

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JULY 28, 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 Victoria Hallin, Dick Dobson, and Thom Walker. Councilor Paul Whitcomb was absent. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Developer Carie Fuhrman, Public Works Director Bob Gerold, Police Chief Brian Payne and City Clerk Katie Hunter. Also present: City Attorney Dick Schieffer.

The Mayor asked staff and council if there were any additions to the agenda. Karnowski informed the council that the location of the Grandpa's Dog House Transient Merchant Food License was updated as Family Pathway. Also, under Reports of Officers Boards, and Committees, the Park Board Minutes from July 25, 2011 were added. Under Petitions, Requests and Communications, a letter (B) was added for Family Pathways having a band from 12:00 PM to 4:00 PM on Saturday, July 30, 2011. Under Ordinances and Resolutions, Ordinance 667 and 668 have updated information.

CONSIDERATION OF STUDY SESSION MINUTES OF JULY 7, 2011 AND THE REGULAR MEETING MINUTES OF JULY 14, 2011

HALLIN MOVED TO APPROVE THE STUDY SESSION MINUTES OF JULY 7, 2011 AND THE REGULAR MEETING MINUTES OF JULY 14, 2011 AS WRITTEN. WALKER SECONDED THE MOTION.

Dobson commented that on the July 7 minutes, the Mayor is listed as calling the meeting to order, but not listed in the present individuals. Does that need to be done? Karnowski said that has always been our procedure to only have the Mayor listed as calling the meeting to order. There is no need to list him 'again' as present.

Hallin commented that on page 3 in the third paragraph of the July 14 minutes, 'Were there an out of town dog?' should read; 'what if there was an out of town dog?'.

CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

CONSENT AGENDA

A. Permits and Licenses

1. EXEMPT Trans Merch License for Family Pathways Youth Center – July 29-31 selling bottled water and pop between 11am-7pm
2. Grandpa's Dog House Transient Merchant Food License – Family Pathways Parking Lot on July 30-31 (hot dogs, gyros, waffles); contingent upon background check
3. EXEMPT Trans Merch License for selling hamburgers at Battens Fall Festival at Trinity Lutheran (council had approved road closing at June 23 meeting)
4. Christ Our Light Catholic Parish Temporary 3.2 Liquor License for Sept 18, 2011 – contingent upon background check approval)

B. Personnel

C. Donations/Designations

WALKER MOTIONED TO APPROVE THE CONSENT AGENDA. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

OPEN FORUM

A. Intern at Dove Fretland Law Office

Schieffer introduced Marie Vogt to the council. Vote is an intern at the Princeton Law office and working toward a Bachelor's Degree at Minnesota School of Business.

B. John K. Rose – 800 9th Avenue North

John Rose who resides at 800 9th Avenue North, was present at the meeting to follow up with his visit to a City Council Meeting back on May 26, 2011 regarding the abandoned home next door to him. Rose said he also has a comment for the Princeton Public Utilities.

Riddle said that Carie Fuhrman, the newly hired Community Developer and Zoning Director, had not started at the time Rose had appeared before the council back in May. Fuhrman gave Rose her card and said she would find out more about the issue and be in touch.

Dobson said that the PUC meets the fourth Wednesday of the month at 1:00 PM. Because Rose said he could not make that time during the day, Dobson and Rose exchanged information. Dobson is the PUC Liaison and will be in touch.

Karnowski added and apologized that he had started working on Rose's matter and because of his recent surgery and being out of the office; Karnowski had not been able to follow up on it recently.

PUBLIC HEARINGS – there were no Public Hearings.

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

A. Draft Visionary Committee Minutes of July 25, 2011

The above minutes were reviewed by the City Council with no comment.

B. Park Board

1. Request to Purchase Gift Card

Blake Broding, the Park and Recreation Advisory Board Chair, was present at the meeting to represent the Park Board. On Monday, the Park Board met and discussed purchasing a \$50.00 gift card for the camp hosts at Riverside Park Campground. Fred and Darlene Rittenour have done a spectacular job monitoring the campground. In the past, the city has had trouble with some of the camp hosts. Karnowski added that the city allows the hosts to stay at the campground for the summer as they monitor the park and the people coming in and out of the campground, since we do not employ a full time host.

