

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
SEPTEMBER 8, 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, Thom Walker and Dick Dobson. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Fire Chief Jim Roxbury, 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 City Council agreed to the following information to be added to the agenda:

Under Petitions, Requests and Communications; item B. Princeton Insurance Agency Event Closing of Parking Lot, there was additional information that was handed out.

Under Unfinished Business; item A. Properties not Hooked up to Municipal Sewer and Water, there was also additional funding information.

In addition, Councilor Dobson said he wished to pull the Princeton VFW Auxiliary No 806 donation off of the Consent Agenda and add it to New Business.

CONSIDERATION OF MINUTES OF THE REGULAR MEETING OF SEPTEMBER 1, 2011

WHITCOMB MOVED TO APPROVE THE STUDY SESSION MINUTES OF SEPTEMBER 1, 2011. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

CONSENT AGENDA

- A. Permits and Licenses:**
 - 1. PH North (Pizza Hut)
 - a. Transfer of 3.2% On Sale License to Kenneth and David Staab

- B. Personnel**
 - 1. **Finance**
 - a. Karen Hodge Step 2 Increase from \$18.10 to \$18.97 effective 9-27-201

- C. Donations/Designations - none**

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

There were no public hearings.

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

A. Planning Commission Draft Minutes of August 15, 2011

The Planning Commission Draft Minutes were reviewed with no comments.

PETITIONS, REQUESTS AND COMMUNICATIONS

A. Kinship Program Grant Funding Request

Karnowski explained that the Kinship Youth Mentoring or Princeton submitted a Grant Funding Request Form asking for a donation of five percent of their budget, \$2,500.00. The group has not received any funding from the city within the last twelve months. Kinship Youth Mentoring provides safe caring adult mentors for children ages five to fifteen years of age in the Princeton Community. The funds would be used to recruit and train mentors and provide activities and ongoing support for the mentors and children. Children who are involved in mentors are twenty five (25%) percent less likely to use alcohol, and thirty five (35%) percent less likely to use drugs.

Whitcomb asked Jackson if the Kinship program had been given a donation in the past. Jackson replied that in 2009, the city gave the program \$850.00. There was nothing given in 2010.

Walker said he has been involved with Youth Mentoring Program and it a very positive program that Walker would like to see funded as much as the city can reasonably afford.

Hallin said she has also helped with the program and has seen the kids off to college.

Whitcomb reminded the others that in 2010 was when the city started reducing the donation amount by twenty percent (20%). To be consistent and fair to everyone, a twenty (20%) reduction should be given to the \$850.00. Karnowski said that amount would then be \$680.00.

DOBSON MOTIONED TO APPROVE THE \$680.00 GRANT FUNDING DONATION FROM THE PRINCETON WINE AND SPIRITS LIQUOR STORE. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

B. Princeton Insurance Agency Event Parking Lot Closure

Karnowski said that on the 21st of September from 4:00 pm to 7:00 pm; weather permitting, the Princeton Insurance Agency would like to close the parking lot south of their business for a customer appreciation event. The agency provided signatures retained from the other businesses that use the parking lot.

Dobson said he would like to see something provided from the City Public Works to mark where the event will take place within the parking lot.

HALLIN MOTIONED TO APPROVE THE REQUEST FROM PRINCETON INSURANCE AGENCY FOR THE PARKING LOT CLOSURE WITH SOME KIND OF CONES TO MARK THE PARAMETER OF WHERE THE ACTIVITY WILL BE. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (4 AYES, 0 NAYS.)

ORDINANCES AND RESOLUTIONS

A. Second Reading of Ordinance #671 Floodplain Management Amendment

Fuhrman told the City Council that no changes have been made to Ordinance #671 that the Council read for the first time at the August 25, 2011 meeting.

WALKER MOTIONED TO ACCEPT ORDINANCE 671 AS WRITTEN. DOBSON SECONDED THE MOTION.

Hallin questioned if hazardous materials should be included under Conditional Uses under Floodway District (page 6 or 23, number 5 C). Fuhrman said the ordinance infers to that, but it can be included if the Council wishes. This ordinance is written as the Department of Natural Resources standard.

Hallin said if this was a standard template she would be comfortable with that.

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

B. Second Reading of Ordinance #672 Variance Standards

Fuhrman said that again, the ordinance was not changed at all from when the City Council first read it at the August 25, 2011 meeting.

