

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL
HELD ON APRIL 5, 2012, AT 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Jeremy Riddle called the meeting to order. Council members present were Councilors Victoria Hallin, Dick Dobson, Paul Whitcomb and Thom Walker. Staff present was Steve Jackson, Mark Karnowski, Carie Fuhrman, Jim Roxbury, Bob Gerold, Nancy Campbell, Brian Payne, Todd Frederick, and Katie Hunter. Also present were Engineer Mike Nielson and City Attorney Dick Schieffer.

SHERBURNE COUNTY BOARD OF APPEAL AND EQUALIZATION HEARING

The hearing was opened at 4:30 pm. Present from the Sherburne County Assessor's Office was Dan Weber, Bill Riley and Doug Brise.

Riley said that there were three big projects this past year in the Industrial Park. Glenn Manufacturing had an addition as well as United States Distilled Products having a very large addition. Bare land values decreased about twenty percent. At this time, there is no development. Total estimated value stayed consistent because of no new construction.

The residential values lowered due to a low number of residential sales. The City Council asked Riley if any Sherburne County Property owners had contacted the County. Riley said that no calls were received and no appointments were scheduled through his office.

Karnowski asked if in comparison to other cities, if Princeton is doing better or worse. Riley said that it's almost "booming" in the Industrial Park in Princeton compared to every other city in Sherburne County. There are a few new construction buildings in Elk River. In fact, there is a five million dollar low-income apartment in Elk River that went up last year and two apartments in Big Lake in which both permits totaled five million. Princeton is holding up pretty well, even though there have not been any sales. Hallin commented that those are good words to hear.

The Mayor and City Council thanked the Sherburne County representatives.

DOBSON MOTIONED TO CLOSE THE SHERBURNE COUNTY BOARD OF APPEAL AND EQUALIZATION HEARING AT 4:36 PM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

USE OF RAILROAD TAX INCREMENT FINANCING DISTRICT FUNDS DISCUSSION

Karnowski reminded the City Council that about one month ago or so, the Council was made aware of surplus funds available in the old "Railroad Tax Increment Financing District" fund. After staff checked with Bond Counsel, it was noted that while those funds cannot be used to directly buy down the property tax levy, the funds can be used for certain projects that could reduce the need for tax levy support in the future.

It appears that there is \$325,000.00 available. Staff felt that it would be appropriate for the Council to review the possible uses for those funds and give staff some direction on how to proceed. At your March Study Session the issue was left unresolved with the direction to bring it back. Karnowski said that the project list is not limited and is up to Council discretion.

The options on the memo given to the City Council were as follows:

- Revitalization/ Building Renovations/ Façade Improvements in Downtown Princeton
- Marketing Campaign for the City of Princeton
- East Birch Estates Water Main
- 21st Avenue Extension (City's portion for EDA Grant)

- Smith System Road/Old Highway 18
- Civic Center Remodeling
- Amphitheater Project in Riverside Park
- Great Northern Depot Restoration Efforts
- Trail Construction
- Industrial Park Stormwater Improvements
- Rum River Drive Redevelopment (north of Casey's)
- Add Funding to EDA's Revolving Loan Fund
- Referral Fee for referring new businesses to Princeton
- Airport Hangar Acquisition (north side)
- 5th Ave N and Rum River Drive Intersection
- Comprehensive Park and Trail Plan
- Purchase Additional Land for Industrial Park Expansion
- Highway 95 and 21st Ave Intersection
- Temporary funding for project engineering expenses

Karnowski handed out a letter from Carol Ossell that requests some of the funding be used to help pay for the waterline relocation for the amphitheatre at Riverside Park.

The Council verified with Jackson that there were no restrictions on how the money would be used and Jackson said all of the projects mentioned would qualify.

