

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
AUGUST 11, 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 Dick Dobson, Victoria Hallin, Thom Walker, and Paul Whitcomb. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Police Chief Brian Payne, Public Works Director Bob Gerold, Community Developer Carie Fuhrman, City Engineer Mike Nielson, and City Clerk Katie Hunter. Also present: City Attorneys Damien Toven and Dick Schieffer.

AGENDA ADDITIONS/DELETIONS

The Council added under Permits and Licenses under Consent Agenda, the following item (A):

Vendor/Food Permit License for Brad Hatch for sale of a Pig Roast at Mark Park on Saturday, September 10, 2011 at a Baseball Tournament

In addition, the Council added under Ordinances and Resolutions, (F), the Rick Johnson Rural Taxing District Application;

F. Rick Johnson RTD Application

1. Memo
2. Updated Map
3. UPDATED Resolution 11-46 concerning parcel #0403
4. Resolution 11-48 concerning parcel #0010
5. Resolution 11-49 concerning parcel #0020

City Engineer Mike Nielson requested to add under Unfinished Business the rescheduling of a public hearing for Northland Drive.

CONSIDERATION OF MINUTES OF THE REGULAR MEETING OF JULY 28, 2011

HALLIN MOVED TO APPROVE THE REGULAR MEETING MINUTES OF JULY 28, 2011. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

CONSENT AGENDA

4. Consent Agenda

A. Permits and Licenses:

1. Vendor/Food Permit License for Brad Hatch for sale of a Pig Roast at Mark Park on Saturday, September 10, 2011 at a Baseball Tournament

B. Personnel - none

C. Donations/Designations - none

D. Ordinances

1. Ordinance 669 Sewer Rate Change

WHITCOMB MOVED TO APPROVE THE CONSENT AGENDA. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

OPEN FORUM No one was present for the Open Forum.

PUBLIC HEARINGS No Public Hearings were set for this meeting.

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

- A. Princeton Area Visionary Committee Minutes of July 11, 2011
- B. EDA Minutes of July 21, 2011
- C. Planning Commission Board Minutes held July 18, 2011

The above minutes were reviewed by City Council with no comments or concerns.

PETITIONS, REQUESTS, AND COMMUNICATIONS - none

ORDINANCES AND RESOLUTIONS

A. Res 11-40 Wayne Pike Rural Taxing District (RTD) Application – Parcel 24-029-1300

Fuhrman explained that Wayne and Merridy Pike had submitted an application to include their parcel 24-029-1300 within the Rural Taxing District. The property is located on the North end of the city.

Staff reviewed the parcel and verified that it complies with the criteria required.

HALLIN MOTIONED TO ADOPT RESOLUTION 11-40 INCLUDING PID 24-029-1300, WAYNE AND MERRIDY PIKE PROPERTY, INTO THE RURAL TAXING DISTRICT OF THE CITY OF PRINCETON, MINNESOTA. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

B. Resolution 11-41 Greg Anderson RTD Application – Parcel 24-031-0040

Fuhrman said that Greg and Tammy Anderson had also submitted an application to include their parcel 24-031-0040 within the Rural Taxing District. The Anderson property is located on the North West side of town.

Staff has reviewed the parcel and verified that it complies with the criteria.

HALLIN MOTIONED TO ADOPT RESOLUTION 11-41, APPROVING THE PLACEMENT OF PID 24-031-0040, GREG AND TAMMY ANDERSON'S PROPERTY, INTO THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON, MINNESOTA. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

C. Resolution 11-42 Hammer RTD Application – Parcel 90-004-3325

Fuhrman explained that Jeffrey & Lynda Hammer submitted an application to include PID 90-004-3325 within the Rural Taxing District. This property is in the southern portion of the city near the Waste Water Treatment Plant.

Fuhrman said because the lot does appear to have reasonably convenient access to municipal sewer and water. The parcel does not appear to meet the criteria established in Ordinance #659. Verification was received by the Public Works Director, and access to municipal sewer and water is located directly to the southeast of the subject parcel.

Therefore, staff would recommend the City Council adopt Resolution 11-42, denying the application to designate PID 90-004-3325 into the Rural Taxing District within the City of Princeton, Minnesota.

HALLIN MOVED TO ADOPT RESOLUTION 11-42 DENYING THE APPLICATION TO DESIGNATE PID 90-004-3325 INTO THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON, MINNESOTA. WHITCOMB SECONDED THE RESOLUTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

D. Resolution 11-44 Crystal RTD Application – Parcel 90-004-2306

Fuhrman said that Crystal Cabinet Works, Inc. submitted an application to include PID 90-004-2306 within the Rural Taxing District.

