

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JUNE 26, 2008, 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 Victoria Hallin, and Lee Steinbrecher. Absent were Councilors Paul Whitcomb and Dick Dobson. Staff present was Mark Karnowski, Steve Jackson, Jay Blake, Brian Payne, Joe Backlund, Tom Mismash, and Ann Bienen. Also present were 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 Unfinished Business:

E. 2008 Sealcoat Program Bids

Under Petitions, Requests, and Communications:

D. 1000 Friends

Under Miscellaneous:

B. Bicycle Donation

APPROVAL OF MINUTES OF THE REGULAR MEETING OF MAY 22, 2008 AND JUNE 5, 2008 STUDY SESSION

HALLIN MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF MAY 22, 2008, AND STUDY SESSION OF JUNE 5, 2008, AS WRITTEN. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

CONSENT AGENDA

A. Permits and Licenses: None

B. Personnel: None

C. Donations/Designations

1. Princeton Jaycees - \$2,000 for fireworks

STEINBRECHER MOVED TO APPROVE THE CONSENT AGENDA. HALLIN 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: None

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

A. Airport Advisory Board

1. Draft Minutes of June 9, 2008

The above minutes were reviewed.

2. Hangar Lot Waiting List Memo

Karnowski reported the Airport Advisory Board was quite adamant that the \$100 fee to retain a spot on the City's waiting list of individuals who are interested in leasing airport hangar space from the City would help them better determine who is serious about wanting to lease a hangar lot.

Riddle asked if there would have to be interest paid back and how it would be administered. Karnowski stated the Board did not seem to care. He explained staff is in the process of determining which lots are available for hangars. The engineer had told him Princeton is one of the few airports which is platted. If the City rented lots with metes and bounds descriptions, we would end up with another 6 lots which would be available for lease. Once the ALP is approved, there could also be an additional 3 lots by the T-hangars. Karnowski thought most of the people on the list would be taken care of at that point. He added that today the City received another request for a lot, so people are still interested in locating here. The airport engineer advises that the number of lots available will be determined by the middle of July.

Steinbrecher was not sure \$100 means a lot and it would take quite a bit of administrative work. He would like to wait another 6 months to see what becomes available. Riddle and Hallin agreed.

HALLIN MOVED TO TABLE FURTHER DISCUSSION OF THE \$100 FEE TO HOLD A HANGAR SPACE FOR SIX MONTHS. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

B. Fire Advisory Board

1. Draft Minutes of 6/3/08

The above minutes were reviewed.

C. Planning Commission

1. Draft Minutes of May 19, 2008

The above minutes were reviewed.

2. Zoning Ordinance Amendment

Blake reviewed that Ordinance #618 regarding recycling centers was introduced at the May 22, 2008, meeting. He pointed out the changes which were requested, e.g. inspections no less than annually and the recycling center shall at all times be in compliance with MN Statutes Section 609.675 (doors of refrigerators or other containers to be removed or made inaccessible to children).

STEINBRECHER MOVED TO APPROVE ORDINANCE #618, AN ORDINANCE AMENDING CITY ZONING ORDINANCE #538, CHAPTER II, DEFINITIONS, AND CHAPTER V, ZONING DISTRICTS, A-1 AGRICULTURAL. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

3. Rezoning from R-2 Residential to A-1 Agricultural

Blake reviewed this ordinance was also introduced at the May 22, 2008, meeting. Richard Svitsky is requesting his property be rezoned to A-1 Agriculture and he will then be making a request for a CUP for a recycling facility. The Planning Commission approved the rezoning request.

STEINBRECHER MOVED TO APPROVE ORDINANCE #619, AN ORDINANCE ZONING LAND WITHIN THE CITY OF PRINCETON. HALLIN SECONDED THE MOTION.

Riddle pointed the resolution states it is approved by at least 4/5 vote of all members and asked if four affirmative votes were needed. Schieffer answered yes.

