

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
FEBRUARY 28, 2013 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Paul Whitcomb called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Victoria Hallin, Dick Dobson, and Jules Zimmer. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Development Director Carie Fuhrman, Police Chief Brian Payne, Liquor Store Manager Nancy Campbell, Public Works Director Bob Gerold, City Clerk Shawna Jenkins and Attorney's Richard Schieffer and Damien Toven. Absent was Engineer Mike Nielson and Councilor Thom Walker

AGENDA ADDITIONS/DELETIONS

None

CONSIDERATION OF MINUTES

- A.** Regular Meeting Minutes of February 28, 2013

DOBSON MOVED TO APPROVE THE REGULAR CITY COUNCIL MINUTES OF FEBRUARY 14, 2013. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

- A. Permits and Licenses**
1. Intoxicating & Sunday Liquor License for Princeton Golf Course
 2. Princeton Lions Club Raffle & Bingo at Steven's – April 13, 2013
- B. Personnel**
1. **Public Works** – Keith Kohler Step 5 Increase effective March 16, 2013
 2. Liquor Store – Approval to hire Rose Christensen as Liquor Store Clerk
- C. Donations / Designations**
1. Donations to the Police Canine Unit Fund – Resolution 13-07

ZIMMER MOVED TO APPROVE THE CONSENT AGENDA.DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

OPEN FORUM

None

PUBLIC HEARINGS

- A.** DEED MN Investment Fund Federal Loan Program Application – Resolution 13-09

Fuhrman reported that Inline Packaging, LLC, located at 1205 18th Avenue South in the Industrial Park, focuses on the design and manufacturing of microwave food packaging. Inline has been a growing company since its inception and is proposing an expansion of both equipment capacity and building space, expected to be completed by July 2013.

Inline currently employs 49 people. After the expansion, they are planning to add 25 jobs. City staff is working with Inline Packaging to apply for a Minnesota Investment Fund (MIF) loan through the Department of Employment and Economic Development (DEED). The total project costs are approximately \$2.6 million, while the MIF loan request is for \$500,000 to

help finance the purchasing of equipment and machinery. The remainder of the equipment and building expansion will be paid for through equity and private bank financing.

Fuhrman added that 51% of the jobs created must benefit low and moderate income people to meet MIF requirements.

With the MIF program, the City applies to DEED on behalf of the business. Funding is awarded via a grant, which is then loaned to the business. The repayments are then used to establish a revolving loan fund, which is available for area businesses to access in the future.

Fuhrman said the City is working with the Initiative Foundation to potentially utilize them to lend the funds to the businesses, acting as the Local Development Organization (LDO). If an LDO is utilized, subsequent loans made through the repayments are not subject to federal requirements, greatly reducing scheduling, cost, and substantial paperwork implications. A resolution and agreement between the City and Initiative Foundation will be required to be established at a later date.

Fuhrman stated that prior to submission of the MIF application, at least one public hearing must be held at the City Council level. Because federal funding is being requested, the following topics to be discussed are:

- a. *Proposed project, including the scope, project schedule, overall project cost, proposed financing, how the project will benefit low and moderate income persons;* Staff Comment: This information is provided above.
- b. *Housing and Community Development Needs, including those of low and moderate income persons;* Staff Comment: As indicated above, 51% of the jobs created must benefit low and moderate income people.
- c. *Plans to minimize displacement of persons and businesses as a result of funded activities.* Staff Comment: Although staff does not foresee any displacement of persons or businesses as a result of funded activities, the City Council has already approved a *Residential Anti-displacement and Relocation Assistance Plan* as a part of the Small Cities Development Program.

Fuhrman said the EDA has recommended support of the MIF application for Inline Packaging. If the City Council sees fit, staff would recommend a motion to approve Resolution 13-09, approving the application to DEED's Minnesota Investment Fund after holding the public hearing.

Whitcomb opened the Public Hearing at 7:07

Dobson asked what the interest rate is. Fuhrman said it is a low rate, at approximately 2-3%. Dobson asked if this is something that the EDA would review.

Whitcomb closed the Public Hearing at 7:08

DOBSON MOVED TO APPROVE RESOLUTION 13-09 APPROVING THE APPLICATION TO THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT MINNESOTA INVESTMENT FUND. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

- A. Planning Commission Minutes of February 19, 2013
- B. Park Board Minutes of February 25, 2013

PETITIONS, REQUESTS, AND COMMUNICATIONS

- A. Princeton Wine and Spirits Grant Funding Request from Princeton Lions

Karnowski stated that the Princeton Lions are requesting for 5 \$20 gift cards to be used for the Spring Raffle Fundraiser to Support Community Charities.

