

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON  
AUGUST 23, 2012, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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Mayor Jeremy Riddle called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Thom Walker, Paul Whitcomb, Victoria Hallin and Dick Dobson. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Police Chief Brian Payne, Public Works Director Bob Gerold, Community Developer Carie Fuhrman and City Clerk Katie Hunter. Also present: City Attorneys Damien Toven and Dick Schieffer.

**AGENDA ADDITIONS/DELETIONS**

The Council agreed to add the following under Unfinished Business:

- C. Partial Payment Estimate #14 to Rice Lake Construction
- D. Airport Improvement Update

The following was also added under New Business:

- B. Reschedule September Study Session
- C. Partial Payment Estimate #1 to MN Native Landscapes

Councilor Dick Dobson said he wished to give an update regarding the last PUC meeting.

**CONSIDERATION OF MINUTES OF THE REGULAR MEETING OF AUGUST 9, 2012**

WHITCOMB MOVED TO APPROVE THE REGULAR MEETING MINUTES OF AUGUST 9, 2012. HALLIN SECONDED THE MOTION.

The Mayor pointed out one small correction in the minutes on page 2. SEH Engineering Firm was auto corrected to SHE.

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

**CONSENT AGENDA**

**A. Permits and Licenses**

- a. Princeton Jaycees to conduct charitable gambling (Pull-Tabs, BINGO) at Madre Loca

HALLIN MOVED TO APPROVE THE CONSENT AGENDA. DOBSON 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

**REPORTS OF OFFICERS, BOARDS, AND COMMITTEES**

- A. Draft Airport Board Minutes of August 6, 2012
- B. Princeton Area Visionary Committee Minutes of July 23, 2012
- C. Draft Fire Board Minutes of August 7, 2012

E. EDA – *Verbal from Community Developer Carie Fuhrman*

1. Purchase of Bergstrom Property with NSP Funds

The EDA is moving forward with purchasing the Bergstrom property with NSP funding at 809 9<sup>th</sup> Avenue North. There is asbestos in the home and needs to be removed before the house can be demolished. The plan is to sell it to Habitat for Humanity to build another home on.

**PETITIONS, REQUESTS, AND COMMUNICATIONS** - none

**ORDINANCES AND RESOLUTIONS**

**A. Ordinance 687, Allowing Auction Business as a CUP in the MN-1 and MN-2 Districts**

Fuhrman said that the existing Zoning Ordinance does not address auction businesses in any of the Zoning Districts. Staff has been discussing this and feels it would be appropriate to bring this forward as a potential Ordinance amendment to accommodate auction businesses as a CUP in the Industrial Districts.

The Zoning Ordinance does not outline specific factors upon which a proposed amendment should be considered; therefore, staff is providing the following factors, which are common review standards from other ordinances:

1. The proposed action has been considered in relation to the specific policies and provisions of and has been found to be consistent with the official city comprehensive plan.
2. The proposed use is or will be compatible with present and future land uses of the area.
3. The proposed use conforms to all performance standards contained in this code.
4. The proposed use can be accommodated with existing public services and will not overburden the city's service capacity.
5. Traffic generation by the proposed use is within capabilities of streets serving the property.

Fuhrman went on to add that the proposed language would list Auction businesses (indoor or outdoor) as a conditional use permit in both the MN-1 and MN-2 Districts, provided that:

- (a) A principal building shall be located on the property.
- (b) An adequate paved parking area shall be provided according to the Zoning Code provisions to accommodate the building size and use and identified upon an approved site plan.
- (c) Outdoor storage areas for auction merchandise and parking areas for auction attendees shall be clearly identified upon an approved site plan.
- i. Where measures are planned to control dust and drainage and approved by the City Engineer, such parking and storage areas may be surfaced with rock, gravel or other pervious material approved by the city engineer.
- (d) Access to and from the property shall be addressed on the site plan and in a written statement.
- (e) Adequate area shall be provided for the loading and unloading of auction merchandise.
- (f) Screening measures shall be provided to address nuisance problems, such as noise

and dust, if determined necessary by the Planning Commission.

The above conditions are meant to address overriding concerns. Because of the following factors, staff is recommending that the parking areas for auction attendees and the outdoor storage areas for auction merchandise not be required to be hard surfaced:

1. The large equipment auctions can encompass large areas of land, and adding that much impervious surface is impractical.
2. The expected vehicle count at auctions is very unpredictable.
3. The outdoor storage areas for auction merchandise would be temporary.
4. Some of the potential auction merchandise equipment is constructed with heavy steel, and the durability of the surface of the storage area would be a concern.

When reviewing each specific conditional use permit request, the City may choose to add other specific conditions to the approval, such as:

- No vehicles to be auctioned.
- Limit the number of auctions per year or to a certain number of days per year.
- Limit the time the auction merchandise can be stored on site (ex: the merchandise to be sold can be dropped off one month prior to the auction and must be removed within one week from the end of the auction sale).

