

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON  
JANUARY 12, 2012, 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 Victoria Hallin, Dick Dobson, Thom Walker and Paul Whitcomb. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Developer Carie Fuhrman, Police Chief Brian Payne and City Clerk Katie Hunter. Also present: City Attorney Dick Schieffer.

**ADDITIONS/DELETIONS TO THE AGENDA**

The City Council added the following to the agenda under New Business:

- C. Council Liaison and Committee Assignments
- D. 2012 Union Contracts
- E. Grants for Road Improvements

Councilor Dobson said he had additional information on the Visionary Committee Plat.

**CONSIDERATION OF REGULAR MEETING MINUTES OF DECEMBER 22, 2011 –**

WHITCOMB MOVED TO APPROVE THE REGULAR MEETING MINUTES OF DECEMBER 22, 2011 AS WRITTEN. HALLIN SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

**CONSENT AGENDA**

**A. Permits and Licenses** – there were none

**B. Personnel**

- 1. Fire Department
  - a. Michelle Murray to Regular Firefighter effective 1-12-12 @ \$10/hr
  - b. George Wallace to Regular Firefighter effective 1-12-12 @ \$10/hr
- 2. Police Department
  - a. RESERVES – see additional handout (list of current Reserves); just FYI
    - 1. Adding Laurence Stephen Brinson effective 01-05-12
    - 2. Adding Shane Lucas Duncan effective 01-05-12
- 3. Liquor Store
  - a. Jaclyn Chudzik Step 1 Increase from \$9.83 to \$10.64 effective 1-9-12

**C. Donations/Designations** – there were none

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

**OPEN FORUM**

No one was present for Open Forum.

**PUBLIC HEARINGS**

There were no Public Hearings set.

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

A. Princeton Area Visionary Committee Meeting Minutes of December 12, 2012

Dobson reported that the Princeton Area Visionary was the group of the year for 2011 in regards to community involvement in Princeton.

B. Planning Commission Board Minutes December 19, 2011

C. EDA Minutes of December 15, 2011

D. Park Board

1. Update from Carie Fuhrman Regarding Comprehensive Park/Trail

Fuhrman said that the Park Board discussed creating a Comp Park and Trail Plan. The last one done in Princeton was in 1982, so it does need updating. Fuhrman said staff is looking for the City Council's approval to direct staff to put together the plan. Staff is also looking for funding sources, either hiring out to a firm or having staff do the plan but a firm to create the maps. That is still under discussion.

In addition, the Mille Lacs County Comp Plan Committee will be meeting on January 19, 2012 at 7:00 pm. The Council is all invited to attend.

Also, Fuhrman said she was asked to invite staff and City Council to the legislative forum on Monday, January 16, 2012 at Northern Attitudes at 12:00 noon. Walker said he will do his best to be there. Riddle and Dobson plan on being there too.

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

There were none.

### **ORDINANCES AND RESOLUTIONS**

**A. Resolution 12-01 Rules of Procedure for Council, Official Depositories, Collateral Authority, Official Newspaper**

Karnowski explained how each year; the City Council must designate the official depositories, official newspaper for publications, and the Rules of Procedure.

HALLIN MOTIONED TO APPROVE RESOLUTION 12-01. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

**B. Resolution 12-02 Congenital Heart Defect Awareness Week**

Melissa Ternes was present and addressed the City Council explaining that her daughter Lucy had heart failure and a heart transplant before she was one month old. Ternes said Lucy Jane passed away just two weeks after the surgery. If there was more early detection of such heart problems, others could be saved. Resolution 12-02 is making people and parents aware of the minor heart defects in children.

Hallin mentioned another family in Princeton that has a son with heart problems. Hallin said the last time she had heard, the child was doing well.

Riddle added that sometimes a lot slides under the radar until one becomes public, so this extra awareness is great.

Ternes said that one in one hundred babies have a congenital heart problem.

WHITCOMB MOVED TO APPROVE RESOLUTION 12-02 A RESOLUTION SUPPORTING CONGENITAL HEART DEFECT AWARENESS WEEK. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Dobson added that there was a small typo in the resolution that Karnowski said would be fixed before signing.

**C. Resolution 12-03 Interim Use Permit to allow a church in the B-1 Central Business District at 120 Rum River Drive North**

Fuhrman said that Sherburne State Bank has submitted an application on behalf of Crossing Church for an Interim Use Permit to allow for church services and other religious activities to take place on the premises at 120 North Rum River Drive in the Riverside Plaza building. The property is zoned B-1, Central Business District. The church is currently in operation, but no Interim Use Permit was ever issued.

