

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL HELD ON  
MAY 7, 2009, 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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Mayor Riddle called the meeting to order. Council members present were Mayor Jeremy Riddle and Councilors Paul Whitcomb, Victoria Hallin, Dick Dobson and Lee Steinbrecher. Staff present was Steve Jackson, Jay Blake, Jim Roxbury, and Katie Hunter. PUC staff present was Dave Thompson, Ed Juntilla and hank Findell.

**HIRING SUMMER HELP WITH PUBLIC WORKS**

Karnowski explained how Gerold recommend that the city rehire the same two people that worked for Public Works as temporary summer help last year; Bob Goodell and Clarence Reiman.

STEINBRECHER MOVED TO APPROVE REHIRING THE SAME TWO INDIVIDUALS AS PUBLIC WORKS TEMPORARY SUMMER HELP. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**GOLF CARTS ALLOWED**

Karnowski explained that the city received a letter from Judi Hallbeck asking for the city to authorize golf carts on an expanded number of streets in the city. As the council may recall, in August of last year, the same type of letter was submitted from Mrs. Hallbeck requesting the same thing. The general idea of the letter was for a way for Hallbeck to access Coborn's. Karnowski followed up and contacted the people who own the frontage road on the east side of Rum River Drive. The Super America folks never responded. Since that is not a public street, the city cannot designate it for golf cart use.

In Hallbeck's current letter, she is suggesting some of the roads be available during certain hours of the day and restricted other hours of the day. The Police Chief's concern is with different hours with different streets, which would be unrealistic for officers to carry around a cheat sheet and remember different hours, certain times, certain streets, etc. Steinbrecher asked if Hallbeck was handicapped. The Mayor concluded that she is not. Although, on that same issue, a lot of other cities will only allow golf carts for handicapped people.

Expanding the streets for golf cart users comes down to a safety issue. Steinbrecher mentioned that he drives his golf cart to the golf course and he feels that alone is dangerous, even on a street that is common to have golf carts. Steinbrecher feels that the city cannot expand the routes at this time. Council member Hallin agrees with Steinbrecher. Hallin mentioned that hopefully in the future the city can have separate paths, off of the main roads, for golf carts. Federal law currently prohibits vehicles like this to go faster than 25 mph. The Police Chief's feeling is that if it cannot keep up with general traffic, then it is not safe.

Karnowski will advise her that the consensus of council is to leave routes the way it is for the time being.

### **FIRE ACT GRANT - CHIEF ROXBURY**

Karnowski explained that Fire Chief Jim Robxbury advises that the department would like to submit a 95/5% Fire Act Grant for 800 Megahertz radios. Sherburne County, the DNR, National Wild Life and Allina Medical have all now switched to 800 MHz. Mille Lacs County, Isanti County, and North Medical are in various stages of moving to 800 MHz radios. The amount of the grant would be \$109,000 with a local match of approximately \$5,450 ofr the radios. There is currently \$50,000 in the CIP for 800 MHz radios.

Hallin asked if the grant would cover entirely what is needed. Roxbury explained that this money would cover all that is needed in the trucks and at the station.

STEINBRECHER MOVED TO APPROVE CHIEF ROXBURY SUBMITTING A GRANT FOR THE 800 MEGAHERTZ RADIOS. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

### **AERIAL LADDER - CHIEF ROXBURY**

Karnowski explained that the Fire Department is looking at purchasing a 1985 Aerial Ladder truck that will reach 95 feet in the air. Karnowski explained Princeton's current ISO rating is a five (5) and an effort is being made to bring that number down to a four (4). The lower rating would primarily impact commercial and industrial insurance rates, but could have an impact on residential insurance rates as well.

Karnowski mentioned that the ISO Inspector commented that Princeton now has buildings that are three or more stories that would justify having a ladder truck. At this time, we wouldn't be able to get to the 3<sup>rd</sup> floor of the hospital, for instance. In finding an affordable truck, Grand Rapids is selling the 1985 truck for \$60,000. The truck has been checked and everything is in working order. Karnowski reported that a group of PFRD firefighters went to Grand Rapids to inspect the truck and check maintenance records. The safety criterion is met and the quality of the truck is impressive. Chief Roxbury advised that the closest truck to the style and age of the one currently under consideration is priced at \$105,000. The Grand Rapids Fire Department is paying just under a million dollars for the truck replacing their vehicle.

Roxbury stated that the truck is being purchased partially to lower the city's ISO, but mostly for safety. Roxbury mentioned that there is a storage problem for the truck at this time. Dave Thompson from PUC has said the light plant has room that the truck could be stored in. The truck would be available by the middle of August 2009. If an agreement is made to purchase the truck, Grand Rapids requires a 5% deposit, and then they would take the truck off market. Roxbury added that with the billing for Fire Runs, the department could alone pay for 10% of the truck plus the truck/equipment fund that was set aside. Roxbury stated that the Fire Advisory board recommended to move forward with the purchase of the new aerial.

