

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JANUARY 26, 2012, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Jeremy Riddle called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Victoria Hallin, Thom Walker and Paul Whitcomb. Dick Dobson was absent. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Developer Carie Fuhrman, Sergeant Joe Backlund, City Engineer Mike Nielson, and City Clerk Katie Hunter. Also present: City Attorneys Dick Schieffer and Damien Toven.

ADDITIONS/DELETIONS TO THE AGENDA

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

- C. Partial Payment Estimate to Rice Lake Construction
- D. Pondview Estates Issue

CONSIDERATION OF REGULAR MEETING MINUTES OF JANUARY 12, 2012

WHITCOMB MOVED TO APPROVE THE REGULAR MEETING MINUTES OF JANUARY 12, 2012 AS WRITTEN. HALLIN SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

CONSENT AGENDA

A. Permits and Licenses:

- 1. Duck's Unlimited Raffle held at Steven's on March 29, 2012

HALLIN MOVED TO APPROVE THE CONSENT AGENDA. WHITCOMB SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 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. Fire Advisory Board Minutes of January 3, 2012
- B. PUC Minutes of November 23, 2011 and December 28, 2011
- C. PAVC Minutes of January 9, 2012

Mayor mentioned that there were no action items and these minutes were all for review only.

PETITIONS, REQUESTS, AND COMMUNICATIONS

There were none.

ORDINANCES AND RESOLUTIONS

A. Ordinance #678 Zoning Ordinance Amendment – Second Reading

Fuhrman explained to the Council that this was the second reading of Ordinance 678. There were no changes from when the City Council viewed and passed the ordinance as a first reading at the January 12, 2012 meeting. This ordinance prohibits the use of an accessory building, accessory structure, or garage as living quarters, temporarily or permanently.

HALLIN MOVED TO APPROVE ORDINANCE 678. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

B. Sewer Rate Ordinance #680 Amendment

Karnowski told the Council that staff has been working with both Short, Elliot, Hendrickson (SEH) and WSB to recommend amendments to the city's current sewer fees that would recognize that some commercial/industrial users discharge sewage that is stronger than standard household strength.

Historically, city's charge more when the treatment of sewage stronger than general household waste is required because the addition of that stronger sewage to the "mix" requires additional treatment and costs more.

Ordinance 680 would add the necessary language to the city's fee schedule that delineates the additional charge(s). It also adds additional language to the city's sewer use ordinance to reflect ceasing the use of the term "sewer charge system" and use "sewer fees". The term also clarifies that Princeton changes its fee schedule by ordinance and not by resolution. Finally, the ordinance reorganizes the portion of the fee schedule dealing with sewer, water and storm sewer charges.

The proposed fees for extra strength sewage do not apply to any current user but, with the business United States Distilled Products adding a pre-treatment system in order to send their process wastewater to the new Waste Water Treatment Plant, the new charges will need to be in place.

WALKER MOVED TO INTRODUCE ORDINANCE 680 AN ORDINANCE AMENDING THE SEWER RATE. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

UNFINISHED BUSINESS

A. Wal-Mart Developer's Agreement and Access Easement

Schieffer addressed the City Council explaining that there are several documents on Walmart. The Development Agreement (DA) document covers all of the requirements placed by the Planning Commission and was finally approved by City Council. There is nothing in the document in the operative characteristics of the agreement that the council has not already approved. Staff is suggesting approval of the Walmart Development Agreement.

WHITCOMB MOVED TO APPROVE THE WALMART DEVELOPMENT AGREEMENT. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

Hallin said she liked the added verbiage that held the developer responsible for finishing the sidewalks in the event of default. Schieffer said that there was over \$500,000 money in escrow to cover such things should they arise.

Schieffer said the second document was an Easement Access Agreement. The southwest corner of the plat or subdivision has a lift station on it and is difficult to access from the street. With this agreement, the city will be able to use part of Walmart's truck loading area to get to the lift station; on an existing city easement. This will provide additional room for city to bring trucks and equipment in to do repairs on the lift station.

HALLIN MOTIONED TO APPROVE THE EASEMENT ACCESS AGREEMENT. WALKER SECONDED THE MOTION.

Riddle checked with Public Works Director, Bob Gerold, to ask if he was satisfied with the agreement. Gerold said he was content.

THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

Schieffer said the Release of Land From Development Agreement. In 2005, the original plat was done on this property. The DA was executed by the then owners of the property. All conditions have expired or will be undertaken by this new development. In order to clear the title, the City of Princeton must approve this release which in turn, releases the former owners of the property.

