

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JUNE 23, 2011, 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 Paul Whitcomb, Victoria Hallin, Dick Dobson and Thom Walker. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Developer Carie Fuhrman, Police Chief Brian Payne, Public Works Director Bob Gerold and City Clerk Katie Hunter. Also present: City Attorneys Damien Toven and Dick Schieffer.

**CONSIDERATION OF STUDY SESSION MINUTES OF JUNE 2, 2011 AND THE
REGULAR MEETING MINUTES OF JUNE 9, 2011**

DOBSON MOVED TO APPROVE THE STUDY SESSION MINUTES OF JUNE 2, 2011 AND THE REGULAR MEETING MINUTES OF JUNE 9, 2011 AS WRITTEN. HALLIN SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

CONSENT AGENDA

- A. Permits and Licenses**
- B. Personnel**
- C. Donations/Designations**

There were no items under the Consent Agenda portion.

OPEN FORUM

CenterPoint Energy Grant Award

Melissa from CenterPoint Energy was at the meeting to present a one thousand dollar check to the Princeton Fire Department for a thermal imaging machine.

PUBLIC HEARINGS - no one was present for Public Hearings

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

- A. Draft Fire Advisory Board Minutes of June 7, 2011

The above minutes were reviewed by the City Council.

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. Report from the MN Hooved Animal Foundation

The Minnesota Hooved Animal Rescue Foundation is a non-profit organization out of Zimmerman that has been using the Princeton Civic Center for their annual garage sale for the past four years. The sale was last week, June 16-18. All proceeds from the sale go to benefit the Minnesota Hooved Animal Rescue, but the sale assists several local charities and individuals as well.

Karnowski said since the City Council has always given a break to the foundation for their use of the Civic Center and because so, Katie thought you might like to know how it benefits our community.

The eight local charities that benefited from this year's sale:

1. Civic Betterment
2. Santaville
3. Elim Home
4. Local Department of Veterans Affairs
5. Tiny Tims (helping HIV orphans)
6. Ruff Start Pet Rescue (a local gentleman who started a non-profit rescue organization in central Minnesota)
7. Trinity Lutheran
8. Pearl Crisis Center

In addition to these local charities, there were several individuals (i.e. homeless, jobless, or just had a baby) that came to the sale in need and the foundation told them to take all that they needed.

At the end of the sale, the Salvation Army came and filled their 30-foot trailer with the left over items.

Dobson added that the salvageable items from the sale went to the people affected from the tornado in St Paul.

B. Princeton American Legion Request for Grant Funding for Fireworks

Karnowski introduced Luther Dorr with the Princeton American Legion.

Luther said the Legion had requested \$1,500 last year as well of Princeton Wine and Spirits monies to go toward the Fireworks Display for the 4th of July. Last year, the council approved a 33 percent reduction at \$1,000.00 on July 1, 2010.

Luther went on to explain that this even has an impact on the community depending on how many people show up to the fireworks display; anywhere from 2000 to 4000 people.

Dobson added that each year at the fireworks a specific group of people is chosen and honored. People can register their names at the entrance and then those names are honored.

WHITCOMB MOTIONED TO APPROVE A \$1000 DONATION TO THE LEGION FOR THE FIREWORKS DISPLAY. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

C. Battens Fundraiser Request to Close Roadway

Karnowski explained that a request has been submitted from the Wempners to close 2nd Street to the Trinity Crossing parking lot. The Wempner's are renting the Trinity Crossing for their fundraiser event. Karnowski said Chief Payne had already been asked about the closing and has no problem with it.

HALLIN MOTIONED FOR 2ND STREET TO BE CLOSED ON SEPTEMBER 24, 2011 FOR THE BATTENS FALL FESTIVAL. WHITCOMB SECONDED THE MOTION.

Dobson asked the Wempners what the fundraiser for. Brandy Wempner said her son Benjamin died of Battens disease last year and this is on behalf of the Battens Disease Support and Research Association (BDSRA).

CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

D. Family Pathways Request to Keep Tent Set up

Karnowski said that the Family Pathways was issued a Fireworks Permit to sell in a tent outside of their building located at 605 South Rum River Drive. That permit expires just after the Fourth of July. Jim Miskowic with Family Pathways was present at the meeting to answer any questions about his request to keep the tent up for an additional four weeks.