Dobson asked if this aerial truck would roll on any structure fire. Roxbury answered that would be a matter of procedure that the department would have to sit down and decide upon. Roxbury stated that every Department has different policies.

Hallin questioned if the ladder would have to be replaced in the near future. Roxbury explained that it would not need to be replaced any time soon.

Hallin feels this truck is priced good and feels more comfortable if the city had something like this for emergencies.

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DOBSON MOVED TO APPROVE THE FIRE DEPARTMENT PURCHASE OF AN AERIAL LADDER TRUCK WITH APPROVAL FROM THE TREASURER. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

### **CRYSTAL COURT IMPROVEMENTS**

Karnowski explained that Jeff Hammer, the owner of Crystal Court Apartment complex on 2<sup>nd</sup> Street South, would like to move forward of remodeling the basement adding eight (8) additional apartments. Karnowski explained that the last time Hammer initiated a conversion, there were some issues. Hammer is covering his bases ahead of time.

Both the Building Inspector Lynn Paulson and Community Developer Jay Blake are aware of a zoning issue. Karnowski explained that the Planning Commission will modify that issue for this development. The plans show egress windows that are required. Karnowski stated that there will be no short cutting on the safety issues and the building already has an elevator.

Karnowski explained that this information is before you not for any approvals; but if the council members have issues or concerns that they want to address.

Dobson expressed concern about installing a lower level ramp. Hallin agrees with this safety feature. The Council agrees that Fire Chief Roxbury could suggest it to the owners as a fire safety issue.

Blake stated that the building code addresses the same concerns. Hammer would like to reduce any delays, if possible.

Councilmember Dobson stated that he remembers the first time that Hammer came before the council and believes we have a better system in place for getting things approved more quickly this time around.

### **SUBORDINATION**

Jackson reported that Thomas J. Vrchota has purchased Parcel No. 1 at Princeton Riverside Plaza Condominiums in Mille Lacs County and will be paying off the current Contract for Deed. It is requirement of the new mortgagee that the City of Princeton subordinate its second mortgage to the new mortgage company. Jackson reported that this has been done several times before in the city. The new mortgage is slightly more than the current mortgage balance. Jackson stated that with the current credit market the way it is, if Vrochota is getting financing, that his situation must be good and Jackson feels comfortable with the subordination.

Steinbrecher asked if the city holds second mortgages on other units. Jackson explained that the city does.

Mayor Riddle asked if the payments have been made in the past regularly, by the way the amortization schedule looks. Jackson explained that the original loan was a 40 year term, so that explains the long schedule.

STEINBRECHER MOVED TO APPROVE RESOLUTION #09-19 AUTHORIZING SUBORDINATION OF MORTGAGE. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

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## **PUC**

Karnowski explained that the City Council and the PUC like to get together at least once a year, so we know what the other is doing.

Karnowski explained the current issue at hand is the City Hall and PUC were contacted by a resident asking permission to put a Sandpoint well in their yard to be used for watering the lawn. At this time, we the city does not have an ordinance that prohibits that. In Karnowski's findings, it is usually a standard ordinance that the city would hold.

Mr. Dave Thompson asked the Mayor and members of the Council to have the floor. Dave stated that part of the issue is compensation. All of this infrastructure gets put in the ground based on the fact that construction is going to happen. Dave explained that WAC charges are to help pay for the bills. Recently, revenues with the PUC have dropped off. Dave explained that the cost to put wells in the ground is almost half of a million dollars. Thompson handed out a form to the council explaining that the new Minnesota Law requires water conservation rate structures which provide households and businesses with a financial incentive to use less water.

Thompson went on to explain that there are several areas in the city that are looking at putting in their own wells. The DNR requires the city to conserve water but then they will turn around and give a resident a permit to irrigate. Thompson handed the City Council a Permit Application for Appropriation of Waters of the State Irrigation from Minnesota DNR Waters. Thompson stated that the city can stop the bigger wells from being installed.

Thompson found somewhere around eighteen different ordinances out there prohibiting larger wells. Thompson also found that if the well was grandfathered in until it needed repair, and when it needed repair, the well was capped up and further service had to be obtained through the city. Thompson stated that if we keep letting wells go in, the Wellhead Protection Plan has to constantly be updated and rewritten. Thompson stated that is a lot of work. Thompson stated that it would be nice to get help from the City Council. Thompson handed out an example Ordinance regulating the use of private water and sewer systems within the city of Princeton and providing for the administration and enforcement of such regulations.

Hallin asked for more details on the Ordinance handed out. Karnowski explained that this Ordinance was not presented for a first reading, but as a draft only.