ZIMMER MOVED TO APPROVE \$100 GRANT FROM THE PRINCETON WINE & SPIRITS TO BE USED FOR 5 \$20 GIFT CERTIFICATES FOR THE SPRING FUNDRAISER TO SUPPORT COMMUNITY CHARITIES. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ORDINANCES AND RESOLUTIONS

- A. Ordinance 696 – Regarding hard surfaces in B2 & B3

Fuhrman stated that this is the second reading of the proposed Ordinance amendment, which revises the requirements for paving of automobile sales lots.

The City Attorney has recommended the following language to address the issue:

(c) The parking area for the outside sales and storage area, whether for a new or the expansion of an existing facility, shall be hard surfaced ~~before the operation of business begins by the date determined by the Planning Commission after consideration of the size and scope of the project, and the effect of the cold weather season on paving construction materials, but in no event more than 10 months after final city approval.~~ Parking areas shall be maintained to control dust, erosion, and drainage before and after hard surfacing. No parking or display of vehicles for sale shall occur.

The Ordinance also addresses the Performance Standards portion of the Ordinance.

Fuhrman said the Planning Commission held a public hearing at their January meeting and recommended approval of the attached Ordinance. No changes have been made since the first reading. Staff is requesting the City Council make a motion to adopt Ordinance #696 if they see fit.

DOBSON MOVED TO APPROVE ORDINANCE 696 AMENDING CHAPTER V (ZONING DISTRICTS) AND CHAPTER VI (PERFORMANCE STANDARDS) OF THE ZONING ORDINANCE IN ORDER TO AMEND THE REGULATIONS PERTAINING TO THE HARD SURFACING OF AUTOMOBILE AND RECREATIONAL SALES AREAS IN THE B-2 NEIGHBORHOOD COMMERCIAL DISTRICT AND THE B-3 GENERAL COMMERCIAL DISTRICT. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

B. DNR Local Trail Connections Grant Application – Resolution 13-08

Fuhrman reported that the Princeton Park and Recreation Advisory Board has directed staff, subject to City Council approval, to submit an application to the DNR Local Trail Connections Grant Program to assist in funding the construction of an approximately one-mile long trail from Rum River Drive (water treatment plant) down to 313th Avenue in the old railroad right-of-way owned by the City. This trail will be the City of Princeton's portion of the Great Northern Trail, planned by Sherburne County to run from Elk River up to Princeton.

The Park Board is planning to utilize Park Dedication fees to fund the match requirement of 25%. Total costs for the trail construction are estimated at approximately \$100,000, which will cover site grading, subgrade work, engineering work, bituminous paving, three culvert installations, and signage.

Fuhrman added that the surveys from the Comprehensive Park and Trail Plan process have indicated residents' desire for a trail system within the community, and this particular trail segment provides a link to a larger regional trail system. (Side note: Sherburne County recently purchased the final easement needed to pave and extend the Greater Northern Trail from where it ends in Elk River to the Zimmerman line).

Fuhrman said staff is requesting a motion to approve Resolution 13-08, supporting the grant application to the DNR Local Trails Connection Program.

ZIMMER MOVED TO APPROVE RESOLUTION 13-08 SUPPORTING THE GRANT APPLICATION MADE TO THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES LOCAL TRAIL CONNECTIONS PROGRAM. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

A. Rice Lake Construction Pay Estimate #18 for \$467,335.44

Karnowski stated that the Engineer says everything is going well. There should be one more Pay Estimate after this which will basically be punch list items. He added that the City is also in the process of closing out the temporary bonding that we did for the construction and will close on the USDA loan and grant.

DOBSON MOVED TO APPROVE PAY ESTIMATE #18 FOR \$467,335.44 TO RICE LAKE CONSTRUCTION. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

B. Crosswind Runway Discussion

Karnowski reported that with the pending groundbreaking of the Public Safety Building, the need to connect 21st Avenue with 19th Avenue is becoming timelier. While the police and fire rigs could access the south via the airport, the long term solution is to construct that connective road section. Mayor Whitcomb originally suggested that this topic be on the March Study Session but, because of the timeliness of any implementation, it was moved to the 2/28 agenda.