Miskowic said they want to use the tent as a staging point for various fundraisers. Hallin asked if Family Pathways had a list of people wanting to use the tent. Miskowic said his only even planned at this time is the Car Show and Swap Meet the weekend of July 29, 2011.

Whitcomb asked if this will be a community service. Miskowic reassured that they will not be charging for use of the tent. In addition, Family Pathways will be in charge of monitoring the tent and how the users are behaving.

WALKER MOVED TO APPROVE THE REQUEST FOR FAMILY PATHWAYS TO KEEP THEIR TENT UP FOR AN ADDITIONAL FOUR WEEKS.

Walker added that he has no problem with the tent being up for an additional amount of time, but at some point, he would like to see a policy set into place. The policy would manage the size of the tent and the timeframe the tent could be left up, since it is a temporary structure on private property.

DOBSON SECONDED THE MOTION AND SAID HE AGREED WITH WALKER ON REGULATING SUCH REQUESTS FOR THE FUTURE. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Miskowic said he planned on checking with the Chamber of Commerce as to getting some businesses inside the tent.

E. Relief Association Fundraiser

Karnowski explained that the request before the council from the Princeton Relief Association for the fire dance the upcoming weekend at the county fairgrounds. The Relief Association is asking for a one hundred dollar donation to help fund door prizes for the event.

A donation was not made in 2010.

Chad Heitschmidt was present at the meeting. Whitcomb asked if the Fire Department would be willing to accept gift certificates as a donation. Heitschmidt said there would be no problem in accepting gift cards. Heitschmidt also mentioned the liquor store possibly having items to use as raffle gifts.

DOBSON MOTIONED TO DONATE TOWARD THE RELIEF ASSOCIATION'S FIREMEN'S

DANCE FROM THE PRINCETON WINE AND SPIRITS FUNDS IN CONJUNCTION WITH NANCY CAMPBELL; LIQUOR STORE MANAGER AND STEVE JACKSON; FINANCE DIRECTOR, TO FIGURE OUT EXACTLY WHAT CAN BE FURNISHED. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Side note: The following day, Campbell reported that a brand new bike had been delivered as a promotional item. Between Jackson, Campbell and Heitschmidt, they decided that would be a great fit to use as a raffle item.

ORDINANCES AND RESOLUTIONS

A. Ordinance 660 FOG Ordinance – Final Reading

Karnowski explained that the City Attorney had reviewed Ordinance 660 from the last meeting and has made changes just clearing up some titles.

WALKER MOTIONED TO APPROVE THE LANGUAGE OF ORDINANCE 660 FOG ORDINANCE. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

B. 2012 State Bonding Bill Resolution 11-29

Karnowski said that the resolution was revised with the date of 2012 instead of 2010.

For consideration, there has been conversation whether or not the number of three million three hundred and one dollars is the right number. The idea is to submit this and then we have five months to refine an idea and put in a final number together at the end.

WHITCOMB MOTIONED TO ACCEPT RESOLUTION 11-29 AS WRITTEN. HALLIN SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

UNFINISHED BUSINESS

A. WWTP Outfall

- 1. Bid tabulation results**
- 2. Resolution 11-28 for WWTP Outfall Bids**

Mike Nielson with WSB and Associates was present to discuss the Wastewater Treatment Facility Effluent Outfall. The following bids were received:

RL Larson Excavating, Inc	\$479,300.00
Minger Construction Co	\$546,708.75
J.R. Ferche, Inc	\$560,759.50
Geislinger & Sons	\$561,050.00
Redstone Construction Co	\$599,274.50
Douglas-Kerr Underground, LLC	\$612,583.60
S.R. Weidema, Inc	\$630,752.15
Burschville Construction	\$651,675.00
Engineer's Estimate:	\$644,720.00

On June 17, 2011, the bids were opened. It appears that RL Larson is the lowest bidder.