Broding said the Rittenours have gone above and beyond by picking up brush and fallen branches after storms.

HALLIN MOTIONED TO ACCEPT THE PURCHASE OF A FIFTY DOLLAR GIFT CARD FOR FRANK AND DARLENE RITTENOUR, THE RIVERSIDE PARK CAMPGROUND HOSTS. DOBSON SECONDED THE MOTION.

Dobson added that the Park Board would like to purchase the gift card from a local area of business.

CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

2. July 25th Meeting Minutes

Dobson noted that at the July 25, 2011 meeting, the Park Board carried motion that they did not support the dog park permit or fee. Blake Broding stepped forward to comment that the Park Board believed the people that attend the dog park would take care of their own messes and police the park themselves. The board believes that if the city makes the use of the park too complex or a hindrance, then the park may not get used. The board does understand the other liabilities issues that are involved.

Riddle is quite content with the honor system and giving it a trial run and to see how it goes. Broding said if any issues come up, then the city can address them at that time. Hallin told Broding and the Park Board to let the City Council know what their needs may be.

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. Chamber of Commerce Chili Fest Street Closure Request

The Chamber of Commerce had submitted a request to close Rum River Drive between 1st Street and 2nd Street South for the date of September 24, 2011 between the hours of 11:00 AM And 5:00 PM. Resolution #11-38 outlines the request. Because this is a County Road, the resolution will be considered by the council and sent on to Mille Lacs County for their final approval.

Hallin – proper signatures

HALLIN MOTIONED TO ACCEPT RESOLUTION 11-38 CLOSING RUM RIVER DRIVE FOR THE CHAMBER OF COMMERCE'S CHILI FESTIVAL IN SEPTEMBER.

Dobson asked if Chief Payne had any comments. Payne said that this is no different than the block party that will take place the coming weekend. The officers patrol the area a heavier than usual. Payne added that this is a safe area for people taking place in the activities to be and no problem is foreseen, as long as businesses in area are okay with it.

Signs that read, "No Parking" will be requested by the Police Department from the Public Works Department.

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

B. Family Pathways Band

Hunter explained that the Family Pathways is having a Car Show event in their parking lot this coming weekend. There will also be food stands at the event. The non-profit organization is requesting a band for about four hours in the late afternoon, 1:00 PM to 4:00 PM.

Walker said that he is more and more impressed with Family Pathways, and is even pleasantly surprised with how they have been a good influence on the community. Hallin said

she has stopped in many times and offered her assistance, and the organization is definitely trying their hardest.

The City Council had no problems with the band at the Car Show on Saturday, July 30, 2011.

ORDINANCES AND RESOLUTIONS

A. Ordinances 667 Electrical and 668 Plumbing

Karnowski explained that there were three different versions of Section 7 which regulates the enforcement and suspension of the ordinances. The version preferred by the City Attorney is outlined below. (Riddle noted that the words "suspended" and "reinstated" should be flip flopped in Section 7, which is corrected and underlined below:

***Enforcement and Suspension.** Enforcement of this ordinance by the City shall be suspended upon a finding by the City Administrator that neither the Minnesota Department of Labor and Industry, nor any other State Agency, is able to provide inspection and permitting of electrical installations as required by this ordinance, and enforcement of this ordinance by the City shall be reinstated upon a finding by the City Administrator that the Minnesota Department of Labor and Industry, or any other State Agency, is able to provide inspection and permitting of electrical installations as required by this ordinance.*

With this version, the city could take over inspection if for any reason the state was unable to perform the inspections. If the State of Minnesota continues to perform the inspections, the ordinance would maintain suspension.

Hallin asked what would be filled in the blanks in the copies of the ordinances they received. Karnowski explained that the section number of the city code would be filled in the blank.

