

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON  
JULY 22, 2010, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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Mayor Jeremy Riddle called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Paul Whitcomb, Victoria Hallin, Dick Dobson and Lee Steinbrecher was absent. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Public Works Director Bob Gerold and City Clerk Katie Hunter. Also present: City Attorney Dick Schieffer.

**AGENDA ADDITIONS/DELETIONS**

It was the consensus of the Council to add the following items to the agenda:

**4. Consent Agenda**

**A. Permits and Licenses:**

2. Christ Our Light Temporary 1-day Intoxicating Liquor License for September, 2010 pending background check

**B. Personnel**

1. Liquor
  - a. Step Increase Matt Englund from \$10.64 to \$11.46 effective 7/28/10

**9. Ordinances and Resolutions**

- C. Resolution 10-37 Authorizing Grant with MN Dept of Safety
- D. Personnel Policy Correction

**CONSIDERATION OF MINUTES OF THE REGULAR MEETING OF JULY 8, 2010**

WHITCOMB MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF JULY 8, 2010. STEINBRECHER SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

**CONSENT AGENDA**

**A. Permits and Licenses:**

1. Eric McMickle – American Cancer Society, Application for Persons Exempt Transient Merchant License for Donations/Fundraising
2. Christ Our Light Temporary 1-day Intoxicating Liquor License for September, 2010 pending background check

**B. Personnel**

1. Liquor
  - a. Step Increase Matt Englund from \$10.64 to \$11.46 effective 7/28/10

STEINBRECHER MOVED TO APPROVE THE CONSENT AGENDA. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

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

### **A. Opening for Park Board Member**

Mary Chapman, who currently works at the Chamber of Commerce, was present for interviewing for a position on the Park Board. Chapman said that she notices when people call the Chamber, they ask what there is to do in the community of Princeton. Especially out-of-towners that don't come to the city often. Unless the Rum River Festival is going on, Chapman finds herself directing these visitors out of the town of Princeton. Bike paths would be a great benefit to the city. In addition, there is a new game that has taken up in Europe called Geocaching. Capsules are hidden around town and people find them with GPS units. You can sign a guestbook or leave a "treasure" behind after the capsule is located. Chapman wants to bring more tourism into the area. Chapman is also familiar with applying for grants.

Steinbrecher asked where Chapman lived. Chapman stated that she lives in Spencerbrook Township.

Dobson explained to Chapman that he is part of a Recreational Resource Board that includes the City of Princeton and surrounding townships. At this time, they have obtained a grant and are working at getting trails into the city. Anyone is invited to attend the meetings that go on the last Wednesday of the month at the PAVC Office next to ECM off Rum River Drive.

Hunter told the council that Robyn Johnson, the other Park Board candidate applicant had called earlier in the day and had a family emergency, so she was unable to attend, but would still like to submit her application.

Riddle commented that his wife worked with Chapman at their church and had complimented her work there. Steinbrecher mentioned that he liked having a tie with Chamber of Commerce and the Park Board.

STEINBRECHER MOTIONED TO APPOINT MARY CHAPMAN AS THE NEW PARK BOARD MEMBER. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

## **OTHER MISCELLANEOUS**

### **PETITIONS, REQUESTS, AND COMMUNICATIONS**

Karnowski explained that the city has been notified by the Minnesota State Demographer's Office that Princeton's estimated population and number of households for period ending April 1, 2009 is:

**Population: 4,518**  
**Households: 1,973**

To help put that in perspective:

----- POPULATION -----										
	<u>1990</u>	<u>2000</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Since 1990</u>	
<b>Baldwin Twsp</b>	2909	4672	6094	6335		6488	6509	6575	6656	+3747
<b>Princeton Twsp</b>	1601	1947	2147	2198		2228	2229	2237	2231	+ 630
<b>Princeton City</b>	3724	3928	4434	4503		4535	4517	4530	4518	+ 794

  

----- NUMBER OF HOUSEHOLDS -----										
	<u>1990</u>	<u>2000</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Since 1990</u>	
<b>Baldwin Twsp</b>	954		1573	2072	2160	2218	2231	2244	2264	+1310
<b>Princeton Twsp</b>	549		693	774	795		809	813	818	+ 269
<b>Princeton City</b>	1446		1624	1885	1927	1953	1960	1972	1973	+ 527

Remember, the State Demographer's estimates do not impact LGA or other revenue calculations. Those are based solely on the US Census numbers.