HALLIN MOTIONED TO ACCEPT RESOLUTION 11-28 ACCEPTING THE WASTEWATER TREATMENT PLANT EFFLUENT OUTFALL BID FROM R.L. LARSON EXCAVATING, INC OUT OF ST CLOUD, MN. WHITCOMB SECONDED THE MOTION. CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

NEW BUSINESS

A. Sherburne Mobile Home Park Septic System (Mike Wadsworth)

Nielson reminded the Council that Mike Wadsworth owns the mobile home park south of town and Wadsworth has received an order from the MPCA (Minnesota Pollution Control Agency) to replace the failing septic system. The City had previously requested to include the funding in the USDA (United States Development Authority) loan with the WWTP (Waste Water Treatment Plant). This request has been denied.

The suggestion from Nielson and Wadsworth was to include the sewer project with the bond sales for the Northland Drive/Old 18 project and assess the costs to the Sherburne County Mobile Home Park. The estimated cost for the project is \$591,250 and for the SAC (Sewer Access Charge) \$336,250 for a total of \$927,500.

Nielson introduced Mike Wadsworth to the Council who went on to request the following items:

- Lowering the SAC from \$4000 a unit to \$3000.
- Having the right to own the line.
- Choosing the contractor who will do the work.
- An additional \$80,000 financed to bring the piping from the property line to inside the park.

Wadsworth said he plans on adding about 50 more lots to make the current 100 lots increase to 150 lots. Wadsworth added that this would be a bridge financing for him until 2014, when the loan on this park has to be refinanced anyway.

Riddle asked Schieffer to correct him if he was wrong, but that the state would not allow for a public project to not go out for bids and for Wadsworth to pick the contractor. Schieffer said Riddle was correct and in addition, according to Statute 429 on Assessments, Schieffer was quite sure SAC cannot be included in the financing. For the city to help finance a project such as this would be risky because there would be difficulty in marketing the bonds and receiving a good rate on them.

Riddle added that if the lines were privately owned, the property could not be assessed. Neilson said that a Developer's Agreement could be drafted that would allow Wadsworth to be paid back if anyone in the future were to hook up to the lines.

Karnowski said that a Developer's Agreement such as Neilson has alluded to, was put together with Coborn's. Karnowski does agree that there are issues about this proposal, and that the city would have to get some sort of collateral if payments weren't made.

Dobson asked if the Developer's Agreement could stipulate that Wadsworth wouldn't be paid any assessments until his share of the bond was paid off with the city. Karnowski said it could be set up any way the council wants.

Hallin asked about the sunset date of June 15, 2011 listed in the memo from Neilson. Nielson said that although Wadsworth has some commitment to the Minnesota Pollution Control Agency (MPCA) to replace the system, there is still a month or more to work out details and hopefully still have the system constructed yet this year.

Dobson commented that he would be against lowering the SAC from \$4000 to \$300 because discounts have already been given and that a mobile home park produces more waste than a single family residential property. Nielson said that the SAC does not cover any other infrastructure costs, whether it's coming out of a mobile home park, a business, or a residential property doesn't matter.

Whitcomb said he has a problem with financing this project because then it would set a precedent for all future developers.

Nielson said that the council did not have to make a decision.

Walker asked if Wadsworth had investigated grant possibilities. Nielson said that he had looked into that, but nothing was available.

Karnowski said after talking with Brett Repulske just that day, that possibly USDA could fund the loan on its own, but not with Smith System or with the Waste Water Treatment Plant (WWTP) loans. It would take a while to push the loan through and all the same hoops would have to be jumped through. In addition, USDA is low on funds themselves and the project would have to compete with the rest of the state.

Hallin asked if applying for the loan through USDA would still be through the city. Nielson said that yes, the city would still apply for the loan and it could be anywhere in the \$10,000 range for the complicated application.

The City Council all concurred that they would really like to see the project be completed and they understand the importance of it.

WALKER MOVED TO TABLE THE ITEM. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

B. 2010 Audit – Representative from KDV

A representative from KDV, Steve Wishmann, was present at the meeting to present the findings of the 2010 City Audit. He explained that the assets of the City exceeded its liabilities at the close of the recent fiscal year by \$26,210,035 (net assets), an increase of \$550,804 from 2009.