Jackson added that Mayor Riddle had brought up before that this is a onetime situation. The funds will only be available one time and they will not be perpetual. Whitcomb said he feels it is important to provide a tax base on projects that are already a need for the city. For example, the East Birch Estates watermain and the Civic Center renovation, rather than new projects. Although Whitcomb said he understand Ossell's request for a new amphitheatre, he still felt a project already in the works was more sensible.

Hallin agreed saying that historical buildings that have been in the community all along and the downtown area are two areas that need to be kept up. Hallin added that these areas mean a lot to the entire community.

Dobson asked Nielson if there was an estimated cost for the watermain for East Birch Estates. Nielson said that with cutting the street and for the watermain, the quote was over \$100,000, but that is without street repair. With the street repair, the City is looking at an excessive \$150-\$175,000.

Riddle said that it may not even make a difference whether 21st Avenue goes through or not. When the Walmart goes through, then the city may see more EDA developed as well.

Payne added that from a Public Safety standpoint, the officers are going to be able to arrive on scene must faster in an incident in Industrial Park if 21st Avenue is extended. The officers will make just a half-mile trip versus a three-mile round trip without 21st Avenue extended.

Walker added that speaking on behalf of most of the EDA Board; 21st Avenue is an important project to have completed.

Dobson added that 21st Avenue and East Birch Estates projects could be earmarked for now and the money could be left alone for the time being. Dobson added that East Birch Estates being completed could help get residents into housing that is needed.

Riddle asked if there was a state count point and Fuhrman said that it would help. Whitcomb added that the City could at least help them out. If it made a difference with paperwork at the State level, Riddle would be for going forward with the East Birch Estates Project.

Fuhrman added that there is a waiting list of forty people for West Birch currently. Hallin said that others do not even sign up for the waiting list because they know it's so long. Hallin added that if there is enough funding, some of the funds could be split up.

Karnowski added that the Airport Board is not in support of 21st Avenue as it is currently designed. They want to make a presentation in June to the City Council at the Study Session. Karnowski went on to say if the Council supported the 21st Avenue extension, then staff could start to line up some of the issues that the FAA has. Karnowski said it is good to hear what the City Council is thinking.

Walker asked if there was a way to find out if the FAA and MnDOT are going to get on the same page with the 21st Avenue extension. Karnowski said that was going to be the discussion in June to determine if the City Council wanted to adjust the Airport Layout Plan and take the crosswind runway off; then there would be no significant issues.

Karnowski noted that a Crosswind Runway would help smaller planes. A longer runway will have more of an impact on larger planes because it would allow industrial planes to land at our airport.

Dobson said that the Airport Board is more in favor to extend the runway than completed the crosswind runway; at least as a focus.

Walker asked which organization is more restrictive on 21st Avenue (MnDOT or the FAA). Karnowski said the FAA.

Hallin added that a crosswind runway would impact such a small percentage of the community and that an extension of the runway would be used more often.

Karnowski said Airport Engineer could do a requisite study to see if a runway is even justified. The wind is studied and to see how often a new project would be used. There may not even be enough justification to receive federal funding.

Dobson said he feels that the 21st Avenue extension would be a benefit for everyone. Dobson went on to say that he doesn't know how much use that the people at the Industrial Park would end up using that road. Habits are hard to break. Riddle added that the Airport is currently hard to find and that this road would help that situation as well.

Karnowski said one of the main arguments with the opening of Walmart, is the people coming up County Road 45 through Industrial Park and all the additional traffic that will clog Industrial Park. Karnowski said the route to the Airport is a complex route. Even if the city added two stop signs, it could dissuade people from using a certain route.

Nielson ended the discussion by saying that at this point, the 21st Avenue extension sits at an estimated cost of 1.2 million dollars.