Thompson stated that when Rum River Motel's well failed, that there was three feet deep of sewage and waste water that the business finally hooked up to city sewer to alleviate the problem. Thompson stated that this example is a contamination of ground water. Thompson explained that the City does not have a hard shell of land between what we drink and where our wastewater is stored. We have a clay layer in Princeton that separates that clean water. Thus, it can allow contamination.

Thompson explained that if an ordinance is adopted, that a time limit can be looked at as well. When it becomes available to the residents of the city, they have to hook up in a certain amount of time, which could be anywhere from 30 days to 2 years.

Both Hallin and Dobson agree that both a water and sewer policy spelled out would be a benefit to and only fair to PUC.

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Mayor Riddle stated that before anything can be done, the city needs to reconcile from League of Minnesota Cities. Karnowski stated that he will have Dick Scheifer look at it as well.

Thompson added that he feels a majority of cities in Minnesota already have an ordinance regulating the use of private water and sewer.

Juntilla stated that the city cannot have everyone doing their own thing. He has a sand point, he has a well, he has city water...etc. Juntilla stated an ordinance would help to eliminate this issue.

Steinbrecher stated that several members of the community have questioned why their electricity bills seem so much higher than other cities'. Steinbrecher mentioned that the average person in Princeton questions why there is even a Public Utility selling citizens the utilities. The citizens of Princeton wonder if every community has a PUC. Steinbrecher questioned whether or not the electricity can be purchased directly through a power company. Thompson explained that the electricity cannot be purchased directly through a power company, that they must join a Co-op or a company like Connexus Energy. Thompson stated that a resident could go out and buy their utilities through a Co-op, but he guarantees they will pay a lot more money. The electricity may be cheaper, but according to Thompson, the cost will be added in the end. Steinbrecher questioned ECE being available all around us from north to the east, so why isn't Princeton connected to ECE? Why do we need PUC selling us electricity?

Thompson stated that with other companies, profits are not limited. With a PUC, profits are limited.

Steinbrecher stated again that the impression the citizens are getting is that the PUC is charging more for electricity than the rural area around us that goes through ECE.

Juntilla stated that it may seem like ECE charges less, but it is in the way the person is being billed. There are overhead costs being added. Thompson stated that people have to compare apples to apples. ECE introduced 26% rate increase in July. Thompson stated that Princeton PUC charges 11.5 cents a kilowatt and ECE charges 9.75 cents a kilowatt. But, ECE adds a 20% surcharge for fuel charges. According to Thompson, Princeton PUC doesn't charge for those items.

Steinbrecher commented on the Princeton Industrial Park and why the PUC doesn't serve the Park. Blake explained that at one point, someone was going to purchase the Industrial plant and quotes were given from PUC, which were higher rates. Blake commented that he hears a lot of comments from residents about the high rates from PUC.

Karnowski suggested taking one household and comparing a set number of kilowatts and quoting a PUC bill and an ECE bill, in order to demonstrate to people. Thompson explained that it may not work due to base amounts across the board being different.

Steinbrecher suggested putting something in either the PUC or the City newsletter that explains the PUC prices to ease thoughts of the residents. Dobson suggested the city newsletter, since more people seem to read that. This way, the city can put out a good answer to the resident's concerns of high bills. Thompson added that another reason the bills may seem higher is due to residents not noticing that they are paying for sewer, water, electricity, and in some cases garbage as well. The bill includes it all.

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Steinbrecher stated that another question that has arose is if the PUC plans to do anything with converting the two blocks of downtown energy efficient lighting. Thompson explained that the PUC has applied for a grant, but some further research is currently being done to make sure that the energy lighting is as good as good as it is being presented as. The difference in energy is that the new lighting would run around 70,000 hrs guaranteed. The lighting being used now is around less than 6000 hours. Thompson confirmed that the grant is being looked at.

Hallin questioned the procedure for making a deposit for hookup when a resident purchases a house. Thompson explained that if the resident brings a letter of credit from a previous existing company that says they were current, then they will not be charged the deposit. Thompson explained that if the resident can go two years of good standing, they get the deposit back. Last year, the PUC had approximately \$128000.00 in assessment write offs in 2008, so this procedure is to decrease that as much as possible.

### **MISCELLANEOUS**

Dobson stated that the Park Board has people approach the board asking for donations. This year, the City Council has not been making donations at the same rate as they have in the past, it has been decreased. Dobson questioned whether the Park Board should be doing the same thing. Karnowski explained that the Park Board should not be approving donations. Those items should always come before the Council. Karnowski stated that he would discuss that issue with the Park Board.

Hallin expressed concern in the property next to Belle Haven being wide open, and it being a danger to those around. Karnowski stated that clean up is in the process. Karnowski stated that it bothers him the length time it takes a city to fix something like that, but what needs to be done with this property is in the process of being taken care of. Hallin said it is a hazardous situation that is unacceptable.

DOBSON MOVED TO ADJOURN AT 5:52 P.M.

HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.