HALLIN MOTIONED TO ACCEPT ORDINANCE 667, ELECTRICAL INSPECTIONS, WITH PROPER CITY CODE INSERTION AND THE REVERSAL OF THE TWO WORDS MENTIONED ABOVE. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

DOBSON MOTIONED TO APPROVE ORDINANCE 668, PLUMBING INSPECTIONS, WITH THE SAME CORRECTIONS. HALLIN SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

UNFINISHED BUSINESS

A. Lakes and Pines Contract Regarding Small Cities

Karnowski noted that Dana Johnson from Lakes and Pines was present in the audience. Johnson, Fuhrman and Jackson have all gone through the list of conditions listed in the contract for administration of the Small Cities Development Program between the City and Lakes and Pines. All parties agree that they have a much better understanding of who is going to do what. In fact, Karnowski added that it is quite favorable to the city as a greater number of the items will be Lakes and Pine's responsibility.

Dobson noted that Lakes and Pines has done an outstanding job in assisting the city in

the past.

HALLIN MOTIONED TO APPROVE THE CONTRACT AGREEMENT FOR ADMINISTRATION OF THE SMALL CITIES DEVELOPMENT PROGRAM BY AND BETWEEN PRINCETON, MINNESOTA AND LAKES AND PINES, C.A.C., INC. OF MORA, MINNESOTA. DOBSON SECONDED THE MOTION. CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

B. School District's Request to Reinstate the School Liaison Contract

Karnowski reminded the Council that at the June 2nd Study Session, the Council reviewed a request from the School District to reinstate the Middle school liaison officer position that was cancelled by the District at the end of the 2009-10 school year.

At that time, the Council agreed to the District's proposed 50/50 cost sharing split rather than the newer 75-25 cost splitting contract. The Council did request that language be added that would require the District to reimburse 50% of the unemployment benefit costs should the district again cancel the contract in the future. I've discussed the addition of the language the Council requested and have been advised that the District is not amenable to that additional language.

The history of the issue is outlined below as noted in the memo from Administrator Mark Karnowski:

History: *Several years ago City and School District agreed to a school liaison officer contract that featured a 50/50 cost split with an understanding that the city had the ability to pull the officer out of the building if we needed the officer to cover a shift.*

The City hired an additional officer to fill that position using a "cops grant". In addition, the apparent rationale for offering the 50/50 sweetheart deal was that a portion of the city's share was covered by the cops grant for a few years and the department was spending a lot of uncompensated time at the school anyway responding to calls.

After the cops grant expired, the 50/50 cost split continued even though the cost split did not accurately reflect the shared benefit. The city did renew the contract, but did not modify the terms when the cops grant expired.

The District discontinued that liaison position for the 2009-10 school year and the city absorbed the additional costs and kept that officer employed through today. The rationale for not terminating the officer when the contract was cancelled was that the city had other officers who were on leave and it was more cost effective to keep the officer than pay overtime to other officers.

In approximately 2004, the District requested a second liaison officer and a different contract was negotiated that more accurately reflected the actual cost/benefit split. That contract required a 75/25 cost split and the officer was dedicated to the school's use and could not be pulled out except in extreme emergencies. The city hired an additional officer to fill that position.

Earlier this year the District advised the city that they wanted to reinstate the first liaison officer position and advised that, because of the limited state funding source, they could only afford to do so if the city agreed to the same 50/50 deal as opposed to the later 75/25 contract.

While City Staff is sensitive to the School District's funding restrictions, Staff is even more sensitive to the city's financial situation. The city staff's position is that it is not unreasonable that any termination costs should be shared as would any other employment cost.

City staff believes the Council's willingness to continue the 50/50 contract instead of the more current 75/25 cost splitting contract is a significant concession that is, apparently, unappreciated by the District.

Staff suggests that the City Council approve a new 50/50 contract with the separation cost sharing language (see draft language below) and forward a signed copy to the District for their consideration.