**ORDINANCES AND RESOLUTIONS**

**A. Ordinance 653, Sewer and Water Amendments to Chapter 900**

Karnowski stated that Attorney Schieffer found that our ordinance needed housekeeping by adding water and sewer availability charges into the ordinance. Although the Public Utilities Commission is the water source in the city, after talking to Dave Thompson, he felt that it should be the city to authorize and continue to collect water availability charges. This is a just a housekeeping item, more or less. Karnowski added some provisions at the end of 900.07, where it states:

Units of SAC and WAC for non-residential occupancies not listed above shall be determined according to the listings published in the "Service Availability Charge Procedural Manual" (January 2010) as published by the Environmental Services Division of the Metropolitan Council (St. Paul, Minnesota).

DOBSON MOTIONED TO ADOPT ORDINANCE 653. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

**B. Res 10-36 Authorizing Ad for Bid for Northland Drive/Old 18 Reconstruction Project**

Nielson said that he had previously proposed ponds that they realized won't work out with the excavating, providing the pond with the sterling Pointe pond. There was an agreement worked out with Mr. Dunkley. The pond will handle the entire area and some redevelopment on the south end. If and when the houses send at the corner, the existing right of way could be vacated. So, a watermain will be installed in the new curve. When the property becomes for sale, the only thing that would have to be put in there is the telephone line. Sanitary sewer will be installed around the curve up to just before the hockey arena. If we put in a new pipe, we can abandon the whole section of sewer on Vertiflo Lane and make it possibly usable for additional expansion.

One acre of land is needed and Mr. Dunkley has agreed to four cents a square foot.

Dobson asked if the hockey arena was part of assessment. Neilson said because they did not pay part of the parking lot like they were supposed to do during their addition, we're proposing paving their parking lot and including that in the assessment. Council did tell us to take the project up past their driveway, so the assessment were proposed before would still be.

Steinbrecher asked if sewer or water coming from the other side of the highway is part of this project. Neilson said that it was a separate project but we would like to bid them together. Although, the replacement of the full Smith System road sewer with eliminating the Industrial Park lift station was already bid out. Neilson said the bids will most likely come in lower if the projects are bid together and the engineering costs for contract administration will be lowered. During the construction, one inspector should be able to be used versus two. The final numbers are not in, as an assessment hearing is still needed.

Steinbrecher asked if the project would be completed by winter. Neilson said that at least Smith System and across will be completed, but they may not tear into the Industrial Park this fall yet. The roadway will be paved this fall hopefully.

An issue came up with the school with the vacated portion of Smith System. The School thought that the city was going to abandon all of the utilities in the corridor, but, they have been helpful in working with us. Their thoughts that the new utilities would be located in Northland Drive. The city is locked in to constructing in that corridor.

Dobson asked how this will affect Plastic Products for people getting to and from work during construction. Nielson said people will have to get in from the north when the sewer is being worked on Northland Drive. There may be a day or two they will have to park a bit farther away and walk to work, but nothing more than one or two days.

Dobson and Hallin wondered if when the work was going on, if they disconnect before they connect new service, it will be automatic that a temporary service would be available. Nielson reassured that the temporary service would kick in.

DOBSON MOTIONED TO APPROVE RESOLUTION 10-36, WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

### **C. Resolution 10-37, Grant With Minnesota Departments Of Safety**

Backlund stated that every year the Police Department participates in the Sherburne County Crash program for another year. Hallin made sure that there was no additional cost. Backlund said that the program figures mileage as a matching fund, but everything else is paid through grant.

HALLIN MOTIONED TO APPROVE RESOLUTION 10-37. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

### **D. Personnel Policy Correction**

Karnowski affirmed that upon review of the city's personnel policy, staff has found an inconsistency that should be corrected.