PUBLIC WORKS DEPARTMENT ISSUES

1. SEWER MAINTENANCE POLICY CONSIDERATION

Gerold explained to the Council that the city has always had a Sewer Maintenance Policy, but it has just never been adopted. It was formulated after the League of Minnesota Cities Insurance Trust (LMCIT)'s model. Having such a policy in place is one of the critical components of an incentive program promoted by the LMCIT. The four required components are:

- A comprehensive sanitary sewer map, and
- A documented program of regular inspection and maintenance, and
- A documented program for lift station inspection and maintenance, and
- An operator property certified by the MPCA

If the city meets the LMCIT criteria, should there be a sewer back-up in the city, the city's deductible would drop from \$2,500 to \$1,000. Accordingly, the staff recommendation is for the Council to officially adopt the policy.

RIDDLE MOTIONED TO ADOPT THE SEWER MAINTENANCE POLICY. WHITCOMB SECONDED THE MOTION.

Walker asked residents should have a water issue that is more than just in front of the person's home, what would happen? For example, if the issue goes down the street or across the block, is there something in the policy to exclude the homeowner from having to pay all of the bills. At this time, from the main connection to a resident's house does not make the resident responsible. Gerold said he is unaware of any pipes that would run that length in the city. For a small pipe to go for that long of a run wouldn't be possible. Walker said he just did not want to see the home owner getting stuck with a bill.

Karnowski said that by the PUC building when that road was redone on the south side on 2nd Street that was hooked up to 9th Avenue. Their sewer line was a private line. The homeowners decided to make the connection versus assess the costs.

Nielson mentioned that he seems to remember one home that crossed an intersection and where the sewer stopped 150 feet in front of house. But, because it has been seven or eight years, so he could not remember the exact address.

Hallin asked if the funding for the training that is provided (listed on page 4 of the policy) is covered in our yearly budget. Jackson said it is. Hallin also asked if the attorney has had a chance to look over the policy and Karnowski said he had and Schieffer had no problems.

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

2. JASON BAUMUNK RESIGNATION

Karnowski explained that Jason Baumunk, who has been a Public Works GM II for eight (8) years, has submitted a resignation. Baumunk will be pursuing a position at the City of Champlain.

The City Council thanked Baumunk for his eight years and for the nicely written letter.

HALLIN MOTIONED TO ACCEPT THE RESIGNATION. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

3. PW POSITION DISCUSSION

Karnowski said that with Baumunk resigning and the new Waste Water Treatment Plant going to be completed in the near future, staff has been looking at whether there may be a way to do some reorganization that will add staff time and save money as well.

Karnowski said that Gerold and Jackson would be able to provide additional detail, but Karnowski said that staff was considering hiring two part-time (32 hours a week) GM II employees instead of another full-time replacement. That would provide 64 hours of work instead of 40. The labor expenditure would be reduced and provide greater scheduling flexibility. Also, because the new plant will be a mechanical plant rather than a seepage system, the requirements for the plant operations will change. Another proposed change is to eliminate the part-time Wastewater Plant Maintenance position (currently held by Grady Clark, who could then be eligible to apply for one of the new part-time GM II positions). That will save the city another 18 hours of part-time pay. Until the new plant is up and functioning Chris Klinghagen, who we anticipate will eventually be responsible for operating the WWTP, will oversee the current WWTP operations. You may recall that Chris was the P.T. WWTP employee but went to a full-time GM II position when Brian Flaten left.

Dobson asked if there was anything in the union contract that would start getting jammed up with having extra part time employees.

Karnowski explained that staffing is a management position, so it can be done without any notification to the Union.

Walker asked what the difference in the benefit package would be for two part timers versus a full time employee. Karnowski said the part timers would not get health insurance, but would receive prorated sick leave and vacation. The savings would be in the no health coverage.

Walker said that he is uncomfortable with this arrangement. He does understand the flexibility, but if the city starts going to part time employees, hard feelings could be had by some. The Union has been working great with the city; Walker said he does not see this being a step forward. Dobson said he agrees with Councilor Walker in that this is not a good idea. Walker said if the health insurance would be prorated, the city isn't seeing much of a savings anyway.

Riddle commented that if the situation did not work out, it wouldn't be a hard fix.

Hallin said it was worth a try.