Some of the issues relating to the project include:

1. While the city's Airport Engineer, Joel Dresel, is of the opinion that the 21st Avenue extension could be designed to be compatible with the crosswind runway, the FAA's current program manager in Minneapolis, Gordon Nelson, disagrees with that opinion. Without Nelson's concurrence, the FAA's permission to construct the 21st Avenue extension is not attainable.
2. The 21st Avenue extension was originally viewed as a necessity for public safety purposes for the city's industrial park. Currently the industrial park is serviced by what amounts to a dead end street. From a public safety standpoint, having two access points to the industrial park is viewed as a minimum requirement.
3. Having a northerly access from the industrial park to TH95 could reduce the traffic issues along Rum River Drive during rush hours.
4. Funding for the road extension has been a hurdle. The industrial park property owners are not anxious for an area wide assessment to be levied against their properties in order to help pay for the road. Jordan Zeller at the ECRDC has indicated there may be grant funding available and he's willing to help us apply for it. But we're advised that, without the FAA's approval, grant money is not going to be available.
5. The city's airport engineers revised a study using wind calculations from our own airport that were not previously available rather than those from St. Cloud's airport to estimate the amount of use a crosswind runway would get and whether that usage would be high enough to warrant funding participation by the FAA. Review of those new calculations appear to reduce the likelihood that a crosswind runway would qualify for Federal Funding.

Karnowski stated that according to the city airport engineer, the FAA has determined that if planes can land 95% of the time on the primary runway that a crosswind runway may not be justified. The FAA recommends that the crosswind component not exceed 10.5 knots (wind speed) for small aircraft (those most typical at Princeton). Using that data, our current coverage (using data from the Princeton Municipal Airport) is at about 93.35%, just under the recommended 95%. When the last ALP was completed, the nearest source of wind data was St. Cloud Regional Airport, and according to that data, the wind coverage was 87.51%.

Previous FAA guidance typically considered a crosswind runway justified whenever 95% wind coverage was not provided. However, current FAA policy considers a crosswind runway justified when wind coverage is below 95% and at least 500 additional operations would occur if a crosswind runway were constructed. Therefore, in addition to proving to the FAA that the wind coverage is below 95%, we would have to prove that at least 500 additional takeoffs or landings would occur if the crosswind runway were constructed. Our engineer feels that they are finding that small airports, such as Princeton's, are finding it difficult to meet that additional 500 operations threshold.

Without Federal FAA funding, the city's cost for a crosswind runway would increase from around \$281,000 to around \$2.8 million (see below):

<u>Task</u>	<u>Total Cost</u>	<u>Local Share</u>
Environmental Assessment - Phase I	80,000	8,000
Environmental Assessment - Phase II	80,000	8,000
Land/Easement Acquisition	450,000	45,000
West Side Land Acquisition	500,000	50,000

Construction -	<u>1,700,000</u>	<u>170,000</u>
	\$ 2,810,000	\$ 281,000

1. If the Council decides to drop the crosswind runway from the current Airport Layout Plan (ALP), a modification of the ALP will be required. On average, an ALP process can take 6-12 months followed by the MnDOT and FAA review process which can be anywhere from a couple months to a couple years. However, the airport engineers said they can work faster on their end if there is a local need and the MnDOT/FAA review process can be pushed along by the airport sponsor if there is an immediate need to get approval.

Karnowski said the last step, before actual construction, to keep in mind is the need for a land release by the FAA if any airport land is required for the road (including right of way easements). If there is a need for this, it could be completed concurrently with the ALP process.

Whitcomb said he wanted to see this on the agenda. The extension of 21st has always been on the top list of priorities, but the cross wind runway presents a problem with it.

Dobson stated that as long as there are Airport Board Members and others present, he would like to hear what they have to say.

Duane Kruse said they were not informed that this was going to be on the agenda until last night. They feel a cross wind runway is important and they have wanted one for a long time.

Whitcomb responded that if the City is going to extend 21st Ave, the cross wind runway cannot stay on the ALP and feels it is a council call at this point.

Duane Kruse said that they have been said in that past that they want the cross wind runway or the runway extension. He spoke to Prairie Restorations about purchasing more land and was told the City has not spoken to them about it. Whitcomb said his understanding is that the City would also need to buy land if they did the runway extension. Kruse said he would like to have it in writing that if the Airport is going to give up the cross wind runway, they will get the runway extension.