The Planning Commission held a public hearing on Monday, August 20<sup>th</sup> and recommended approval of the attached Ordinance.

HALLIN MOTIONED TO INTRODUCE THE FIRST READING OF THE ATTACHED ORDINANCE #689, WHICH ADDS AUCTION BUSINESSES AS A CONDITIONAL USE PERMIT IN THE MN-1 AND MN-2 ZONING DISTRICTS. DOBSON SECONDED THE MOTION.

Walker commented that the City of Cambridge's fairgrounds has an auction site that seems to work well. There is adequate space to conduct the auction. Walker suggested including the Agricultural Zone as well to allow for similar arrangements.

Walker said the one in Cambridge is weekly auction.

Fuhrman said language could certainly be added to include Princeton's fairground site and all Agricultural Zones.

Riddle asked if the language included one-time auctions being held at non-auction business sites, similar to residential location.

Karnowski said that staff could research this further to add any wanted verbiage.

Another idea the council suggested was having the Garage Sale Ordinance to include auctions. Dobson said if it defined Estate Sales, this may be a place to include auctions. Walker said an auction is a lot closer to a garage sale than running a business.

Fuhrman concluded by saying that staff will look into the suggestions further.

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

## **UNFINISHED BUSINESS**

### **A. Crosswind Runway Update**

Karnowski explained that at the Council's June 4<sup>th</sup> Study Session, the Council met with the Airport Board. One of the items discussed at length was the impact of the proposed construction of an extension of 21<sup>st</sup> Avenue on the proposed crosswind runway.

At that meeting, SEH Aeronautic Engineer Kaci Nowicki, indicated that, based on the data available, it wasn't clear whether the wind direction levels required for FAA funding for a crosswind could be met.

Nowicki has further studied the situation and produced the attached memo that indicates that construction of a crosswind runway would not produce the additional landings and takeoffs that are required for FAA grant funding.

Nowicki notes that her findings are based on the best information available at this point.

To sum up, the cost to construct a crosswind runway would have to be totally a local effort. That includes the cost of obtaining the necessary additional land that would be required for the crosswind.

Again the estimated costs for the Crosswind Runway would include:

1. Phase I Environmental Assessment	\$	80,000
2. Phase II Environmental Assessment		80,000
3. Crosswind Runway Easements		450,000
4. Crosswind Runway Land Acquisition		500,000
5. Crosswind Runway construction (turf runway)		<u>1,700,000</u>
	Total:	\$2,810,000

It should also be noted that the CIP suggests that the Airport Layout Plan (ALP) be revised in 2013. Sometime between now and then, it may be appropriate for the Council to decide whether to keep the crosswind on the ALP or remove it to clear the way for the extension of 21<sup>st</sup> Avenue and the possible development of the remaining land in Meadowview Estates as well as land located east of Aero Business Park, not to mention land to the southwest of the airport.

Karnowski concluded by saying that the Airport Board had not yet had a chance to discuss this issue.

### **B. Finance Second Quarter Update**

Jackson reported that the Second Quarter updated summarized the transactions for the three major funds for the second quarter of 2012.

The first page represents all of the financial transactions for the General Fund. The total revenue YTD actual is just under 17% of budget which is the norm for the anticipated revenue stream for the City as can be seen by comparing to the prior two years. The majority of the property tax settlements from the county and the state aids are not received until July. In terms of revenue compared to budget, you will note that licenses and permits are greater than expected. This is primarily due to building permits and specifically the Wal-Mart permit. You will note that YTD expenditures are just over 37%, which is well below the expected 50% of budget. However, expenditures still exceed revenues by over \$685,000. The only areas that are significantly over the expected range in terms of ex-

penditures from actual to budget are assessing and mosquito control. This is somewhat expected in that both of these areas have high concentration of expenditures in just a few months instead of being spread out over the entire year.

The operating expenditures have been well controlled by the various departments with the total coming in at about 40% of budget.

The revenue percentage for the Sewer Fund is above the expected percent of budget amount, but that is entirely due to a large overage of Sewer Availability Charge (SAC) receipts. Usage revenue is slightly less than the expected, but that will probably continue to correct itself now that the second half of the rate increase has taken effect. Because of payments for the WWTF construction, revenues are behind expenditures by about \$3,304,000. The fourth page shows Sewer Fund operating transactions which does not include capital items. This shows expenditures just slightly over the expected amount, but now the revenues are actually more than expenditures. This partially due to the large amount of Sewer Availability Charges in the second quarter, but the major reason is the receipt of the \$500,000 Public Facilities Authority's grant to the City for phosphorus reduction construction.