The Council had heard that the Public Works Department was going to do four ten-hour days and that the one extra day was left having to be covered by Gerold or Kohler.

Walker asked why not stick with five eight-hour days?

Gerold explained that the four ten-hour days has not been implemented. Gerold's thought with four ten-hour days would be that his employees would get in a longer work day. If the tools area already out, if the staff is already present, then essentially, you're getting more work out of the employees than an eight-hour day.

Walker said he understood how that Gerold's department is short staffed and no projects ever seem to get finished. In the end, Walker is just not comfortable with this idea.

Karnowski said it is up to the City Council completely.

Whitcomb asked about staffing the Waste Water Treatment Plant. Gerold said once the plant is up and running to full capacity, the 18-hour position that is there now will go away. It will take one full-timer or even up to one and a half full-timers to keep it up and running.

Both Mayor Riddle and Councilor Hallin said they would like to give this idea a try and if it doesn't work, it could easily be fixed. The city janitor position went part time and worked out. Karnowski added that the Finance Clerk position also went part time and is working wonderfully.

Whitcomb added that he also likes the idea of giving this plan a try. It would give Chris Klinghagen a chance to start at the plant immediately. He may see something that an inspector wouldn't normally see.

Karnowski said that this is not just trade of one full-time employee to two part-time employees. Because of the plant being completed and the flexibility, Department Heads are trying something new and trying to make it work.

Jackson added that as Klinghagen's position is shifted to the plant, eighty hours of street and parks time is lost. At some point, there will have had to be some adjustment anyway. Hallin said she trusted Gerold knew what was going on and it should be worth a try.

Gerold added that he isn't sure he likes the set up himself but that he thinks it will work.

Walker said he doesn't want this to be the new policy. Will another part timer be hired? When will the part timers end? Walker said he feels that the departments should be staffed appropriately.

Walker said this could be a short term gain for a possibly a long term headache. Not naming anyone in particular, Walker said he feels this could be "sour grapes" for someone who may not like the idea at all,

Karnowski said that if it completely does not work, at least the city will have two really good candidates to choose from – who has the ability to get along with coworkers and looking closely at their talents. At least staff would have a good sense of who could slide into spot.

RIDDLE MOTIONED TO START IMPLEMENTATION OF THE REORGANIZATION OF THE PUBLIC WORKS GM II POSITIONS AND IF IT DOESN'T WORK, TO GO BACK TO ONE FULLTIME EMPLOYEE. HALLIN SECONDED THE MOTION. THE MOTION CARRIED (3 AYES – HALLIN, RIDDLE, AND WHITCOMB. 2 NAYS – DOBSON AND WALKER).

Dobson added that this is nothing against Gerold. It is understood that a tighter budget is being worked with. Dobson just feels this may open a can of worms.

LIQUOR STORE COOLER DOOR LIGHTING DISCUSSION

Karnowski explained that since the new liquor store opened in 2007, there have been problems with the ballasts for the lighting in the beer cooler doors. The ballasts keep failing, but staff and mechanics have been unable to find an answer.

Originally the ballasts were under warranty, but now the warranty is complete. From 2010 until now we have replaced 13 ballasts and have paid \$1,211.24 in labor. We have three ballasts out currently.

Staff has looked at several options and are recommending that the ballasts be replaced with an LED system.

If the current system is kept, each time one fails, it will cost \$130.00 to \$150.00 apiece plus labor to replace each them

An LED system will be more dependable. The cost for the work through Saint Cloud Refrigeration for the work is \$8,450.00 for the 31 doors.

The Princeton Public Utilities Commission PUC is offering a rebate of \$50.00 per door, so the rebate total would be \$1,550.00. The city's out-of pocket expense would be just under \$7,000.

In addition, the PUC advises that the cost of the new LED system should be paid back via the cost of electric usage in about 2.7 years.

Whitcomb asked staff if the ballasts were the correct ones. Campbell answered that professionals have checked the system over and over and have not been able to find where the problem lies.