Fuhrman went on to add that the B-1 Central Business District allows churches or places of worship as Interim Use Permits, provided that such space is within a multi-tenant building, which it is and joint parking arrangements allow for the requirements, which Riverside Plaza is currently being used. Staff is not aware of any concerns or complaints received regarding enough parking being provided to accommodate church attendees and plaza shoppers and employees.

The ordinance lists specific review standards for interim use permit applications. One of those review standards is that the date or event that will terminate the use can be identified with certainty. The Planning Commission has recommended that that the Interim Use Permit terminates when the lease agreement between Crossing Church and the property owner terminates.

The church has installed signage without prior approval from the City. As a condition upon approval, a sign permit application shall be submitted for review by the Building Inspector.

Church staff has been working with the Building Inspector regarding renovations that have been performed on the building without building permit approval.

Fuhrman said that the Planning Commission held a public hearing at their regular December meeting and recommended approval of the proposed Interim Use Permit, based on the following conditions:

1. The Interim Use Permit shall terminate when the lease agreement between Crossing Church and the property owner terminates.
2. A sign building permit application shall be submitted for review.

3. Any building renovations completed that require a building permit shall be submitted for review and approval by the Building Inspector.
4. Any other conditions as determined necessary by staff, the Planning Commission, and City Council.

DOBSON MOTIONED TO APPROVE RESOLUTION 12-03 A RESOLUTION AUTHORIZING AN INTERIM USE PERMIT FOR CROSSING CHURCH TO ALLOW CHURCH SERVICES AND OTHER RELIGIOUS ACTIVITIES TO TAKE PLACE ON THE PREMISES AT 120 NORTH RUM RIVER DRIVE. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**D. Ordinance #678 (First Reading) Amendment to Zoning Ordinance to prevent the use of an accessory building, structure, or garage as living quarters (temporarily or permanently)**

Fuhrman said that over the past few months, staff has received concerns and complaints regarding individuals living in accessory structures (particularly detached garages) in the city limits. The Building Code prohibits the use of accessory structures as living quarters since specific standards must be met; however, the Zoning Ordinance does not address the topic at this time. After discussing the issue with the City Attorney, he advised that the Zoning Ordinance should be amended to prohibit the use of accessory structures as living quarters.

The amendment proposes to add a provision to the *Accessory Buildings and Uses* Section of Chapter III (General Provisions) of the Zoning Ordinance that would prohibit the use of an accessory building, accessory structure, or garage as living quarters, temporarily or permanently.

The Planning Commission held a public hearing at their December meeting and recommended approval of the attached Ordinance.

Before the City Council is Ordinance #678, An Ordinance Amending Chapter III (General Provisions) of the Zoning Ordinance, prohibiting the use of an accessory building, accessory structure, or garage as living quarters, temporarily or permanently, within the City of Princeton.

Walker asked if an attached garage would have the same requirements. Karnowski said that because the ordinance states 'or garage', that either an attached or detached will be covered under it.

HALLIN MOTIONED TO APPROVE THE FIRST READING OF ORDINANCE #678. WHITCOMB SECONDED THE MOTION.

Blake Broding addressed the City Council from the audience. Broding said he himself has a garage that is attached to his house. If he wanted to frame up a bedroom in the attached garage, could he do so or would he need a permit? Fuhrman said if it meets height requirement that could be done with a permit. Existing living quarters above garages are grandfathered in as "part of principal building".

Broding went on to say that people have hardships all of the time. If Broding had to take a family in and did not have room in his house, he would hope to be able to put them in the garage with or without someone telling him he can or cannot do so.

Fuhrman said it is not adequate for safety. There are fire hazards and it may end up being a city attorney issue.

Whitcomb reiterated the matter of safety. That you would be putting other people in jeopardy.

Broding asked the Council if safety has been an issue in the past. Fuhrman said it doesn't matter if there has been a problem, the issue is there may be a potential. Broding said that there is a "potential" for so many things....right now he doesn't have curb and gutter, there is a "potential" for water runoff.

Riddle said that either way, part of Fuhrman's introduction is that the Building Code currently doesn't allow for people living in garages, it just needed clarification. Karnowski said that it is state law as well.

Hallin said that some older garages don't have windows. Children cannot be in a bedroom without windows, so how could someone live in a garage without windows?

Broding said he does understand the health risks.

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

**E. Resolution #12-04 Monetary Donation to Fire Department**

Karnowski said that Resolution #12-04 accepts a contribution from a private family who had a car accident years ago in where the Fire Department used the Jaws of Life to save the 16-year old driver and her father. Since then, according to Chief Roxbury, the family has donated money to the Fire Department every year.