"In the event that the School District cancels this liaison contract and, within 90 days of the end of the contract, the City subsequently terminates a police officer position in direct response to that contract cancellation, then the district shall reimburse the city for fifty percent (50%) of the cost of any unemployment benefit costs actually paid by the city."

The District feels that because the School Liaison would not be a district employee, it would not be appropriate to pay separation costs for a non employee.

Karnowski went on to add that from a staff perspective, if the District decided to cancel the contract at a later date, the separation costs would be borne by the citizens of Princeton.

Because the original contract was drafted and approved before Karnowski's time, after discussion with Jackson, originally, the timing was when the cops grant program was in full effect and the city was reimbursed for hiring a new officer. When the contract was redone in 2004, the city decided not to increase the cost for that particular position. Why the city ended up with a 50/50 cost rather than a 75/25 cost may be because the City Council at that time was generous as to the 50/50 cost.

Karnowski said that the City Council could either tell the School District that they are not interested or, agree to their terms and go with contract in the packet.

Riddle asked if a multi-year contract could be done. Payne spoke up saying that he has spoken with Rick Laehn, the School District's Superintendent, and they were trying to construct a way to ease the worries that the District would not cancel the contract in the future like they did recently. Payne said he would like to see the City Council try something with the District, even at the 50/50 cost; the city receives a large benefit. Because, part of the contract was that the school officer could be pulled from the school when needed on the street or if a daytime officer was sick or on holidays.

Riddle reiterated that the council would like to see what type of guarantee the District would be willing to put forth. The City Council concurred that they would not like to get stuck with paying for a full time officer if the District ever canceled again.

Walker suggested setting up a multiyear contract with a possible escrow account to carry some of the costs and if the officer position is never canceled, the District can have the money back in three years.

Karnowski stated that a private business must pay unemployment costs on a regular ba-

sis. A government entity, on the other hand, does not pay unemployment costs on a regular basis but is billed by the State if a terminated employee qualifies for unemployment. Karnowski said he had thought similar to Walker where perhaps a separate escrow account could be set up. But, in the District's defense, they may not want to pay that money on a monthly basis knowing it may never get spent. Riddle suggested that maybe it would be easier for the District this way, as far as how their levy is set up.

Riddle said he would really like to work it out with the School District. Dobson said he very much likes the idea of having an officer in the school. The students get to know the officers, so it is a benefit to all.

Karnowski said he would drop the ideas on the School District to see what their thoughts are.

NEW BUSINESS

A. Department of Natural Resources (DNR) Airport Space Contract

Karnowski gave details about how several years ago; the DNR started locating grass fire fighting aircraft at the Princeton Airport each spring. More recently, they have requested that the city and the Department of Natural Resources (DNR) enter into a contract specifying their use and the responsibility of both the city and the DNR.

The DNR keeps a mobile home across from the A/D building that they use to house their pilots during the spring.

Fire Chief Roxbury had advised that having the DNR aircraft at our airport is a huge benefit to the city and the area our Fire Department serves. The aircraft can provide services that the Princeton Fire Department would not have readily available.

The proposed contract is for four more years and would expire at the end of 2015. The staff recommendation is to approve the contract pending review by the City Attorney.

WALKER MOTIONED TO DIRECT THE MAYOR AND CITY CLERK TO SIGN THE NO COST ARRANGEMENT WITH THE DEPARTMENT OF NATURAL RESOURCES. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

B. Sterling Pointe Conditional Use Permit

Fuhrman updated the council that the Sterling Pointe Senior Living, LLC had submitted an application for a conditional use permit in order to operate a mixed use health care living facility, including both residential and commercial uses in a cohesive development pattern, which includes a drug/convenience store, religious facility (chapel), beauty salon/barber shop, coffee shop, and food service kitchen and dining room. The property is located at 1250 Northland Drive and zoned MOR, Medical Office Residential, District.

The Planning Commission met and held a public hearing on Monday, July 18, 2011 and approved the conditional use permit for Sterling Pointe Senior Living.