HALLIN MOTIONED TO ACCEPT ORDINANCE 672 AS WRITTEN. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

C. Resolution 11-55 Preliminary Proposed Tax Levy

Jackson said that this resolution was regarding the preliminary proposed tax levy that was discussed at last week's Study Session. This sets a maximum levy of a two percent increase over the current year. That number can be reduced within the next couple of months.

Jackson added that he would like to change the title to read "designated public input meeting" instead of "public hearing".

HALLIN MOTIONED TO APPROVE RESOLUTION 11-55 A RESOLUTION CERTIFYING A TOTAL PRELIMINARY PROPOSED TAX LEVY AND DESIGNATING PUBLIC INPUT MEETING. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

UNFINISHED BUSINESS

A. Properties Not Hooked up to Municipal Sewer and Water

Fuhrman reminded the City Council that at the August 25, 2011 Council meeting, staff introduced the discussion of requiring properties within the city limits not hooked up to municipal sewer and water to come into compliance with City Code and hook up. At that meeting, discussion took place regarding possible timelines for requiring non-compliant properties to hook up to municipal sewer and/or water. Some ideas discussed included the following:

- Require compliance (hook up to municipal system) within one year of notification to property owners;
- Require compliance when property changes hands; or
- Require compliance when system fails or becomes a threat to public health.

The Council also asked for additional information regarding any possible funding sources to offer to these property owners to help alleviate the financial burden of hooking up. According to Michele McPherson, Mille Lacs County Director of Land Services, Mille Lacs County will be submitting an application for grant funds through the Clean Water Assistance Grant Program in order to replace septic systems that are imminent public health threats or those that have been identified as failing to comply with existing rules. According to Ms. McPherson, properties within Princeton city limits would be allowed to join the County in applying for these grant funds to hook existing septic systems up to the municipal sewer system as long as the following two conditions exist:

- 1) Participating residents must meet the U.S. Rural Development annual adjusted income guidelines: \$47,350 or less for a household of one to four persons; or \$62,500 for a household of five to eight persons; and
- 2) Existing septic system must be an imminent public health threat or is a failing system.

The grant application deadline is September 20, 2011, and so if the Council is in favor, the City will need to move fairly quickly in notifying the property owners of this grant opportunity.

In addition, Fuhrman went on to add that according to Susan Shaw of the Mille Lacs County Soil and Water Conservation District (SWCD), there is a low interest loan program used for water quality projects that can be used to assist landowners with the cost of abandoning septic systems and connecting to municipal sewer. In some cases, the money may also be used to assist with the cost of sealing wells. Additional information regarding the SWCD funding opportunities will be forthcoming at the Council meeting.

Hallin asked if all three of the options were through the Soil and Water Conservation. Fuhrman said that the first option would be through Mille Lacs County and the following two options are through the SWCD. Although, the other entities have offered to apply for the grants on the City's behalf since the City has never applied for a grant of this type before.

A question arose from the audience from Mr. Blake Broding. He asked how is it advantageous to the City to mandate people to join in on municipal sewer and water if they already have a properly working sewer system. Hallin offered up that if the system was failing or a public health problem, then it is advantageous to all surrounding citizens. Broding said what if the system was not failing, how can the City mandate the residents to hook up? Fuhrman turned to the audience and said that the current City Ordinance Code reads that if a property has access to municipal sewer and water, then they must hook up to it. It has just not been enforced in the past. Broding said it just seems like dictatorship. Walker added that it doesn't seem like a problem, unless one might be a neighbor to a failing system.

Riddle said the issue also has to do with the carrying costs. The SAC and WAC fees are not paid if a resident is not hooked up. So, the City ends up carrying those costs. Karnowski added that whenever a sewer and water line is installed in city limits, there is a

public hearing where everyone can comment, so it will not be a surprise to those people that the municipal line is available to them.

Riddle went on to add that all people inside city limits should be treated equally. If the City started to let some people opt out of using the Waste Water Treatment Plant System, then the City would have to let anyone opt out, and it would not be fair this way.

The City Council brought up the fact that the small amount of people that have access to municipal sewer and water and are not hooked up will not offset the costs of the WWTP.

Hallin said that when she lived in city limits and had a well system, her family did not realize it at the time, but her son ended up with blue baby syndrome, a metabolic disorder. The State came to test her water and she and her family had to move out immediately. There was fertilizer dumping into her well and she had no idea. Hallin stated she is all for the people and the only way to know what is under the ground is by mandating who should hook up to city sewer and water.