DOBSON MOTIONED TO APPROVE RESOLUTION 12-04 A RESOLUTION ACCEPTING A DONATION OF \$150 FROM THE HULETT FAMILY FOR THE PRINCETON FIRE AND RESCUE DEPARTMENT. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**F. Resolution #12-05 Monetary Donation to Police Department/Fire Department**

Karnowski explained that staff was pleasantly surprised that the Eddy Foundation had donated at all to the City this year. (\$2000 to the Police Department and \$2000 to the Fire Department.)

HALLIN MOVED TO ACCEPT RESOLUTION 12-05 ACCEPTING A DONATION OF \$4000 FROM THE EDDY FOUNDATION. WHITCOMB SECONDED THE MOTION.

**G. Resolution #12-06 PUC Refinancing**

George Eilertson with Northland Securities addressed the council and handed out a memo with updated numbers on it. He said the page has an overview of the refinancing results. Eilertson said as Karnowski indicated, Northland Securities has been working with the Princeton Public Utilities (PUC) with refinancing one of their bonds. The call date has been reached (the date in which the PUC can either prepay or refinance the bond). As the Council is aware, the PUC-issued bonds must have City Council approval before any action is taken.

These particular bonds were issued back in 2004 and were primarily for electric purposes, some percentage of it were water. The bonds were priced yesterday (January 11, 2012) and the results are noted on the overview.

The average rate on the 2004 bonds has been 4.72 percent and the new bonds it will be 2.23 percent. That computes to an overall net debt service reduction of \$408,183.00; after cost of business is taken into account. That is a very large savings. The average annual debt service savings is at \$34,015.

The City Council did not have any questions.

Eilertson went on to add that Resolution #12-06 is concurring with the actions of the PUC which met this morning at 9:00 AM and approved their resolution.

DOBSON MOTIONED TO APPROVE RESOLUTION 12-06 A RESOLUTION CONCURRING IN THE ACTION OF THE PUBLIC UTILITIES COMMISSION IN PROVIDING FOR THE SALE AND ISSUE OF \$2,450,000 PUBLIC UTILITY REVENUE REFUNDING BONDS, SERIES 2012A. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

#### **H. Resolution #12-07 Donation of Radar Unit to Police Department**

Karnowski said that Resolution #12-07 is accepting the Radar Unit from the Minnesota Department of Public Safety Office of Traffic Safety. The radar was presented at the last City Council Meeting.

WHITCOMB MOTIONED TO APPROVE RESOLUTION 12-07 A RESOLUTION ACCEPTING A DONATION OF TRAFFIC RADIO TO THE PRINCETON POLICE DEPARTMENT. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

#### **I. Ordinance #679 – Fee Schedule**

Karnowski explained that the city fee schedule was recently updated in December, but the City Building Inspector found that there were some fees that had never been used and needed cleaning up.

HALLIN MOTIONED TO APPROVE ORDINANCE #679 AN ORDINANCE AMENDING EXHIBIT E FEE SCHEDULE OF THE PRINCETON CODE OF ORDINANCES. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

### **UNFINISHED BUSINESS**

There was none.

### **NEW BUSINESS**

#### **A. Rice Lake Construction Partial Pay Estimate No. 6**

Karnowski said that the construction at the Waste Water Treatment plant is progressing nicely. Before the Council is a Partial Pay Estimate for Rice Lake Construction Group in

the amount of \$557,936.86. It has been reviewed by USDA and by the City Engineer. Staff recommendation is to approve the payment.

WALKER MOVED TO APPROVE THE PARTIAL PAYMENT ESTIMATE TO RICE LAKE CONSTRUCTION GROUP IN THE AMOUNT OF \$557,936.86. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**B. Election of Acting Mayor**

DOBSON MOTIONED TO ACCEPT PAUL WHITCOMB AS ACTING MAYOR. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

**C. Council Liaison and Committee Assignments**

The following is a list of the 2011 Council liaison appointments for the City's boards and commissions. If the Council wishes, appointments should be made for 2012.

| <u>Board/Commission</u>           | <u>Current Appointment</u>                 |
|-----------------------------------|--|
| Planning Commission               | Dick Dobson (current Member)               |
| Park Board                        | Dick Dobson                                |
| Airport Advisory Board            | Dick Dobson                                |
| Public Utilities Commission       | Dick Dobson                                |
| Economic Development Commission   | Whitcomb, Hallin, Walker (current members) |
| Fire Advisory Board               | Paul Whitcomb                              |
| Housing & Redevelopment Authority | Dick Dobson                                |
| Cable Commission                  | Victoria Hallin                            |
| Mille Lacs Co. Historical Society | Jeremy Riddle                              |
| Library (P.A.L.S.)                | Victoria Hallin                            |
| ECRDC Board                       | Jeremy Riddle                              |
| Chamber of Commerce               | Vicki Hallin                               |

Dobson said he does enjoy all of the boards that he sits in on. Walker offered to take Dick Dobson's place on any of the boards if he needed a replacement.

