

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL HELD ON
AUGUST 5, 2010, 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Acting Mayor Paul Whitcomb called the meeting to order. Council members present were Lee Steinbrecher, Victoria Hallin, and Dick Dobson. Mayor Jeremy Riddle was absent. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Developer Jay Blake, Sergeant Joe Backlund and City Clerk Katie Hunter. Also present: City Attorney Dick Schieffer.

WASTE WATER TREATMENT PLANT ISSUE

A. Request to Advertise for Bids on WWTP Pre-load

Karnowski explained that Tracey Ekola with SEH was present to speak about three issues regarding the Waste Water Treatment Plant.

Ekola said that advertisement for bids on the pre-load can be done with council approval. Gr-nule material is hauled in so the grade is up to where we need it to be so we're above water level. The per-load should be done prior to construction. The preliminary drawings have been given to both United States Department of Agriculture (USDA) and Minnesota Pollution Control Agency (MPCA). Ekola does have their comments yet, so she would like to see bids received during the first week of September.

Ekola reported that they have not completed the estimate yet, but it is anticipated to be less than one million dollars. The majority of the fill will be hauled in a four week period and done before October 14, 2010. It is foreseen that this work will be done by the end of the year which will get the site ready for construction in 2011. The pre-load takes care of oxidation ditches, but it will not take care of reed beds and sludge disposal.

HALLIN MOTIONED TO APPROVE THE REQUEST TO ADVERTISE FOR BIDS FOR THE WASTE WATER TREATMENT PLANT PRE-LOAD CONTINGENT UPON GETTING CORRECT PAPERWORK BACK. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

B. Resolution #10-38 Authorizing Submittal of TMDL Grant Application and Resolution #10-39 Authorizing Submittal of Phosphorus Grant Application

Ekola went on to explain that there are two grant programs. A Total Daily Maximum Load (TMDL) Grant Application and a Phosphorus Grant Application. The statewide TMDL requirement as of now is that cities have to apply for a grant dealing with the mercury load. Several cities have applied, so it is a competitive grant. This is the first year Princeton has been eligible for the TMDL grant. The amount of the grant is 2.5 million dollars. If your city ranks high enough, the grant portion is 50 percent of the 2.5 million dollars. It depends on how many people are ranked above your city and how many cities will be funded.

The city applied for the phosphorus grant once before but now it's a more restrictive limit; restricted to .3 parts per million in the summer. The rest of the year it's .1 parts per million. SEH has not received a complete answer from the MPCA yet, whether it will meet the eligibility requirements, but the MPCA coordinator had suggested that the City of Princeton apply for the grant. The amount of the Phosphorus grant can go as high as \$500,000. If bids come in lower, the grant amounts may be lower as well.

STEINBRECHER MOTIONED TO APPROVE RESOLUTION 10-38 AUTHORIZING SUBMITTAL OF GRANT APPLICATION FOR TMDL. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

HALLIN MOTIONED TO APPROVE RESOLUTION 10-39 AUTHORIZING SUBMITTAL OF GRANT APPLICATION FOR PHOSPHORUS. STEINBRECHER SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

As an added note, the grants have both already been submitted, but the authorization of a resolution for each was required to finalize everything.

CONSIDERATION OF ORDINANCE NUMBER 654

Karnowski explained that the city has been hearing rumors that someone in the city may be interested in starting a business in town that might be characterized as adult oriented. The city consulted our attorney to make sure our ordinances were up to date. Adult oriented establishments cannot be outlawed entirely in a city and the Princeton City Council has in the past allowed them only in the Princeton Industrial Park.

Schieffer added that adult oriented businesses are an expression of sexual conduct. The United States Supreme court has determined under the first amendment that freedom of speech. Cities can regulate in two ways. One; through zoning, with control of the location, which Princeton has already done set by ordinance. The second way is through licensing. The way that is done is with a very carefully drafted ordinance that has been developed through the years through litigation. The second page of the ordinance, section 685.02, lists about 15 cities and counties that conducted studies and determined what adult establishments have adverse secondary impacts. Added to the ordinance, it would provide Schieffer with a back up to demonstrate that we are controlling something that the constitution says we have the right to control.

HALLIN MOVED TO INTRODUCE ORDINANCE 654 AN ORDINANCE REGULATING ADULT USES. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

SKATE PARK EQUIPMENT

Karnowski stated that last year at the council's May 28, 2009 meeting, there was a decision made to sell the skate park equipment the city had previously purchased because the type of equipment the city bought was "Type II" and would require being fenced in and would also require that an attendant be present when the skate park was open.

The city advertised for parties interested in buying the equipment and we received a high bid of \$500.00.

The party that supplied the high bid apparently opted not to buy the equipment. Mr. Gerold has advised staff that there is now a different party interested and asked the Council to consider selling the equipment for the same price as the earlier bid.