Richard Anderson stated he was the mayor 30 years ago when the airport was put in and they spent a lot of time and effort to get the zoning for a cross wind runway. He feels it would be near impossible to get the runway extension zoned properly.

Anderson suggested a temporary road for the extension of 21st which could be rerouted if the Cross Wind Runway was put in at some point in the future.

Anderson said he would he would like to pursue alternative plans with the county. He understands the necessity of the extension of 21st with the new Walmart and the Public Safety Building that will be started soon. He would like the council to work with the Airport Board. The city spent a lot of money to get the zoning in place 30 years ago and would like to see that stand.

Whitcomb responded that he appreciates the suggestion of the alternative, but feels the county is probably going to listen to the Engineers about the extension of 21st Ave.

Hallin stated that if there is funding available, she would like to see it used for something like 21st that would be much more utilized.

Anderson added that he understands the FAA will not fund the current Cross Wind Runway, but in the future the small lightweight aviation is going to need those cross wind runway options. He stated it will hurt everyone if it is removed from the ALP. Whitcomb responded that the Cross Wind Runway being on the ALP is stopping the extension of 21st Ave is even preventing the City from finding funding. Anderson suggested requesting the option of a temporary road. Whitcomb replied that there is nothing the city can do with the road while that cross wind runway is in the ALP.

Anderson said he would just like to do everything in his power before eliminating it entirely. He knows he speaks for the pilots and the airport board and we have to think about the future. Whitcomb agreed with the statement, but the extension of 21st Ave makes economic sense.

Hallin asked if it was possible to put the cross wind somewhere else on the property. Anderson stated if the zoning was removed, then homes and industrial buildings would be built and the city could never reclaim that zoning. When he got involved with the Airport, there was a City Council that wanted to get rid of the airport, so that is why he ran for mayor. He has put 9 years in as mayor into that airport and he doesn't want to give that up.

Sharon Sandberg stated the important zoning for the 5000 feet extension has already been lost when the church was built higher than it should have been. The cross wind runways are good for the light aviation and the antique aircraft like she and a few others fly and are seeing more of.

Jeff Dotseth from the Airport Board asked the Council to use common sense and give Richard Anderson some time to research this further.

Dobson asked Fuhrman when the grant deadline was. Fuhrman responded that it is ongoing and they accept applications quarterly.

Gene Stoeckel said as the chair of Airport Board he feels a little blindsided by this. The airport board has always been pretty united and with the cross wind runway on the ALP. Putting a road thru the industrial park is a bad idea. He said he would like this to be reviewed further before a decision is made.

Zimmer said he's relatively new to the Council, but he knows the Council's number one priority was the Extension of 21st Ave. If that is to occur, there can't be a cross wind runway on the ALP. He added when looking at a map, it makes sense to have an access there. He understands the cross wind has been on the ALP for 30 years, but the cross wind runway was not a priority for any of the council members and there are no funds available. The road is a priority now and not in the future.

Hallin said their concern is for the residents, and for the safety for easy access out of the new Public Safety building.

Zimmer added that he has been told it would not be impossible to add it back to the ALP in the future.

Karnowski suggested checking to see if the City can retain the zoning even if the Cross Wind Runway was pulled off the ALP. Then if things change in the future, the cross wind could be put back on and the zoning would still be in place.

Dobson stated that if the City were to pursue the extension of the runway, rezoning on both ends would need to be done, with most being the south side. He asked if the Cross Wind Runway could be moved south a bit. Karnowski responded that it was relocated to the south; it would encounter areas that are already developed.

Karnowski stated he could check on the option of keeping the zoning. Attorney Schieffer stated that the Zoning would not need to be changed, but it could be questioned by property owners.

Dobson said he feels the airport is an asset to the community. In the last few years, the pilot association has really stepped up and made it a nice place with their own time. When he first got on the Airport Board he liked the idea of the cross wind runway, but he was not aware that the FAA did not have any funds available. He would have a very difficult time telling residents that the City is going to spend 2.8 million tax dollars to build a cross wind runway. He does have a hard time seeing how the cross wind runway can stay on the ALP, when the extension of 21st Ave is so important to Public Safety.

Dobson asked if the Council can grant Richard Anderson a little bit of time to check with the County Boards to see if there would be interest from them or the possibility of any alternatives. He understands the engineers say it would not be feasible to reroute the road because of the wetlands. Dobson agrees that the Engineers do not have the final say, but he also sees the need for the 21st Ave extension to get done.