Fuhrman offered that the Council could continue their discussion with when they decide they want to require residents to hook up.

Riddle said that he is in favor of the one year to hook up; as is Dobson. If the timeline is pushed out to when the property changes it hands; it might be how many years down the road and would be difficult to track.

DOBSON MOTIONED TO REQUIRE CITIZENS WHOSE SEWER SYSTEMS ARE NON COMPLIANT WITH CITY CODE TO HOOK UP TO CITY SEWER AND WATER AND TO DO SO WITHIN ONE YEAR OF NOTIFICATION AND TO AUTHORIZE STAFF TO LOOK INTO THE THREE FUNDING OPPORTUNITIES. HALLIN SECONDED THE MOTION.

Riddle suggested a friendly amendment to the motion. To make it December 31, 2012 in case there are more grants to apply for next year that also have a due date of September.

Walker added that property owners may have a harder time hooking up to sewer and water in the winter. Maybe we could extend the deadline to the following spring.

Dobson added that if he was a homeowner that had to hook up to municipal facilities, he would be upset if he had to pay for something and then could not do it because of the frost. The Council concurred to change the motion to include "must be scheduled by December 31, 2012".

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

NEW BUSINESS

A. Farm Lease Agreement

Karnowski explained that the city has eight (8) acres of property north of the city used for the disposal of Waste Water Treatment Plant sludge. Bill Brooks has been leasing the property for several years on a three year lease basis. This year there were other parties interested in leasing the land, so staff took sealed bids. The same individual bid the highest at \$140.00 an acre; up from what was \$81.50 an acre previously.

HALLIN MOTIONED TO APPROVE THE CONTRACT.... DOBSON THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

Dobson asked if Scheiffer looked at the contract and he answered that he had and had to comment.

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

B. 2011 Second Quarter Financial Report

Jackson explained that in the packet, the Council received summaries of the transactions for the three major funds for the second quarter of 2011.

The first page represents the financial transactions for the General Fund. The total revenue year to date (YTD) actual is just under 17% of budget which is typical of the normal revenue stream for the City. The majority of the property tax settlements from the county and the state aids were not received until July. The City Council should note that YTD expenditures are just under 40 percent which is well below the expected 50 percent of budget. However, expenditures already exceed revenues by over \$730,000. At this point, the budget numbers included in these sheets have not been adjusted to reflect the Local Government Aid (LGA) cuts that resulted from the adjusted state budget. This cut will be made during the upcoming budget process.

Page two presents the same info as the first page, except the expenditures do not include the capital expenditures. This page is designed to show the results of the operating transactions. The operating expenditures have been well controlled by the various departments with the total coming in at around 43 percent of budget. All departments are within the expected range or have understandable reasons for the deviation.

The next page shows the transactions of the Sewer Fund. The revenue percentage is just slightly above the expected percent of budget amount. The revenue for Sewer Availability Charge (SAC) appears to be continuing the improvement started last year. We will have a better idea of the Sewer Access Charge (SAC) level after the third quarter. Because of payments for the pre-load and the beginning of the Waste Water Treatment Facility construction, revenues are behind expenditures by about \$1,100,000.00. The fourth page shows Sewer Fund operating transactions and does not include capital items. This shows expenditures near the expected amount with revenues nearly equal to expenditures.

The final two pages involve Liquor Fund transactions. The actual sales amounts are below the expected budget level, but the amount is above the 2010 and 2009 sales amounts. As discussed in prior years, several of the larger sales volume months occur after June. Expenditures were significantly under budget expectations. In part this is due to the lower volume months of the first quarter, which means less product purchased and less payroll hours. When compared to the last two years, this year's expenditures are less than the prior two years. This shows the continuation of the manager's adjustment to the sales activity trends. The final result indicates a significant increase in net profit and is much larger than last year. 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. Princeton Insurance/League of Minnesota Insurance Trust

Rollie Natvig was present at the meeting to discuss the 2011 insurance renewal for the

City of Princeton. In 2010, the premium was \$103,268.00 and the premium has increased to \$111,482.00 for 2011-2012 year.

Natvig said the difference in premium was primarily in the General Liability area. Primarily the Waste Water Treatment Plant updates and an increase in claim activity which decreased the amount of 10 percent credit given last year. This year's credit was six percent.