The State Auditor asks for a fund balance as a percent of expenditures to be about 50 percent. The City of Princeton is at about 60 percent and this is a very reasonable balance. The city's revenue has declined slightly. The past four out of five of the years, the revenue has exceeded the expenditures.

The reason why the city's levy has increased is because the intergovernmental revenue declined \$140,000 from last year. As a result of that, tax levies were set to replace the revenue.

Capital outlay did increase a small amount; but stayed consistent.

Liquor sales increased in 2010.

The Sewer Fund also had a nice increase in revenues and operating income.

The main question would be how close the city came to budget. The city was \$25,000 over on a three million dollar budget, which is really good. This shows that the city has a very tight budget.

As for findings from the Audit Company, there were no material weaknesses. Each year, a significant deficiency shows up for lack of segregation of accounting duties. This is due to the limited staff that the city has. A control deficiency that came up this year was to monitor the liquor store inventory and to develop a plan for negative fund balances and for what the plans are for future revenues. Two of the legal compliance findings were park dedication fees and broker acknowledgment certification and both have been fixed.

Hallin commented that she read the literature from KDV cover to cover and found it very easy to understand. Dobson said the same. In addition, the Council thought the presentation was easy to understand.

Walker commented that the city has good staff; which always helps the budget.

C. Consideration for the hiring of Chris Klinghagen

Karnowski reminded the City Council that it was previously authorized for staff to advertise for a part-time position at the Waste Water Treatment Plant that was vacant since Mark Schneider's death in December of last year.

The City received approximately thirty five applications with some very qualified individuals. Of those applicants, Chris Klinghagen appeared to be the top candidate.

Chris is from the area and already has a Class "D" Wastewater and Water License. He has done internships at treatment facilities in Pequot Lakes and Brainerd.

Chris most recently has been working at various communities Waste Water Treatment Plant for Peoples Service Inc. performing the duties that are required at our facility.

It is the recommendation of staff to hire Mr. Klinghagen at \$14.68 per hour.

HALLIN MOTIONED TO APPROVE THE HIRING OF CHRIS KLINGHAGEN. DOBSON SECONDED THE MOTION. HE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

D. Seal Coat Bid authorization

Gerold reminded City Council that there are previously budgeted funds for sealcoating streets during 2011.

Staff is requesting permission to seek bids from firms able to do that work. Gerold went on to say he has contacted area townships to see if they want any work done on their streets and that can be added to the bids as was done successfully last year.

HALLIN MOTIONED TO AUTHORIZE STAFF TO ADVERTISE FOR THE 2011 SEALCOATING BIDS. WHITCOMB SECONDED THE MOTION. HE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

E. Northern Attitudes Street Closing Request

Karnowski said that Carol Dalske with Northern Attitudes Bar and Grill is having a car show on Saturday, July 16 from 12:00 noon to 5:00 pm. Dalske is requesting the street be closed for the event.

Payne commented that there is enough room for fire and police to get through if necessary.

WHITCOMB MOTIONED TO ACCEPT THE STREET CLOSURE FOR NORTHERN ATTITUDES BAR AND GRILL ON JULY 16, 2011 FOR THEIR CAR SHOW EVENT. HALLIN SECONDED THE MOTION. HE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

F. Council on Local Results – Resolution 11-30

Karnowski said that citizens like the city services they receive. The appropriation amount is only 14 cents per capita, which amounts to only about \$660 per year in both 2011 and 2012. Also, we do not yet know whether there will be levy limits imposed until the Governor and legislature agree on a budget deal. The only other advantage if the city were to participate and adopt the resolution, the city is exempt from levy limits. Mark suggested working with the Public Utilities Department in getting the surveys out.

Dobson said he liked surveying the constituents, but it seems to add more staff time.

The Council seemed to agree that the benefit would not outweigh the cost.

Karnowski suggested staff conducting their own survey.

The Resolution 11-30 was not accepted by the City Council.

MISCELLANEOUS

There were no miscellaneous items.

BILL LIST – \$222,235.26

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$91,459.54 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 64372 TO 64440 FOR A TOTAL OF \$130,775.72. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS:

WHITCOMB MOVED TO ADJOURN THE MEETING AT 8:17 PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter
City Clerk

ATTEST:

Jeremy Riddle, Mayor