HALLIN MOVED TO APPROVE THE RELEASE OF LAND FROM DEVELOPMENT AGREEMENT. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY. (4 AYES, 0 NAYS).

The next document was a Memorandum of Development Agreement. This is the document that will be recorded with Mille Lacs County. In certain cases, developers wish to keep some information private, so this summary will be the public document. If anyone wanted to view the entire Developer's Agreement, they would have to come to City Hall to see it.

Hallin asked if these documents were common. Schieffer said that it is common in large, competitive industries. What the industry paid for the SAC, for example, is not made public in county records.

HALLIN MOTIONED TO APPROVE THE MEMORANDUM OF DEVELOPMENT AGREEMENT. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY. (4 AYES, 0 NAYS).

Schieffer said the letter of credit from the issuing bank (Citibank, N.A.) does not require council approval; and is only there for your information.

NEW BUSINESS

A. Request for Donation from Chamber of Commerce

Scott Berry introduced himself as the Chamber President and Genny Reynolds as the Vice President. Berry said the Chamber is asking for an increase in donation amount up from \$4,500 to \$10,000. This money is reinvested into the community.

Berry stated that the Chamber has set goals for the year and have already started to work on the goals. For example, the Chamber is working with the Economic Development Authority in a joint venture. The group has already met twice and is moving forward with figuring out how to minimize duplication of efforts.

Mary Chapman, the Executive Director of the Chamber, found all of the vacant buildings in the city and determined if they were for sale or lease. This list was made available to the EDA and to Carie Fuhrman. Mary has also contacted Fuhrman and offered to act as an arm or resource on behalf of the city to reach out to the business members.

Berry went on to add that the Chamber is adding a mentorship accountability program for business owners. Lee Steinbrecher and Dan Erickson will be heading the mentorship group up. Six to eight business owners will meet twice a month to determine how businesses can move forward to achieve their goals.

The Chamber wants to bring in quality speakers to discuss how business owners can improve themselves. The webpage is being upgraded after contacting a local website company.

The Chamber has instituted a "Business of the Month where that business is recognized. The January 2012 Business of the Month is Rum River Health Services.

This Chamber Board of Directors is motivated to move forward with these initiatives. Berry said the current board is doing a great job. With each event, four items are looked at:

1. How will this benefit the Chamber
2. How will this benefit the members
3. How will this benefit the local businesses
4. How will this benefit the community

Berry summed it up by saying the stronger our businesses are, the stronger the community will be.

Riddle said he agrees that the board is being proactive doing joint marketing. The Chamber is doing an outstanding job and it is nice to hear what is being worked with. Hallin commented that the letter written by Mary Chapman really educated her, especially the sentence about "For every \$100 spent in independently owned stores, \$68 returns to the community through taxes, payroll, and other expenditures. Hallin asked if the Flare was ongoing for 2012, which benefits the liquor store. Chapman said that Flare program is indeed ongoing. Berry added that the Flare will add mobile applications.

Berry said that added that the Chamber would like to put a sign up above Rum River Drive announcing events going on in the city. This would be paid for with independent funds. The Chamber has spoken with Rick Lahn; the School District Superintendent, to collabo-

rate efforts.

Walker asked Berry about a reusable format; perhaps a banner. Would it be a new banner each time or something the business owner could keep afterwards? Reynolds said the banners would be designed to advertise certain events and they would be reused each year.

Walker suggested a banner for new businesses that come to town to welcome them. Riddle said that was a great idea because opening a new business in town is taking a big risk. Berry and Reynolds stated that the details have not yet been worked out.

Riddle asked Jackson if he was comfortable with the budget enough to increase the donation amount. Jackson said that during the budget discussion, the portion on the Chamber donation did not get finalized; so no adjustments were made in the Liquor Store Fund. In addition, there was a large donation to the Initiative Foundation out of Liquor Store funds this year. It is currently not budgeted; but that does not mean that the City Council can't amend the budget. Hallin asked if the regular \$4,500 was budgeted and Steve said it was. That was a 20 percent reduction from prior years.

Walker suggested a way to use EDA Funds for certain projects. Walker said some things are not appropriate for EDA to do; but some are. Whitcomb recalled that the EDA fund balance is not healthy. Jackson said the Liquor Store Fund is in a much better position.

Whitcomb stated that his concern was if the City gives \$10,000 to the Chamber of Commerce, then everyone else will expect an increase this year.

Berry said that the Chamber understands that, but he feels that the Chamber of Commerce can give back to the community even more.

Riddle said the Chamber has done all that the Council asked them to do; and this amount is no surprise. The Chamber has met the hurdles and the increased donation amount was intended during the budgeting process.