HALLIN MOTIONED TO APPROVE THE \$8,450.00 TO BE SPENT TO REPLACE THE 31 BEER COOLER DOORS AT THE PRINCETON WINE AND SPIRITS STORE WITH A NEW LED SYSTEM. DOBSON SECONDED THE MOTION.

Walker asked if the doors that did not light up had lower sales. Campbell said she cannot answer that because it would be too hard to monitor.

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

Campbell added that as of this past March, 2012, the Liquor Store sales are up nineteen percent from last year. As of the first quarter, the store is up a total of twenty-four percent. The customer base is up twenty percent.

COMMUNITY READER BOARD IDEA DISCUSSION

Fuhrman and Frederick explained that recently, the School District and Chamber of Commerce started investigating the possibility of installing an electronic reader board sign that would advertise school and community events. City staff was then asked to participate in the preliminary discussions about the possibility of a joint venture between the City and School District.

The Princeton EDA has discussed a similar idea a few times at their meetings when brainstorming for ways to promote Princeton in general and advertise community events. In the EDA's discussions, a location along Highway 169 was mentioned as it would provide good visibility. Zimmerman recently installed a similar sign that was co-sponsored by the City and School District. The sign contains two display boards: one to advertise school events and one for city events. Also, a photo of the City of Big Lake's sign was included in the Council's packet showing the base made of rock, which the committee likes better.

The intersection of Northland Drive and Rum River Drive has been the favored location of the sign. The committee is leaning towards a two-part reader board. Sherburne County would need to be contacted because that area of Northland Drive is their right-of-way.

Walker said he really likes the idea as long as it isn't too painful financially.

Jackson asked if any cost estimates were received. Frederick said three different companies have been contacted, but one figure has not been narrowed down yet. Zimmerman's sign was \$30,000 after electricity and everything was installed.

Walker asked if the sign had a wireless modem. Frederick answered that it did. The school has a computer and so does the city to control the sign. The software comes with the whole thing and a policy is written up. For example, individual businesses are not allowed to advertise on the board. The benefits for the city would be Council and Board meetings or Splash Park ads or specials. The Chamber would advertise their events and the School Board would advertise their meetings and events as well.

The Mayor asked if it could be put by the Princeton sign, just southwest of the corner in question; that would all be city land. Frederick said speed is factored in and people drive faster by that area due to the on and off ramps. If speed is faster, a larger sign is needed and the price goes up.

Walker asked if the city is being compliant with our own sign ordinance, if it were to go on private property. Fuhrman said that an ordinance amendment would need to be done if the board is not installed on city or school property. Zimmerman's sign is on city owned property, so they had no problem there.

Riddle suggested hear the small Chamber building on Rum River as a location. Frederick said the committee had thought of that as well, but then a two-sided sign would be needed. Again, the cost rises in that situation.

Karnowski said that with a two-sided sign, people may be able to read the messages better though. With a two-paneled sign, drivers would be trying to read two different messages at once.

The Park Board is waiting for the different companies to come in and give a presentation.

Riddle also suggested the Clock Tower area in the North Mall. Dobson thought that a majority of traffic is generated at the stoplight off of Northland than there is at 1st Street and Rum River Drive.

Hallin said that she reads the bank sign all of the time.

Riddle also suggested the Liquor Store lot as a possible location. The committee had discussed this as well, but the School District likes the idea of the sign being closer to the schools.

Karnowski suggested contacting the County Engineer to get a traffic study done at the different locations.

The Councilors all agreed that a community sign would be a positive thing for the community.

TEMPORARY SIGN FEE DISCUSSION

Fuhrman said that the City recently amended the Sign Ordinance in regards to temporary signage. The changes consisted of two parts:

- 1) Addition of regulations for Sandwich Board Signs. No permit or fee is required.
- 2) Addition of regulations for Temporary/Portable ground signs that advertise special events, business anniversaries, and other promotions. A temporary sign permit and \$20 fee per permit application is required. The regulations for "charitable nonprofit organization" signage are a little more lenient, but do still require a permit and fee.