A paragraph in the "Hours of Work" section that deals with Department Heads is inconsistent in that it first says that comp time will not be paid and then, further in the same paragraph, it alludes to department heads being eligible for overtime pay.

Staff recommended that the Council approve amending the policy by deleting the second sentence in **bold type** that is also noted with **strikethroughs**.

*Department heads and employees who are exempt from coverage under the Federal Fair Labor Standards Act earn comp time for hours worked in excess of forty (40) but less than forty eight (48) hours per work week. Comp time is accrued at the normal base rate of one hour earned for one hour worked. **Comp time earned under this provision is not paid and there is no guarantee the time earned will be allowed off.** Also these employees are eligible for either overtime or compensatory time, in conformity with MN State Law, for hours in excess of 48 hours per week. Department heads will be eligible for compensatory time at the rate of one and one-half (1½) hours off for each hour of overtime accumulated. ~~Department heads will only be eligible for overtime pay upon termination according to the provision above.~~ It will be the department head's duty to keep their compensatory time to an absolute minimum and at no time shall the compensatory time exceed 300 hours without notification to the Administrator and/or City Council. It is also the supervisor's responsibility to accurately record all hours worked on their timecards for the official record of compensatory time. Any compensatory time used as time off will be applied first to the State mandated (in excess of 48 hours per week) accrual of hours.*

If the Council agrees, a motion to delete the sentence that has the strikethroughs would be in order.

WHITCOMB MOTIONED TO APPROVE THE AMENDMENT TO THE CITY PERSONNEL POLICY. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

### **New Business**

#### **A. Sterling Pointe Developer's Agreement and Assessment Waiver**

Blake explained that at a previous council meeting, the city approved the TIF plan for Sterling Pointe, but the Developer's Agreement had still not been approved by council.

Schieffer went on to explain that this document circulated between the developer, city staff and the city engineer until finally an agreement was reached. The statute permits the city and developer to reach agreement on amount of special assessment. The one issue that we dealt with last is the statute is specific that the amount of assessment be based on engineer's estimate and specific dollar amount stated and Schieffer concluded a percentage formula cannot be used.

Schieffer recommended that the Developer's Agreement be approved.

HALLILN MOTIONED TO APPROVE THE ASSESSMENT WAIVER FOR STERLING POINTE. WHITCOMB SECONDED THE MOTION.

Steinbrecher asked how this refers back to the estimated cost of the project. Neilson commented that the costs for this portion (phase 1), have not significantly changed. The second phase is a separate project, but a small amount more was added on to get past

the hockey arena. This was approved at a previous meeting.

THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

HALLIN MOTIONED TO APPROVE THE STERLING POINTE DEVELOPER'S AGREEMENT, DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Blake explained that the TIF plan calls for the developer's responsibilities and city's responsibilities and is prepared by Briggs and Morgan. The Council did receive a full copy on June 24, 2010. The agreement lays out that the fact that city is agreeing to pay Sterling Pointe ninety percent of the increment captured related to construction. That number is derived from a count and equals about \$65,000 a year. That number is a flat number. If the value of property increases, that is captured by district and can be used in that general area for other improvement plans. We are not bonding for this project and not putting citizens at risk. A 'rebate', as the taxes are paid, is paid to developer.

The council asked Roger Fink if it would hold anything up to have the document cleaned up and to come back to the Council at the August 5 Study Session. Fink said it would not.

Council concurred to have the document cleaned up for the study session.

## **B. Early Retirement Proposal**

Karnowski reiterated the fact that the State of Minnesota is looking at somewhere around a \$6.5 billion dollar shortfall for the coming biennium in which could have a huge impact on our Local Government Aid.

Staff has been reviewing ways to reduce city expenditures for the coming years and has negotiated an early retirement package with city finance clerk Bonnie Nelson. Under that proposal, Ms. Nelson would receive some extended health benefits in exchange for retiring early (she hits the "Rule of 90" retirement trigger on January 2 of next year).

The early retirement package proposed allows Ms. Nelson to leave city service effective August 1<sup>st</sup> and officially retire on January 2, 2011.

The city's total cost of the early retirement package will be approximately \$31,600.