Karnowski added that as additional justification; the city is receiving more tax dollars from the businesses than any other.

Hallin said the Chamber is a huge connection for our city. Hallin said she would be in favor of an increase from the Liquor Store Funds somewhere in the range of \$4,500 to \$10,000.

WALKER MOVED TO APPROVE A 10,000 DONATION FROM THE LIQUOR STORE FUND.
RIDDLE SECONDED THE MOTION.

Whitcomb once again voiced his concern that the Liquor Store Fund is for back up. If at some point the City has to decrease that amount in the future, who will that affect the Chamber? Whitcomb said the motion was already on the table, but he was going to suggest giving the Chamber a set amount and if there was anything leftover in the Liquor Store Fund, it would be given to the Chamber later in the year. Although, that would make it very hard for the Chamber to plan and budget for the year.

THE MOTION CARRIED UNANIMOUSLY. (4 AYES, 0 NAYS).

Hallin – requesting wine or rum river wine for winter gala.

Riddle said the Chamber could work out a donation of Rum River Wine for the GALA and if approval is needed afterwards that can come back to the Council

B. Personnel Policy Amendment (review of Personnel Files)

Karnowski said that an employee attended a Finance training course and the city was made aware of a fairly recent change in state statutes that requires that the city personnel policy be amended to include language that advises the employees that they have the right to review and/or retain copies of their personnel records.

Accordingly it is recommended that the Council approve the following amendment to the city's personnel policy:

Section 3.4 ("Records") of the City of Princeton Minnesota Personnel Manual shall be amended to add additional paragraphs that shall read as follows:

An employee has rights, under Minnesota law (M.S. §181.960-181.966) to review their personnel file once every six months while employed by the city and once per year upon separation. Employees wishing to exercise this right shall present their request in writing.

Within seven working days of receiving the written request, the city will make the employee's file available for the employee's review. The city may require that the review take place in the presence of a city representative. After the review has been completed, the city will provide – upon written request – a copy of items in the file.

After reviewing their file, if the employee disputes specific information contained in the file, the city may agree to remove or revise the disputed information. If the city and the employee cannot reach agreement, the employee is entitled to submit a written statement of five pages or less explaining the employee's position. That position statement will be included in the employee's file with the disputed information.

The city will not retaliate against an employee for exercising their rights to review their personnel record. If the city violates the law (M.S. §181.960-181.966) the employee may seek legal remedies to compel the city's compliance and recover damages as well as seek reinstatement, back pay and attorney's fees.

WHITCOMB MOTIONED TO ACCEPT THE AMENDMENT TO THE PERSONNEL POLICY. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY. (4 AYES, 0 NAYS).

C. Partial Payment Estimate to Rice Lake Construction

Karnowski said that this payment number seven was before the City Council for recommended approval after being reviewed by the City Engineering Firm and by Rural Development. The recommended approval amount is \$235,687.40.

At a meeting earlier in the day, Karnowski said that the Waste Water Treatment Plant work was ahead of schedule.

HALLIN MOVED TO APPROVE THE PARTIAL PAYMENT ESTIMATE NUMBER SEVEN IN THE AMOUNT OF \$235,687.40. WHITCOMB SECONDED THE MOTION.

Walker asked if seasonally, the construction was slower for the winter months. Karnowski said that they had anticipated difficult weather, but they were even out pouring concrete just yesterday and today. Normally in January, concrete is not able to be poured.

THE MOTION CARRIED UNANIMOUSLY. (4 AYES, 0 NAYS).

D. Pondview Estates

Karnowski explained that a property owner in Pondview Estates owns several vacant lots and currently has a buyer lined up to purchase them. The title company said that the city never did a release of the agreement and provided a document to do the release. An authorization for the Mayor and Clerk to sign the release is needed by the City Council.

Also provided is a letter from the Engineer stating that the project work is done to satisfaction.

HALLIN MOVED TO APPROVE AUTHORIZATION FOR THE MAYOR AND CITY CLERK TO SIGN THE RELEASE OF DEVELOPERS AGREEMENT FOR PONDVIEW ESTATES. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY. (4 AYES, 0 NAYS).

MISCELLANEOUS

There were no miscellaneous items.

BILL LIST – \$300,254.18

Hallin MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$97,917.04 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 65521 TO 65583 FOR A TOTAL OF \$202,337.14. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS:

WHITCOMB MOVED TO ADJOURN THE MEETING AT 7:45 PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter; City Clerk

ATTEST:

Jeremy Riddle, Mayor