STEINBRECHER MOVED TO WITHDRAW HIS MOTION AND TABLE THIS ITEM UNTIL THE NEXT MEETING. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

D. Park Board

1. Minutes of May 27 and Draft Minutes of June 23, 2008

The above minutes were reviewed.

Mismash reported the Board discussed the orientation of the proposed new baseball field as suggested by Glenn Klaphake from the School District. The concern was with foul balls and the City may be asked to enter into a hold harmless agreement and be responsible for property damage to neighboring homes. However, after re-looking at the proposed area, they decided it looks like it will be a moot issue. Mismash stated the Park Board feels obligated to put in the field with the understanding the School District will start budgeting funds for its continued maintenance. They would like to start construction this fall. Mismash asked permission to have the City Attorney draw up an agreement with the School District.

Steinbrecher stated he concerned with what is being asked of the neighboring townhome owners. Schieffer stated the question is whether the City wants to indemnify people and research will be needed. Steinbrecher added at the golf course, the person hitting the ball is responsible for any damage to property.

Karnowski pointed out the Park Board approved a donation of \$1,500 for fireworks. He stated his understanding is that park dedication fees is not allowed for fireworks. He suggested if the council agrees with the direction of the Park Board to help with fireworks, that contribution could come out of the liquor store fund. Riddle asked if we had already approved a donation from liquor store funds and was told \$500 had been approved.

STEINBRECHER MOVED TO APPROVE AN ADDITIONAL \$1,500 FOR FIREWORKS FROM THE LIQUOR STORE FUND. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Hallin asked about the \$6,000 for splash park repairs. Karnowski stated that can come out of the park dedication fund. Some additional units were also purchased. Mismash explained the repairs were needed because of lightning strikes.

E. Public Utilities Commission

1. Draft Minutes of April 23, 2008

The above minutes were reviewed.

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. Elim Home Request

Karnowski reported Elim Home Care and Rehab Center has requested the City authorize them to close off 8th Avenue South from 1st Street to 2nd Street South on Saturday, August 2, 2008, for their 22nd annual pig fest and to borrow street barricades.

HALLIN MOVED TO APPROVE THE CLOSING OF 8TH AVENUE SOUTH FROM 1ST STREET TO 2ND STREET SOUTH ON AUGUST 2, 2008, FOR THE 22ND ANNUAL ELIM PIG FEST FROM 11:00 A.M. UNTIL 8:00 P.M. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES – 3; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

B. Princeton Golf Course Request to Rent Sign

Blake reported Shane Korman of the Princeton Golf Course has requested to rent the sign at the “old liquor store” on a month to month basis until the building is sold. He would like to put a new face on the current sign advertising the golf course and restaurant. Concerns include liability and zoning.

Steinbrecher stated he feels anything is better than the bag over the old sign and sees no problem. Schieffer asked the definition of billboard and Blake answered, stating if Korman leased the property, the sign would not be considered a billboard. Karnowski added there is another party looking at purchasing the property, but they might not move in until fall.

Council had no objection to staff looking into the option of Korman renting the property. Blake will bring this item back to the next meeting.

C. Princeton Chamber of Commerce – Discussion of 2009 Festival

Damien Toven, vice present of the Princeton Area Chamber of Commerce, thanked the Council for past donations and support of their events. He stated his purpose tonight is to obtain information and feedback as to what they can do to improve next year’s festival. He explained they now have a pageant, a parade, an awards dinner, a 5-k run, and a craft sale. He stated they would like to make the event more of a community wide festival and would like to see events in a more compact timeframe. He reviewed possible options – change the parade date and/or time and route; a community wide picnic; a kiddie carnival; a street dance; fireworks. He stated most cities run their festivals or in conjuncture with the Chamber and asked would Princeton partner with the chamber, e.g. funding, planning, etc.