This property does not contain more than 2.5 acres and has convenient access to municipal sewer and water, which does not meet the criteria established in Ordinance #659. The water and sewer are located to east of property.

HALLIN MOTIONED TO ADOPT RESOLUTION 11-44 DENYING THE APPLICATION TO DESIGNATE PID 90-004-2306 FOR INCLUSION IN THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON. DOBSON SECONDED THE MOTION.

Riddle asked if that property was buildable. Fuhrman said the lot most likely does not meet the width requirements, but she would have to double check.

Walker said he hates to continue the issue, but he could see why the property owners would apply since the lot may not be buildable. Should the criteria be modified? Riddle said if the criteria are changed, the Crystal Cabinet Works can reapply.

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

E. Resolution 11-45 Crystal RTD Application – Parcel 90-004-2302

Fuhrman said that Crystal Cabinet Works, Inc. submitted an application to include PID 90-004-2302 within the Rural Taxing District as well.

The lot does not abut the municipal boundary on at least one side; nor has it been annexed into the City less than ten years prior to the filing date; and it does appear to have reasonably convenient access to municipal sewer and water; therefore it does not appear to meet the criteria established by Ordinance #659.

HALLIN MOTIONED TO ADOPT RESOLUTION 11-45 DENYING THE APPLICATION TO DESIGNATE PID 90-004-2302 FOR INCLUSION IN THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

F. Rick Johnson RTD Application – Parcels 24-029-0403, 24-919-0010, and 24-919-0020

Resolution 11-46 - Parcel 24-029-0403

Fuhrman explained that Richard and Patricia Johnson submitted applications to include three of their properties in the Rural Taxing District. The subject lot, PID 24-029-0403,

was reviewed by staff and verified that it does comply with the criteria set forth in Ordinance #659.

HALLIN MOTIONED TO ADOPT RESOLUTION 11-46 APPROVING THE PLACEMENT OF PID 24-029-0403 INTO THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON, MINNESOTA. WHITCOMB SECONDED THE MOTION.

Walker asked if the lot in question was platted. Fuhrman said that it was not.

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

Resolution 11-48 - Parcel 24-029-0010

Fuhrman went on to say that the next application from Richard and Patricia Johnson that was submitted for Parcel 24-029-0010 was reviewed by staff and does not appear to meet the criteria. The subject lot is platted as Outlot A, West River Run.

HALLIN MOTIONED TO ACCEPT RESOLUTION 11-48 DENYING THE APPLICATION TO DESIGNATE PID 24-919-0010 FOR INCLUSION IN THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON, MINNESOTA. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Resolution 11-49 - Parcel 24-029-0020

Fuhrman said Richard and Patricia Johnson submitted an application for PID 24-029-0020 along with the last noted application. Similar to PID 24-029-0010, this property too has been platted as Outlot B, West River Run, therefore not meeting the criteria established by Ordinance #659.

HALLIN MOTIONED TO ACCEPT RESOLUTION 11-49 DENYING THE APPLICATION TO DESIGNATE PID 24-919-0020 FOR INCLUSION IN THE RURAL TAXING DISTRICT WITHIN THE CITY OF PRINCETON, MINNESOTA. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

UNFINISHED BUSINESS

A. Consideration of WWTP Pay Estimates & Change Order

Karnowski explained that there are four separate documents for the Council's consideration that relate to the Wastewater Treatment Plant.

The first is Partial Pay Estimate #1 to Rice Lake Construction. It only includes payment for insurance, bonds and partial mobilization costs.

The second is Partial Pay Estimate #3 for Viet Construction and

The third is Partial Pay Estimate #4 (final) for Viet Construction and

The third is Change Order #2 (also for Viet Construction).

The last two relate to the cost of the pre-load

HALLIN MOTIONED TO PARTIAL PAYMENT TO RICE LAKE CONSTRUCTION GROUP IN THE AMOUNT OF \$166,012.50. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

DOBSON MOTIONED TO THE PAYMENT OF \$261,909.18 TO VEIT & COMPANY, INC. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

HALLIN MOTIONED TO APPROVE PARTIAL PAYMENT OF \$108,076.14 TO VEIT & COMPANY, INC. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

HALLIN MOTIONED TO ACCEPT THE DEDUCT OF \$5000.00 VEIT & COMPANY, INC. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

B. Rescheduling of the Public Hearing for Northland Drive

Nielson said that in February of 2010, a Public Hearing was held for the reconstruction of roadway of Northland Drive from the old railroad right-of-way past the Fairview Hospital. The City had delayed the project with hopes of receiving funding from USDA, but that is unlikely. The project can proceed with the sale of a bond. The Public Hearing will need to be held again to consider assessments for the project, perhaps for the date of September 8, 2011.