City staff has been working to inform businesses and organizations of the new rules. Two specific concerns have been expressed: one being that the time allowed for the larger temporary signs was not long enough (4 permits per calendar year per property; allowed for 14 calendar days each time).

The other concern was raised by the Princeton Lion's organization in regards to the sign fee.

Staff inquired with the City Attorney in regards to waiving the permit fee for specific organizations. According to the City Attorney, the City can waive the fee for a permit if it does so by ordinance and expresses a valid reason for the policy. In this case, the rationale could be that charitable organizations provide services to members of the community without charging a fee to the user.

Dobson wondered if this could be considered on a case by case basis. Schieffer said then the Council would be making a decision not to charge a fee for whatever the individual says at that particular Council Meeting. It would be much better to have a standard for it, from a legal standpoint. A definition needs to be created. Schieffer concluded that it would be easier to define the exempt parties than do a case by case basis.

Dobson asked if the fee should go back through the Planning Commission because the ordinance started there. Fuhrman said that the ordinances of that nature start with the Planning Commission, but that fees generally stay within the City Council. Fuhrman added that when the topic was raised at the last Planning Commission meeting, there was not a lot of discussion.

Walker stated that a category would be reasonable; find a way to describe service organizations. Karnowski said he will find out what other cities do and what their exemptions are.

Dobson suggested that staff do some further checking and add the topic to another council agenda.

NON-POINT PHOSPHORUS PROJECT BID AWARD

Karnowski said that staff has met with the engineer and the apparent low bidder for the Non-Point Phosphorus Production Project and now feels comfortable recommending that the Council award the bid for the Stream bank Stabilization Project to Minnesota Native Landscapes, Inc for a total price of \$261,175.00, contingent upon USDA review and concurrence.

In fact, the contractors knew more than what staff has been trying to accomplish and even what was in the initial plans and specs. The contractors asked if they could change some of the specs because they had a different approach that would save money and save the natural habi-

tat. Rather than cut a slope, Minnesota Native Landscapes is proposing leaving the big oaks, and still create the area needed. The cost of moving trees and of moving the dirt will be saved. Karnowski concluded saying that he came away from the meeting with a real comfort level. This company knows what they are doing.

Hallin asked if WSB had looked at the new plan. Karnowski said that the engineering firm and Minnesota Native Landscapes, Inc will work together well.

DOBSON MOTIONED TO REMOVE THIS ITEM AS A TABLED ITEM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Hallin made sure that the permit would still be in effect even with the changes suggested by Minnesota Native Landscapes and Karnowski assured that it would. A permit is approved without the methodology being a factor, said Karnowski.

HALLIN MOTIONED TO APPROVE AWARDDING THE STREAMBANK STABILIZATION PROJECT TO MINNESOTA NATIVE LANDSCAPES, INC FOR A TOTAL PRICE OF \$261,175.00. WALKER SECONDED THE MOTION.

Karnowski added that a total of \$110,000 was saved. Because of a total amount needing to be spent before the grant dollars can even be accessed, staff, USDA and WSB are looking for ways additional work could be done that would fall under the treatment plant category. Karnowski suggested doing something with the Smith System Road Project as a WWTP qualifying expense.

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

CENTERPOINT ENERGY GRANT

Karnowski said that CenterPoint Energy is again offering 50 percent match grants to purchase fire safety equipment. Because of the grant situation, Council approval to submit a matching grant is requested.

WHITCOMB MOTIONED TO ACCEPT APPLYING FOR THE CENTERPOINT ENERGY 50/50 GRANT FOR FIRE SAFETY EQUIPMENT. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS:

HALLIN MOVED TO ADJOURN THE MEETING AT 5:20PM. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter
City Clerk

ATTEST:

Jeremy Riddle; Mayor