Hallin stated she liked the idea of community and other ideas he expressed. Steinbrecher stated he liked the idea of more activities, but their budget would have to be increased. Toven stated the festival is not viewed as a money making tool for any community. Riddle suggested a kiosk by the clock tower advertising the events. Toven stated the committee would like to get ideas now and start to plan for the 2009 festival.

D. 1000 Friends

Blake introduced Liz Boyer, Community Outreach and Education Coordinator for 1000 Friends. He explained the City has applied for a grant from 1000 Friends for planning assistance and an intern to work with the Visionary Committee. Boyer explained they have received 26 grant applications and they are looking for 10 communities for the first round of an ongoing cycle. She stated this is the first part of the review process, They will be calling for references, attending council meetings, and having one-on-one meetings.

ORDINANCES AND RESOLUTIONS

A. Resolution #08-21, Fixed Assets Policy Amendment

Jackson reported the City’s auditor recommended a change to the City’s Fixed Assets Policy. The changes are addressed in Resolution #08-21 (Change in the title of Section 6 and the addition of a paragraph to Section 6.)

STEINBRECHER MOVED TO APPROVE RESOLUTION #08-21, A RESOLUTION AMENDING THE CITY'S FIXED ASSETS POLICY. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

A. Historic Preservation District (Carol Ossell)

Blake explained the City Council had directed staff to draft an Historic Preservation ordinance. Staff reviewed St. Cloud's Heritage Preservation ordinance and the City Attorney revised it to fit the Princeton's code. Blake explained the Historic Preservation Committee will be initially set up to only have an advisory capacity, allowing them to study and recommend designation of historic buildings within the city. He explained this ordinance allows the City to obtain grants and help from the State Historic Preservation Office (SHPO).

City Attorney Schieffer added the committee can make recommendations as to major renovations and can make decision for minor renovations. He explained this ordinance is simpler than the original draft and is fairly well spelled out as to format for designation. He stated all zoning ordinances will be in effect. The committee will receive an application first as to if the renovation can be done.

Hallin asked if the committee can be dissolved and Schieffer explained they would be like any other city committee and could be dissolved if the Council approved it. Hallin stated the ordinance states they will not be paid but can be reimbursed for expenses. She asked what kind of expenses those might be. Schieffer stated it was unknown at this time, but could be travel or mileage, something relatively minor. Blake stated there was no budget at this time, but one could be established later if it is determined to be needed.

Riddle asked if the consent of the property owner is needed for designation. Schieffer stated that is not included, but it could be. He suggested tabling this item at this time so he can research additional language. He added, however, the committee cannot designate a property, only recommend. He assumed the City Council will have the property owner at a meeting before final approval.

Carol Ossell informed the Council that even though a building is on a register, there is nothing on the inside of a building that cannot be changed. The preservation addresses exterior remodeling and renovation only.

STEINBRECHER MOVED TO TABLE ACTION ON ORDINANCE #620, AN ORDINANCE CREATING A HERITAGE PRESERVATION ADVISORY COMMITTEE. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

B. Event/Fund Raising Policy

Karnowski explained that while drafting language for fundraising on city property, he found the City had an unwritten policy regarding holding events on city property. He included both procedures in proposed Resolution #08-22.

Steinbrecher stated one issue he has is with youth being in the parking lot of the municipal liquor store. He stated he thinks the resolution is good, but he has a problem with fundraising at a retail establishment owned by the City since most fundraising is by and/or for youth.

Riddle stated he liked the resolution since it seemed to limit fundraising at the liquor store to passive fundraising.

Steinbrecher stated he thought it will be hard to discriminate against anyone wishing to fundraise at the liquor store and he was uncomfortable. Karnowski stated fundraising at the liquor store could be restricted to passive fundraising only.

Hallin asked if Council approval would be needed for time limits. Karnowski thought staff could make the initial decision, and if there is a problem, it could be taken to the Council.

Steinbrecher asked that #8 to be changed to specifically state passive fundraising. Hallin and Riddle agreed.

