roger Winkelman (R.W. Properties of Princeton, LLC) to buy the "Westling" hangar (building only) for \$150,000. The land would then be leased to Winkelman. He explained Winkelman has been working with North Ambulance in providing a larger facility for their helicopter operation. The City is staying out of that negotiation since North Ambulance is also talking with Duane Kruse. This offer is contingent upon Winkelman obtaining a lease from North Ambulance.

STEINBRECHER MOVED TO AUTHORIZE THE OF THE BUILDING ON LOT 6, BLOCK 3, PRINCETON INDUSTRIAL PARK 3RD ADDITION TO R.W. PROPERTIES OF PRINCETON LLC FOR \$150,000. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

D. PUC Garbage Update

Karnowski reported Dave Thompson, General Manager of the PUC, advised him that the PUC is getting out of the garbage business. He stated currently there are five haulers servicing the City. The Council and PUC met with them about a year ago and heard complaints about the current city system that sections off the city and requires that refuse be picked up on certain days in each section. He stated staff has suggested the City take this opportunity to restructure the existing system. He then discussed the advantages and disadvantages for franchising the service.

Steinbrecher asked if the PUC would stay in business if we limited the business to only them. Karnowski was unsure. He stated a former legislative bill contained a factor where if the city franchises, the other providers would have to be paid since part of their business is being taken away, but the bill has not been approved.

Dobson stated he would like to take a look at the option of a franchise. He would hate to see the PUC get out of the business since they are the lowest cost.

Karnowski stated staff will first meet with the PUC. If they are not interested in keeping the service, the next meeting would be with haulers to work on a request for proposals. An open house for citizens would also be scheduled.

E. Liquor Store Update

Karnowski reported a vehicle crashed into the new liquor store about two weeks ago and damaged the building. He explained that because the building is still new and under warranty,

staff discussed the issue with Winkelman Builders and secured a quote from the company that did the original work. Winkelman suggested that by using the company that did the original work that we would be able to retain our warranty. Further, Winkelman offered to manage the repair for 10% overhead and 5% profit for a total of \$13,217. Staff felt that they did an excellent job at coordinating the original project and that there was a benefit to the city to have them manage the repair as well. Finance Director Jackson has been working with the driver's insurance company and they have agreed to the estimate provided by Winkelman.

HALLIN MOVED TO HIRE WINKELMAN BUILDERS TO DO THE REPAIR TO THE LIQUOR STORE BUILDING AND SUBMIT THE BILL TO THE DRIVER'S INSURANCE COMPANY. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

F. Offer for Old Liquor Store

Karnowski reported the City has received a proposed purchase agreement to buy the old liquor store for \$270,000. The purchase agreement includes several contingencies. Originally, the City listed the property for \$295,500. The proposal was just received today so staff has not had a chance to talk with the proposed buyer.

IT WAS THE CONSENSUS OF THE COUNCIL TO CONTINUE NEGOTIATIONS.

G. Planning Commission Member

Blake explained Ben Hanson is interested in serving on the Planning Commission. Hanson currently serves on the EDA and is considered a valued member. Staff recommends his appointment.

DOBSON MOVED TO APPOINT BEN HANSON TO THE PLANNING COMMISSION FOR A TERM EXPIRING 12-31-2007. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

B. State Demographer's Estimates

Karnowski reported the 2006 population estimate is \$4,535 and household estimate is 1,953.

MISCELLANEOUS: None

BILL LIST – \$492,106.78

HALLIN MOVED TO APPROVE MANUAL CHECKS NUMBERING 57120-57124 FOR A TOTAL OF \$149,660.64 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST, WHICH WILL BE CHECKS NUMBERING 57125-57177, FOR A TOTAL OF \$342,446.14, AS SHOWN ON THE BILL LIST. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

There being no further business, DOBSON MOVED TO ADJOURN AT 8:45 P.M. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,
Ann Bien
Deputy City Clerk

ATTEST:

Jeremy Riddle, Mayor