C. 2011 Seal Coat Bids

Karnowski clarified that the city advertised for sealcoat bids which were opened Friday, July 22, 2011. Approximately 130,000 square yards of road surface will be seal coated. The following are the bids the city received:

PROPOSED BIDDER	Unit Price/Yd²
PEARSON BROS Hanover, MN	\$0.99
ASTECH Corp. St. Cloud, MN	\$1.04
Allied Blacktop Co. Maple Grove, MN	\$1.02

\$130,000.00 is budgeted for 2011 sealcoating.

Staff is suggesting the low bid from Pearson Brothers Inc. be awarded.

Dobson asked if any of the surrounding government agencies are included in this year's sealcoating. Gerold said there was no interest.

HALLIN MOTIONED TO ACCEPT THE BID OF \$0.99 PER UNIT SQUARE YARD FROM PEARSON BROTHERS OUT OF HANOVER, MINNESOTA. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

D. Princeton Land Investment Property (Jim Saxon) Rural Taxing District Res 11-36

Fuhrman reminded the council that on March 10, 2011, the City Council adopted Ordinance #659, establishing Urban and Rural Taxing Districts within the corporate limits of the City of Princeton. The ordinance was established for the purpose of allocating municipal property tax burdens to reflect the lesser municipal service benefits received in the Rural Service District. Essentially, the Rural Taxing District creates a lower tax rate area for certain parcels within the city limits to reflect the lesser municipal service benefits received in some areas. The ordinance also establishes criteria by which some property within the city may qualify for a property tax reduction.

According to the ordinance, a property owner must apply, and the City Council will make a determination regarding whether individual lots meet the criteria or not. Jim Saxon, on behalf of Princeton Land Investment, LLC, has submitted an application to include four (4) parcels within the Rural Taxing District: Property ID numbers 24-031-0010, 24-031-0020, 24-031-0030, and 24-031-0050. The attached map indicates the location of the parcels.

The following is the criteria established to determine whether or not a lot qualifies for the Rural Service District:

- Is currently unplatted
- Contains more than 2.5 acres
- Lies within the corporate limits of the City of Princeton
- Either abuts the municipal boundary on at least one side, or has been annexed into the City less than ten years prior to the date of filing an application
- Does not have reasonably convenient access to municipal sewer and water
- Either unimproved or is used or improved for rural residential or agricultural purposes

only

- Does not benefit from a substantial number of municipal services provided by the City
- Does not contain property located within a Job Z zone
- Does not currently include property with a "Green Acres" property tax classification

Staff has reviewed the four parcels and verified that each complies with the above-stated criteria and would recommend the City Council adopt Resolution 11-36.

WALKER MOTIONED TO ACCEPT RESOLUTION 11-36 APPROVING THE PLACEMENT OF PROPERTY ID #S 24-031-0010, 24-031-0020, 24-031-0030, 24-031-0050 INTO THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON, MINNESOTA. HALLIN SECONDED THE MOTION.

E. Barry Hatch Property in the Rural Taxing District Application Resolution 11-37

Howard and Norma Hatch have also submitted an application to include Property ID # 90-004-4200 in the Rural Taxing District. The attached map indicates the location of the subject parcel.

According to the criteria listed for Princeton Land Investments above, staff has reviewed the parcel and verified that it meets the criteria. Staff would recommend the City Council adopt Resolution 11-37, approving the placement of Property ID # 90-004-4200 into the Rural Taxing District within the City of Princeton, Minnesota.

HALLIN MOTIONED TO ACCEPT RESOLUTION 11-37 APPROVING THE PLACEMENT OF PROPERTY ID # 90-004-4200, INTO THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON, MINNESOTA. DOBSON SECONDED THE MOTION.

MISCELLANEOUS - none

BILL LIST – \$330,733.21

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$123,077.98 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 64566 TO 64617 FOR A TOTAL OF \$207,655.23. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS:

DOBSON MOVED TO ADJOURN THE MEETING AT 7:46 PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter
City Clerk

ATTEST:

Jeremy Riddle, Mayor