Discussion regarding replacement personnel has resulted in the city determining that the recommendation to Council is to reduce the hours of the replacement employee from full time to 4 days a week. The reduced hours plus the reduction in benefits should save the city approximately \$86,000 over the next five years.

Staff recommends that the Council adopt a motion to approve the early retirement package for Bonnie Nelson and thank her for her years of dedicated service to the city of Princeton.

A second motion authorizing the city to advertise for a 32 hour per week finance clerk is also recommended.

DOBSON MOTIONED TO APPROVE BONNIE NELSON'S EARLY RETIREMENT PACKAGE. HALLIN SECONDED THE MOTION.

Whitcomb stated that early retirements were offered to state employees as well, so this is not unheard of.

Hallin thanked Nelson for her wonderful job and helping citizens. The Council said they really appreciate everything she has done for the city.

Riddle asked if an employee went from full time to part time, would that employee still have to take a furlough. Karnowski stated that currently furlough is only being used by full time employees and not the part time ones. We would be losing that little bit of savings.

THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

HALLIN MOTIONED TO ADVERTISE 32 HOUR A WEEK, WHITCOMB SECONDED THE MOTION.

Steinbrecher asked if the Finance Department really needed four days a week or if they could get by with three days a week. Karnowski stated that both Bonnie and Steve are working hard and after having a discussion with Steve, four days even sounded like too little, but the Finance Department was willing to try it out. Jackson stated that with the Waste Water Treatment Plant tripling in size now, that adds to the department. In addition, the major projects on old 18 and Smith System. It is at the City's advantage to track those numbers as closely as possible. In addition, Jackson and Karnowski are approaching retirement, so the goal would be to try to find someone to groom for Jackson's position. Our concern is in order to get someone qualified whether the positions is advertised for three or four days. Karnowski said that it does remain council's call and the concerns are justified. But, we do have a lot of irons in the fire right now. We have to make sure we have the staff available.

Whitcomb stated that he too would be concerned with the three days a week versus four days as week. There would be a total of 104 work hours lost for the year. Steinbrecher asked exactly what the job description was for Finance Clerk. Jackson said there are computer input, filing duties that are required, payroll and paying bills. With the budget situation, has required more time, more analysis, even the furlough which is a money saving, actually takes more time. The city has to monitor it to make sure the people have the hours deducted and that they have taken the correct number of hours. That is an additional step each payroll period.

Steinbrecher said that he has found with experience that if you cut someone's hours, you will find that what they used to get done in five days, they will find a way to get it done in three days.

Dobson said that if things get overwhelming, the council wishes to work with staff, not against the staff.

Jackson appreciated the cooperativeness from the council and the desire to save money. The concern is if someone is hired at three days a week, they may not be available for that fourth day if the position is switched again after so long.

Steinbrecher said to address that issue, those questions will be asked during the inter-

viewing. You must admit that our systems have improved greatly with efficiency and if we don't try it we will never know. Jackson asked if at least the first couple of months could be four days a week for the training purposes.

Karnowski suggested that budget time, in November; the council could take a look at the position at that time and possibly reducing hours then.

Whitcomb said there would be a different group of people applying for the job if three days are advertised and not four.

Riddle asked if Bonnie had taken her furlough days yet. Jackson said that Bonnie has not taken the furlough at this time.

Riddle said he was more inclined to do the eight furlough days even if for a part time employee.

THE MOTION CARRIED WITH 3 AYES (HALLIN, WHITCOMB AND RIDDLE) AND 2 NAYS (STEINBRECHER AND DOBSON. THE MOTION INCLUDED SERIOUSLY LOOKING AT REDUCING THOSE HOURS WHEN BUDGET TIME COMES IN FALL OF 2010.

**BILL LIST – \$575,019.84**

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$113,858.44 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 62703 TO 62797 FOR A TOTAL OF \$461,161.40. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

**ADJOURNMENT**

There being no further business:

WHITCOMB MOVED TO ADJOURN THE MEETING AT 8:30 PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter; City Clerk

ATTEST:

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Jeremy Riddle, Mayor