STEINBRECHER MOVED TO APPROVE RESOLUTION #08-22, A RESOLUTION ADOPTING A POLICY REGARDING HOLDING EVENTS AND/OR FUNDRAISING ON CITY OWNED PROPERTY, AS AMENDED WITH #8 SPECIFICALLY STATING PASSIVE FUNDRAISING ONLY. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

C. Rotary Club Can Recycling Request

Karnowski reported the Rotary Club is still interested in placing an aluminum recycling "roll-off" in the Princeton Wine and Spirits' parking lot. The Rotary will work with Kinship so Kinship does not lose funds with a second recycling location (Kinship currently has a collection site in the Pamida parking lot). Karnowski stated this would be promoting recycling of a product the liquor store is generating. Rotary will use the funds collected to contribute more towards other causes, including Kinship and Pioneer Park.

STEINBRECHER MOVED TO APPROVE ROTARY PLACING AN ALUMINUM RECYCLING "ROLL-OFF" IN THE PRINCETON WINE AND SPIRITS' PARKING LOT FOR FUNDRAISING PURPOSES. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

D. WWTP Change Order No. 3, Application for Payment No. 10, and WWTP Update

Karnowski explained Change Order No. 3 is for additional electrical wiring (for future blowers) at a cost of \$10,779.62. Payment Application NO. 10 is for the amount of \$38,755.13.

HALLIN MOVED TO APPROVE CHANGE ORDER NO. 3 FOR \$10,779.72 AND PAYMENT NO. 10 FOR \$38,775.13 TO MUNICIPAL BUILDERS, INC. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Karnowski reported the MPCA Board approved the Pre-TMDL Trading Guidance. MCEA has also stated they support the guidance and are "comfortable that it is protective of Lake Pepin". The MCES attorney and the City's attorney, Nancy Burke, will be meeting to work out the final details and then the agreement will be presented to the City Council and Met Council for ratification.

E. Sealcoat

Mismash reported three bids were received for the 2008 sealcoating project, with the low bid of \$0.96 per sq. unit coming from Allied Blacktop Company. He stated he is expecting to sealcoat approximately 120,000 square yards.

STEINBRECHER MOVED TO APPROVE THE BID OF \$0.96 PER SQUARE YARD FROM ALLIED BLACKTOP COMPANY. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

A. 2007 Audit

Jackson introduced Janelle Bitzen from Kern, DeWenter, Viere, the City's auditors. Bitzen reviewed the Audited Financial Statements for the fiscal year ended December 31, 2007, and explained this is again an unqualified audit opinion, which is the best anyone can receive.

She then reviewed the Management Letter, which is a summary of the general fund. She reported revenues came in higher than budgeted and expenditures came in lower overall. She stated this shows the Council and employees are aware of their budgets.

The liquor fund showed sales and cost of goods increased; 2007 showed an increase in operating expenses; and the gross profit percentage showed a slight increase. The Airport fund showed an increase in operating expenses and another operating loss. The sewer fund operating revenues decreased because of a decrease in sewer availability charges.

Bitzen reviewed the findings and recommendations noted in the Management Letter. She stated there were no serious issues. Some issues have already been corrected, some are being corrected, and some are not financially feasible to correct. She stated the Finance staff is always prepared and the employees are easy to work with and helpful.

B. Personnel Policy Language Amendment

Karnowski informed the Council the firm that provides safety training and oversees the City's safety program recently reviewed the City's policies and the administration of those policies. During that process, it was determined the City's discipline policy does not include a specific provision allowing the discipline of an employee for violating safety policies. It was recommended that revisions be made to Section 7.2 and Section 13.13, Prescribed Medications, be added.

Specific revisions are:

1. Adding "Discipline" to title of Section 7.2;
2. Adding the following sentence to the first paragraph of Section 7.2:
"Department Heads may issue oral or written reprimands to employees under their supervision after consulting with the City Administrator."
3. Adding Section 13.13, Prescribed Medications
"Employees who are required to participate in job related safety sensitive functions and are taking prescribed medicine that could impact their work performance shall advise their supervisor of that fact. After so doing, they shall be allowed to refrain from participating in safety sensitive functions pursuant to written instructions that accompanied said prescription.