Whitcomb asked if the Council would need to do anything to authorize Richard Anderson to speak to the counties. Karnowski responded that it will likely take some time for the Engineers to pull the Cross Wind Runway off the ALP, so the Council could approve Anderson to speak to the Counties if they so choose.

Attorney Schieffer stated that the Council could pass a motion to authorize Richard Anderson to speak on behalf of the City in regards to the Airport.

Dobson said if the council agrees, he is in favor of giving Richard Anderson some time to talk to the Counties in regard to the Cross Wind Runway at the Airport.

HALLIN MOVED TO APPROVE RICHARD ANDERSON TO SPEAK ON BEHALF OF THE CITY COUNCIL WITH MILLE LACS AND SHERBURNE COUNTY IN REGARD TO THE CROSS WIND RUNWAY AND EXTENSION OF 21ST AVE. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Richard Anderson asked the Council to have a public hearing if they remove the cross wind runway from the ALP.

DOBSON MOVED TO TABLE THE CROSS WIND RUNWAY UNTIL NO LATER THAN THE FIRST COUNCIL MEETING UNTIL MAY. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Waste Water Treatment Plant Change Order #3

Karnowski reported that this change order decreases the cost \$1,860.

DOBSON MOVED TO APPROVE CHANGE ORDER #3 FOR THE WASTE WATER TREATMENT PLANT. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

D. Grant Extension for the Neighborhood Stabilization Program

Fuhrman reported that the City has a small amount of funds left, so the grant will need to be officially extended so the remainder of those funds can be used.

HALLIN MOVED TO APPROVE THE NEIGHBORHOOD STABILIZATION GRANT EXTENSION. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

E. Appointment of Darald "Skip" Harmon Sr. to the Housing and Redevelopment Authority

Dobson stated that Darald is well liked and works very hard at whatever he does, so this is an excellent applicant.

HALLIN MOVED TO APPOINT DAROLD "SKIP" HARLSON SR. TO THE HOUSING AND REDEVELOPMENT COMMITTEE. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

A. Personnel Policy Amendment

Karnowski stated with the most recent renewal of the city's life insurance policy, the city opted to discontinue the practice of covering the full cost of various coverages. Accordingly it is recommended that the language in the city's personnel policy be amended to reflect those changes. If you concur, a motion to amend the personnel policy as noted below would be in order. (Language proposed to be deleted is indicated by a ~~strike through~~ and proposed new language is underlined)

9.15 Insurance

This section is not expected to give a detailed explanation of all employee insurance benefits, but rather to provide general information. Complete details of various employee benefits are available in the actual policy or informational booklet supplied by the insurance company providing the coverage. Basically, life and health insurance is provided to only regular full-time employees and/or employees as outlined on the benefit table at the beginning of this section. These insurance policies or informational booklets outline coverage and costs for the employee and his/her dependents. The City currently participates by paying an amount equal to six hundred twelve (\$612.00) of a non-supervisory employee's share of a premium for single coverage and \$1,027.50 for family coverage. For supervisory personnel, the City pays six hundred twelve (\$612.00) toward the employee's supervisor's share of a premium for single coverage and \$1,388.50 for family coverage. ~~for the full share of a premium for single or family health coverage.~~ Life insurance benefits provide for \$15,000 \$50,000 coverage for ~~police officers and non-supervisory non-union,~~ and \$50,000 ~~for supervisory all full-time personnel~~ in addition to \$2,000 coverage for full-time employee dependents. The city also provides partial dental insurance coverage for full-time employees in an amount set annually by the City Council. These coverages are selected through a group policy selected by the City Council and in accordance with the eligibility provisions contained in the group benefit contract.

Employees terminating from the City of Princeton have the option of receiving continued health insurance coverage. To obtain this continued coverage, employees must remit full premium payments for the cost to the City. Coverage for both the employee and insured dependents may be continued as pursuant to policy and state and federal requirements. Payments must be made to the City on or before the first of each premium reporting period. This information can be further detailed and provided to you by the Finance Department.

HALLIN MOVED TO APPROVE THE AMENDMENT TO THE PERSONNEL POLICY. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

MISCELLANEOUS

BILL LIST – \$627,749.49

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$103,979.33 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 67622 TO 67676 FOR A TOTAL OF \$627,749.49. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

There being no further business:

WALKER MOVED TO ADJOURN THE MEETING AT 8:05 PM. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

Shawna Jenkins
City Clerk

ATTEST:

Paul Whitcomb, Mayor