The actual sales for the Liquor Store Funds amount are just slightly below the expected budget level, but this is expected since several of the larger sales volume months are still to come later in the year. You should also notice that the revenue amount is significantly higher than the 2011 and 2010 same period sales amounts. Expenditures are slightly more than budget expectations. This is in part due to the beginning of the purchase increases for the larger summer month sales and in part due to large purchases to take advantage of deal packages. The final sheet shows the liquor fund without capital expenditures. Since there were no capital expenditures made, the results are identical to the previous page.

**C. Partial Payment #14 to Rice Lake Construction**

Karnowski updated the council saying that the Pay Estimate #14 had been reviewed by the Engineers and that payment was recommended by staff. The total amount due was \$847,149.98.

Hallin said that at the last meeting, Walker had asked about the \$4,944.00 addition under Contract Change Order Summary. Now a new listed amount of \$2,417.00.

Karnowski said he did not know what the numbers meant and apologized. He said he will find out and get back to the Council.

HALLIN MOVED TO APPROVE PARTIAL PAYMENT ESTIMATE #14. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

**D. Airport Improvement Update**

Karnowski said the Council had already approved applying for a grant through the FAA for the improvements at the airport. The motion was made contingent upon the City receiving the grant.

Monday of this week, the City was notified by the FAA that the grant was received. Construction will actually begin the upcoming week.

Karnowski said that the pilot's group plans to minimize the impact of the construction by moving some of their plans to the T-Hangar area for the time being.

## **NEW BUSINESS**

### **A. Princeton Youth Hockey Association Request**

Karnowski explained that a letter was sent from the President of the Princeton Youth Hockey Association (PYHA) requesting that the City Council consider "forgiving" the WAC & SAC fees associated with the organizations adding a second sheet of ice back in 2009/10. As a second option, they requested that the agreed to WAC and SAC "assessment" be extended over a longer period of time.

In January of 2010, the City Council adopted a joint resolution that agreed to collect the WAC and SAC fees over a five year period at eight percent interest.

Karnowski said that to the best of his recollection, the city has never waived WAC and SAC charges, but the Council could, indeed, extend the assessment over a longer period of time. If that's the Council's wishes, a motion to direct staff to prepare a new joint resolution that extended the payment period for the assessment would be in order.

Karnowski had suggested to the PYHA that perhaps the City Council would be receptive to extending the assessment over a longer period of time to help give a little relief to the annual expenses. Karnowski went on to say that after talking with City Attorney Schieffer, paperwork could be drafted to take a similar approach to what was taken in 2010.

Riddle suggested lowering the interest rate as well; since the City itself has received great rates with the better borrowing environment in the last two years. Even to bring the rate from the eight percent down to a six percent, Riddle said.

Dobson suggested adding this topic to the Public Utilities Commission for discussion as well, because they do have to approve the water portion of the assessment and discount.

Karnowski said he will do further research and work on this topic and bring it back to the City Council at some point next month.

### **B. Reschedule September Study Session**

Karnowski said that Finance Director Steve Jackson will be on vacation on Thursday, September 2, 2012, which is the date of the next Study Session. The 2013 budget was scheduled to be discussed that day. Jackson will return on Tuesday, September 11, 2012. Karnowski suggested holding the Study Session on either Tuesday, September 11 at 4:30 pm or Thursday, September 13, 2012 at 4:30 pm; just prior to the 7:00 regular City Council meeting. But, September 13 is the date that the City Council must approve a preliminary budget number, although it can be changed at a later date.

HALLIN MOVED TO APPROVE MOVING THE STUDY SESSION TO TUESDAY, SEPTEMBER 11 AT 4:30 PM. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

**C. Partial Payment Estimate #1 to MN Native Landscapes**

Karnowski explained that the Pay Estimate to Minnesota Native Landscapes was for a total of \$36,033.50. This was for the non point phosphorous done at the Waste Water Treatment Plant a couple of weeks ago.

HALLIN MOVED TO APPROVE PARTIAL PAYMENT ESTIMATE #1 TO MINNESOTA NATIVE LANDSCAPES. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

**MISCELLANEOUS**

Dobson announced that at the Public Utilities Commission earlier this week, they approved to appoint Connie Wangen as the General Manager to take Dave Thompson's position when he retires this upcoming December.

**BILL LIST – \$305,695.39**

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$144,965.84 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 66588 TO 66669 FOR A TOTAL OF \$160,729.55. WHITCOMB SECONDED THE MOTION.

The council asked if the pay estimates were on the list since they were added later to the agenda. Jackson said they will be added to the next bill list.

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

**ADJOURNMENT**

There being no further business:

HALLIN MOVED TO ADJOURN THE MEETING AT 7:31 PM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter  
City Clerk

ATTEST:

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Jeremy Riddle, Mayor