HALLIN MOVED TO APPROVE THE ABOVE PROPOSED AMENDMENTS. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES – 3; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

C. Public Works – Purchase of Jetter/Vacuum Combination Machine

Mismash reported Bob Gerold obtained bids through the State contract for the purchase of a jetter/vacuum combination machine to replace a 1993 jetter truck and a 1979 trailer vacuum. The low bid was received from ABM Equipment for \$271,138.60. However, only \$200,000 was budgeted in 2008. He stated if we get into a purchase agreement before September 1st, the City can get this year's pricing. The balance will be asked to be put into next year's budget. The current equipment will be put up for sale, but it is expected the jetter truck is only worth \$15,000-18,000 and the vacuum trailer \$2,500.

STEINBRECHER MOVED TO APPROVE THE PURCHASE OF A JETTER/VACUUM COMBINATION MACHINE FOR \$271,138.60 FROM ABM EQUIPMENT WITH THE PAYMENT ARRANGEMENT SET UP. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

D. Public Works - Purchase of Pressure Washer

Mismash requested authorization to replace the current pressure washer at the wastewater treatment plant. He stated they are using the original pressure washer in the screen room that is operated electrically and uses hot water from a hot water heater. It has been rebuilt over the years and has lost its original efficiency. He proposed to purchase a natural gas heated pressure washer from Hotsy and Innovated Shop Services for a total of \$9,208.08.

STEINBRECHER MOVED TO APPROVE THE PURCHASE AND INSTALLATION OF A NATURAL GAS HEATED PRESSURE WASHER FROM HOTSY AND INNOVATED SHOP SERVICES FOR A TOTAL OF \$9,208.08. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES – 5; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

E. 2008 Budget

Karnowski reported "good news" is the City's 2009 LGA payment is scheduled to be increased from the amount previously allowed under current law by almost \$31,000 (\$30,931). However, the legislature put levy limits on cities with populations in excess of 2,500 population. Unlike past levy limits, the legislature apparently separated public safety (police and fire) needs from the balance of the city expenses and will allow increases in those categories to exceed the legislative levy limit cap of 3.9%. Minnesota's levy limit law also includes a list of permissible "special levies" that are not covered by the limitations, which Karnowski reviewed, plus several new special levies which were added.

However, "bad news" is the State's financial picture for the upcoming 2010-2011 biennium looks bleak. The State will likely have at least a \$947 million deficit for the next biennium. If inflationary pressure on State expenditures is considered, the budget deficit could increase by as much as an additional \$1 billion. This could place the 2009 Legislature in the unenviable position of having to again find ways to balance the state budget, which if that happens, local government aid (LGA) and market value homestead credit payments to cities could be impacted.

MISCELLANEOUS

A. CGMC Conference

Karnowski reminded the Council of the 2008 Coalition of Greater Minnesota conference scheduled for July 30 through August 1, 2008.

B. Bicycle Donation

Police Chief Payne informed the Council that the unsold bicycles that the Police Department still have are being donated to Chuck Zarns to be repaired and shipped to Nicaragua through a non-denominational organization. The bicycles have no value and this way they can be put to good use rather than throwing them in a landfill.

BILL LIST – \$435,602.57

HALLIN MOVED TO APPROVE MANUAL CHECKS NUMBERING 58828 AND 58931-58934 FOR A TOTAL OF \$179,400.41 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST, WHICH WILL BE CHECKS NUMBERING 58935-59019, FOR A TOTAL OF \$256,202.16, AS SHOWN ON THE BILL LIST. STEINBRECHER SECONDED THE MOTION. ON THE VOTE: AYES - 3; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

There being no further business, STEINBRECHER MOVED TO ADJOURN AT 9:05 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:

Jeremy Riddle, Mayor