Dobson added that the Park Board is in favor of selling the equipment.

Hallin said that she has seen skate park equipment being used quite a bit in other cities and hopes that the next time the city purchases equipment that it will be the type that does not need an attendant.

HALLIN MOTIONED TO SELL THE SKATE PARK EQUIPMENT FOR AN AMOUNT OF FIVE HUNDRED DOLLARS. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

LGA GOVERNMENT AID NOTICE

Karnowski stated that the certified amount of LGA for 2011 was sent at the end of July in the amount of \$723,241.00. Karnowski added that realistically, it may not be that amount. Whoever gets elected governor may unallocate. This is the best case scenario.

STERLING POINTE TIF AGREEMENT

Blake explained that the Sterling Pointe Tax Increment Financing Development Agreement is ready to approve. The TIF Development Agreement calls for the following:

1. Pay as you go plan.
2. Rebate of 90 percent of the Increment received from the proposed development less administrative costs to the city.
3. Payment of 20 years up to \$643,889 with installments paid on a biannual basis.
4. Any increase in the increment over the TIF period to be retained by the City for other projects within the district.
5. Low to moderate income requirements including 20 percent of rental units are reserved for people with incomes at 50 percent or less of the median income for the county.

Schieffer has reviewed the documents and had nothing else to add.

Steinbrecher asked if the TIF money is designed for any one proportion of the project. Blake said it applies to anything from the ground down. Allocated for parking lots, sewer, water improvements, sidewalks, and/or street lighting. Even used to pay down the cost of the land. Those are the anticipated costs. There is nothing specific, but it is limited to anything from the ground down. The funds need to be used in the district area and cannot be used elsewhere in the community. If other improvements are made, we can use those funds to offset those costs, but again, only within the Sterling Pointe area. If we're doing more trails or sidewalks, we can use some of these funds to offset these costs.

Steinbrecher inquired about providing costs such as this for the Caley House or the Elim Home. Neither of those assisted living homes received Tax Increment Financing. Karnowski added that both of the homes are tax exempt so TIF wouldn't work for them anyway.

STEINBRECHER MOTIONED TO APPROVE THE STERLING POINTE TIF DEVELOPER'S AGREEMENT. HALLIN SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

BLOCK PARTY PROPOSAL AND RESOLUTION 10-40

Karnowski informed the council that a group of downtown business owners, lead by Scott Berry is planning a "Block Party" for that section of Rum River Drive between 2nd Street North and 1st Street North. The event is planned for Friday, August 27th from early afternoon until early evening. The proposal includes blocking on that section of Rum River Drive which, as you know, is a County Highway.

Karnowski checked with the Mille Lacs County Engineer, Bruce Cochran, who provided an agreement. There are several forms the council was given. A form of the County's policy regarding closing a County Road, a copy of the required agreement between the City and the County, and a resolution required to be adopted by the City Council as part of the agreement.

Because the agreement has to be adopted first by the City Council and then by the Mille Lacs County Board and because time is tight to get all the agreements authorized by both parties, staff is recommending that the Council take the following actions at this meeting:

1. Approved the proposed street closure contingent upon the city receiving the required forms from the business owners being impacted, and
2. Approve the required agreement between the City and County, and
3. Approve Resolution #10-40 and direct staff to forward the necessary documentation to Mille Lacs County.

The council questioned whether the block party would have food vendors. Karnowski said if that was the case, they would have to go through the city to be licensed. Jackson added that after checking with Rollie Natvig of Princeton Insurance and with the League of Minnesota Cities, there was no issue as naming Berry Law Offices as an insured.

Sergeant Backlund was present and indicated that some of the Police Reserves are interested in patrolling to make sure there is some sort of a police presence. In addition, the Public Works Department will help to set up barricades. All of this is in the interest of promoting the downtown business community.

STEINBRECHER MOTIONED TO APPROVE THE STREET CLOSURE, HALLIN SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

DOBSON MOTIONED TO APPROVE RESOLUTION 10-40 WITH A FLEXIBILITY OF TIMES. STEINBRECHER SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

STEINBRECHER MOTIONED TO APPROVE THE AGREEMENT WITH CITY AND COUNTY. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

ELECTION JUDGE APPOINTMENT

Thom walker has completed all of the required election judge training courses and would like to help out for a few short hours on the night of Primary Election on Tuesday, August 10, 2010.

HALLIN MOTIONED TO APPOINT THOM WALKER AS AN ELECTION JUDGE. STEINBRECHER SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

There being no further business,

STEINBRECHER MOVED TO ADJOURN AT 5:15 P.M. HALLIN SECONDED THE MOTION.
ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

Katie Hunter; City Clerk

ATTEST:

Paul Whitcomb; Acting Mayor