WALKER MOVED TO APPROVE CALLING FOR A PUBLIC HEARING ON THE NORTHLAND DRIVE RECONSTRUCTION FOR THURSDAY, SEPTEMBER 8, 2011 AT 7:00 PM IN THE CITY OF PRINCETON CITY COUNCIL CHAMBERS. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

NEW BUSINESS

A. Small Cities Development Program

Fuhrman said that in order to continue proceeding with the Small Cities Development Program (SCDP), Lakes & Pines has requested the City Council's input and formal actions on certain details of the SCDP project.

Funding Allocation

The city of Princeton partnered with the city of Milaca for the SCDP funding. Before property owners can begin applying for the SCDP funding, the cities of Princeton and Milaca need to come to an agreement on how the funding will be divided among the two communities as this was not decided prior to applying for the funding.

The following is a brief summary of the application and funding process, as indicated by Lakes & Pines:

- A direct mailing will be sent to those property owners who have shown an interest in the program;
- Lakes & Pines will publish information in the local newspaper after the mailing goes out;
- Applications will be accepted by Lakes & Pines and filed in the order of arrival;

- All required paperwork must be submitted;
- Qualification will be determined (Ex: income verified, demonstrate ownership, etc); and
- Approval granted and funding distributed.

Lakes & Pines has suggested the following options for dividing the money between the two communities:

1. First come, first serve – This would put the responsibility on the property owners, and the cities would not be involved in how much funding is allocated to each city.
2. Split the funding fifty-fifty between the two cities.
3. Fund five residential properties in each city, and the remaining two residential properties will go to the next eligible applicant, regardless of which city they are located in – AND– Fund three commercial properties in each city, and the remaining two commercial properties will go to the next eligible applicants, regardless of which city they are located in. (A total of twelve residential properties and eight commercial properties were approved to be rehabilitated).

Fuhrman said she spoke with the Milaca City Administrator today and their staff seemed to be in favor of option number three, but their council has not voted yet.

Hallin said she would be in support of either option two or three.

Walker asked if additional grant money would be awarded if the projects were ahead of schedule. Fuhrman said he was correct.

HALLIN MOTIONED TO APPROVE OPTION THREE FOR THE SPLIT OF THE FUNDS BETWEEN MILACA AND CITY OF PRINCETON. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

Specific Policies & Procedures

Fuhrman went on to say that Lakes & Pines has requested the City Council's input regarding the three policies for the SCDP so the Policies & Procedures Manual may be updated:

Fuhrman asked the City Council if the city wanted mobile homes/manufactured homes to be eligible for funding. The question is being raised because there are specific HUD Housing Quality Standards that must be met, which can make these projects more difficult. According to Lakes & Pines, typically these structures are eligible.

Whitcomb commented that he does not like the fact that the homes are just as they are called, "mobile", and could move right out of the city if needed. Dobson did not like the idea of mobile homes being included either.

Riddle asked what the difficulty would be to find out the reasoning that mobile homes are typically eligible. Fuhrman said she would have to do more checking, as she only knows that the standards that are already set by HUD may cause difficulty. In addition, the value of the loan cannot exceed the actual value of the home. But, Lakes and Pines has said that most communities do include mobile homes. Riddle asked if a certain percentage of the program could include mobile homes. Fuhrman thought that would be possible.

The City Council seemed to be divided on whether to include mobile homes in the Small Cities Development Program.

A member of the audience stated that if there are enough other eligible homes, then it would be easy to not include the mobile homes.

Riddles said that was true, but on the other hand, grant money goes where it's needed. Maybe a mobile home would have more of a need than a property that is worth more.

Whitcomb said he agreed with the Mayor, but at the same time, mobile homes are built cheaper and the mobile homes in town are older and it would be more expensive to fix them up.

Fuhrman said she will bring the Council's concerns back to Lakes and Pines. Either way, the Policies and Procedures manual will come back to the City Council for final approval.

Karnowski suggested during the first round, the City Council could exclude mobile homes in order to get the ball rolling more quickly. During the second round of funding, then at that time, the City Council could include mobile homes.