RIDDLE MOTIONED TO APPROVE THE LIST AS IS. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 5; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

#### **D. 2012 Union Contracts**

Karnowski explained that late this afternoon both the Police Union (LELS) and the AFSCME Union notified the city that they agreed to the city staff's latest proposal. Both unions have agreed to the same basic package.

Karnowski went on to say that the negotiated package includes a one percent (1%) wage increase for the first half of 2012 and an additional 1% wage increase beginning the second half of 2012. That amounts to a total of impact of one and one-half percent (1½%) for 2012. The package also includes the same 40-hour furlough for all full-time employees. There are some employees who may be in their "high five" wage years which sets their PERA retirement benefit for the remainder of their life. With the furlough remaining in place for 2012, those employees have to buy back the PERA benefit for that one week. The new contracts allow for those employees who actually pay PERA for that week to be reimbursed for the city portion of that pay back amount. Karnowski said that the cost of buying back the PERA week is \$200 or less. Lastly, the contract includes sharing the insurance increase costs. The city's health insurance premium was increased by 9½ % for 2012. The new contract splits that increase between the employees and the city using the same percentage that we've used for the last dozen or so years. Note that the contracts do not include language specifying that percentage, it's an amount negotiated each contract.

The additional expense of the total package falls within the parameters set by the Council via their 2012 budget and levy.

Accordingly, staff recommends that the Council adopt a motion approving both the LELS and AFSCME contracts with the above changes pending the actual contracts being signed by the appropriate union representatives.

The total expense to city falls below what the 2012 budget and levy has been set at, so staff's suggestion is to approve both union contracts contingent upon the union signing

Dobson asked if any employee wanted to buy back their furlough week would the cost be shared. Karnowski said that if you are a younger employee and not in your high five, it doesn't make sense to buy the week back. Overall, Karnowski said it is not expected to have many employees turn in a payment slip for their high five. Maybe only two or three employees would benefit from this added contract verbiage.

**WALKER MOVED TO APPROVE UNION CONTRACTS WITH THE REQUIREMENT THAT UNION SIGN THE CONTRACTS AND DIRECTED THE CITY ADMINISTRATOR AND MAYOR TO SIGN THE DOCUMENTS.**

Walker said he would like to see copies of the contracts. Karnowski said he would email them out to the City Council.

**DOBSON SECONDED THE MOTION.**

#### **E. Application for Grant for Road Improvements on 21<sup>st</sup> Avenue Extension**

Fuhrman said that there is an available grant for road improvements through the Minnesota Department of Transportation. The deadline is February 3, 2012. Nielson confirmed

that there is no match required with this grant. The amount of the grant is \$500,000.00.

Karnowski suggested Resolution #12-08 be created if approved, since the subject at hand was added at the last minute.

HALLIN MOTIONED TO APPROVE 12-08 A RESOLUTION SUPPORTING THE GRANT APPLICATION MADE TO THE MINNESOTA DEPARTMENT OF TRANSPORTATION FOR THE LOCAL ROAD IMPROVEMENT PROGRAM (ROUTES OF REGIONAL SIGNIFICANCE ACCOUNT) IN ORDER TO EXTEND 21<sup>ST</sup> AVENUE SOUTH IN THE CITY OF PRINCETON. WHITCOMB SECONDED THE MOTION.

Riddle asked Nielson what he anticipated that project to cost. Nielson said approximately one million, give or take. As we do the grant application, staff would need to take another look at construction costs, which have changed since the project was first discussed years ago.

Hallin asked if approved for the grant, when the money would have to be used by. Fuhrman said there is preference that construction begins in 2012, but within two years construction would need to begin.

Walker asked if numbers included stormwater improvements and whatever sewer costs involved. Nielson said when the numbers were first crunched, storm sewer cross for the roadway was not included. The right-of-way is already taken care of in that area. In addition, the city would need to get approval from the FAA to run the roadway through the airport property.

Dobson said extending 21<sup>st</sup> Avenue is a good idea. Many public safety issues will also be taken care of with the extension.

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

## **MISCELLANEOUS**

### **BILL LIST – \$1,664,897.23**

Hallin MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$262,271.03 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 65425 TO 65517 FOR A TOTAL OF \$1,664,897.23. WHITCOMB SECONDED THE MOTION.

Dobson asked why there were two bills for windsock lights, one from Elk River Winelectric one for Princeton Electric. Gerold said that one was for parts and labor and another for repairing the wiring that was damaged on the actual windsock.

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

**ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS:

DOBSON MOVED TO ADJOURN THE MEETING AT 7:45 PM. WALKER 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