Dobson asked Natvig if Liquor Liability was going up for all entities. Natvig said that yes that is the trend.

HALLIN MOVED TO APPROVE OPTION 1 OF WAIVING THE PER PERSON STATUTORY LIABILITY LIMIT OF \$500,000.00 TO THE \$1,500,000.00 STATUTORY LIABILITY MAXIMUM AT A COST OF \$1,150.00. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

WALKER MOVED NOT WAIVE THE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY ESTABLISHED BY MINNESOTA STATUTES 466.01. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

D. Disposal of Surplus Princeton Fire and Rescue Department Equipment

Karnowski gave details regarding a grant that the Saint Paul Fire Department received to replace all of their large diameter hose (LDH) on all of their trucks. Large diameter hose is the bigger hose that one might see when a truck is hooked to a hydrant or relaying large amounts of water from one truck to another. The city of Saint Paul deemed the old hose to be surplus and put it up for sale.

The replacement value of the hose is \$980.00 per 100 feet length. The Princeton Fire and Rescue Department (PFRD) recently purchased 10,000 feet of the same LDH hose at a cost of \$5.00 per 100 feet length from the Saint Paul Fire Department.

We also purchased thirty (30) adapter fittings to attach the hose to the fire trucks. The normal replacement cost of the fittings is about \$332.00 per fitting. We purchased the fittings at \$5.00 per fitting.

The hose is being sorted with the goal of singling out the best for installation on our trucks. After our trucks are furnished, the remaining hose has first been offered to the Public Works and Public Utilities departments. They have expressed interest in some of it.

With the remaining hose and fittings, Roxbury is suggesting that the City Council declare the equipment as surplus so that the Fire Department can sell it at the city's cost to other area departments that have a need for it. If the hoses and fittings are sold, they will be better able to fight fires in their area and also, if there were to be a major fire in Princeton, the other department would be able to assist the PFRD.

In addition, in 2010, the PFRD received a grant to purchase 800 megahertz radios and replace all of the old pagers. All of the current pagers are now compliant with the regulations that, by 2013, all our radios have to be setup on the narrow band.

Many of our old pagers are still compliant and can still be used. Therefore, those pagers have been offered to the Public Works and Public Utilities departments so they can re-

place their older ones that cannot be reprogrammed to be compliant with the new regulations. With the leftover pagers, Roxbury is suggesting to sell them to other local Fire Departments that may have a need for them.

The City Council thanked Roxbury for all of the work he put in to save the city money. Roxbury commented that it is a group effort with himself and the entire Department. He also added that he appreciates the City Council's support.

WHITCOMB MOTIONED FOR APPROVAL OF DISPOSAL OF SURPLUS PFRD EQUIPMENT, DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

E. VFW Donation Resolution 11-56

Dobson said that the Resolution number and purpose should be left the same with the following two changes:

1. Omit "Fireworks" out of the title
2. This donation should be specified for Solheim Field; not Mark Park in general.

DOBSON MOTIONED TO APPROVE RESOLUTION 11-56 WITH CORRECTIONS, HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS.)

BILL LIST – \$475,065.15

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL VOUCHER BILL LIST FOR A TOTAL OF \$69,969.14 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 64761 TO 64822 FOR A TOTAL OF \$405,096.01. WHITCOMB SECONDED THE MOTION.

Hallin questioned the bill for the PUC for the Parks Department was \$6,629.31. Jackson said that this was mainly for lighting the ball fields in the summer. This cost is higher during the summer months, mainly May to August. Hallin asked if there were other options for this high cost. Jackson said that staff has been discussing different alternatives, such as installing lights with a coin slot, so if someone wished to use the lights at night, quarters would be inserted.

Walker asked if softball teams have a fee to use the fields. Karnowski said they do not at this time.

Walker suggested adding this issue to a Park Board Meeting to see what parks board meeting to see what they have to say first. How often is this paid? Monthly, goes down in winter, a tenth of that in winter. Said Jackson. Primarily may-august for water and lighting at the parks.

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

ADJOURNMENT

There being no further business:

DOBSON MOVED TO ADJOURN THE MEETING AT 7:53 PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY (5 AYES, 0 NAYS).

Respectfully Submitted,

Katie Hunter
City Clerk

ATTEST:

Jeremy Riddle, Mayor