Walker commented that there are not that many mobile homes in the city at this time. On the other hand, the City Council would not like to see the Sherburne Trailer Park annexed into the city and immediately apply for grant money to hook up for sewer. Fuhrman said these funds are limited to structure projects such as new windows and roofs. Any sanitary sewer concerns are related to internal repairs only.

Fuhrman asked if the City Council would want the policy to read that the applicants must be current with their mortgages. This is to provide a safeguard so that funding is not used to rehabilitate properties that may be lost in the near future. The City Council concurred that they would want to verify this.

Lastly, Fuhrman asked if the Council would want to verify if applicants are current on their municipal bills. As a city-sponsored program, the city may want to make this verification.

Although Hallin immediately answered that yes, that would be a viable consideration, Dobson, suggested instead of making sure they're current, maybe include a clause such as 'they are in good standing with the PUC'. Dobson said he feels that if the resident has made an effort to make payments or to set up a payment plan, then they could given a chance.

B. Residential Anti-Displacement & Relocation Assistance Plan Resolution 11-47

Fuhrman said that one of the conditions of the Small Cities Development Program (SCDP) is that participating communities must have a *Residential Anti-Displacement and Relocation Assistance Plan* in place. Essentially, the Plan outlines measures to be taken by the City to minimize displacement and provide relocation assistance to any low-income person displaced by the demolition of any dwelling unit or the conversion of a low/moderate-income dwelling unit to another use. This would only apply when federal funds are used under the Housing and Community Development Act of 1974.

Lakes & Pines has provided city staff with a sample policy.

HALLIN MOTIONED TO ADOPT RESOLUTION 11-47 APPROVING THE ADOPTION OF THE RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

C. Public Property Vacation Policy Consideration

Karnowski stated that although the agenda says such, this policy has nothing to do with the recent Paul Snow application for vacating an alleyway. Some cities adopt a policy that sets out the criteria to be looked at when a vacating request is received for vacating a public street, an easement, right-of-way, or any type of vacating.

Karnowski said he checked with other cities in the United States and put together an example policy that is comprehensive. The policy also references some of the state law that is already in effect. For instance, as the policy states under III. Procedure letter (C), if a four-fifths (4/5) majority of the Council members approve the vacating, a resolution vacating the legal described property shall be adopted. Karnowski also turned the Council member's attention to number 5. which states that if a street, alley, public grounds, public way or any part thereof abuts upon public water, then the city shall notify the Department of Natural Resources to receive their comments.

The city attorney has looked at the policy and had a few modifications. Karnowski said that the policy was not intended to be adopted at this time, but if the council liked the concept, staff could take any comments into consideration and make changes.

Hallin commented that she was not in favor of the fact that only fifty percent of abutting land owners would need to sign petition, but it takes an eighty percent vote with the City Council for approval. Hallin would like to see those percentages equal.

Walker was concerned with vacating an easement or right-of-way that gave access to utilities.

Karnowski said Walker's concerns were accurate, especially in a recent case where years ago the city vacated an alley just north of 1st street. Now, PUC wants to upgrade the services in that neighborhood, and there is not enough room to bury the lines. Staff is speaking with the property owners to gain an additional seven feet off of the easement to upgrade the services, but usually they wish to be compensated.

Dobson said that on the north end of town, there are a lot of alleys, but people have "grandfathered in" with garages. In fact, Dobson's property itself had a vacation done. In some ways, Dobson feels vacating public land would benefit the property owner.

Karnowski said this policy was just a list to refer to and would not constitute a law in any way. The City Council would still have to approve or reject each vacating request individually. Karnowski said he would bring the policy back to City Council with some alterations and obtain their opinions at that time.

Walker said he liked the policy as written. The policy makes it difficult to vacate easements of whatever kind.

D. Garage Door Repair for Public Works

Gerold explained that the garage door at the Public Works shop is in need of repair. There is \$15,000.00 in the Capital Improvement Fund for the repair.

Gerold said the current doors are deteriorating on the bottom panels. The garage doors will not be replaced, but fixed.

Gerold said he has obtained a bid from a vendor out of St. Cloud. He is also acquiring one more quote for comparison.

BILL LIST – \$817,200.13

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$89,046.07 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 64621 TO 64702 FOR A TOTAL OF \$718,154.06. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

ADJOURNMENT

There being no further business:

HALLIN MOVED TO ADJOURN THE MEETING AT 7:38 PM. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter
City Clerk

ATTEST:

Jeremy Riddle, Mayor