

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JANUARY 8, 2015 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Paul Whitcomb called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were, Thom Walker, Dick Dobson, Victoria Hallin and Jules Zimmer. Staff present, Administrator Mark Karnowski, Finance Director Steve Jackson, Community Development Director Jolene Foss, Police Chief Todd Frederick, Public Works Director Bob Gerold, Clerk Shawna Jenkins, Engineer Mike Nielson and Attorney Damien Toven.

AGENDA ADDITIONS/DELETIONS

None

CONSIDERATION OF MINUTES

- A. Regular Meeting Minutes of December 23, 2014

DOBSON MOVED TO APPROVE THE REGULAR MEETING MINUTES OF DECEMBER 23, 2014. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

- A. **Permits and Licenses**
- B. **Personnel**
 - 1. Liquor Store – Lori Akers Step Increase from \$12.91 to \$13.97 hr, effective 12-18-14
- C. **Donations / Designations**
 - 1. Resolution 15-02 accepting Donation from John and Carol Hulett

WALKER MOVED TO APPROVE THE CONSENT AGENDA. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

OPEN FORUM

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

PETITIONS, REQUESTS, AND COMMUNICATIONS

ORDINANCES AND RESOLUTIONS

- A. Resolution 15-01 – Annual Council Designations

Karnowski reported that as the Council does every year, we need to adopt the rules of procedures, designate the official depositories, collateral authority and the official newspaper.

DOBSON MOVED TO APPROVE RESOLUTION 15-01 APPROVING THE ANNUAL COUNCIL DESIGNATIONS. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

- B. Resolution 15-03 – Rum River Drive Bump Outs

Karnowski reported that the Mille Lacs County Engineer (Bruce Cochran) is approaching the County Board regarding the possible addition of bump-outs to the sidewalks at three of the intersections on Rum River Drive.

The Minnesota Design Team (MDT) suggested that bump-outs may be a reasonable modification to the city's streetscape to improve pedestrian safety.

Since there were no traffic engineers involved in the MDT recommendations, city staff is in the process of gathering information from other cities that have installed bump-outs to see if they've noticed any enhancement in pedestrian safety. Once staff has collected that information, we'll be bringing it to the Council.

Nevertheless, if the city can get state funding to add some bump-outs, it's probably worth pursuing. Mr. Cochran is approaching the County Board with a proposal for funding. The funding request includes a requirement that, if installed, the city agrees to maintain the new sidewalk areas.

So a resolution agreeing to that provision would need to be approved by the Council.

WALKER MOVED TO APPROVE THE RESOLUTION 15-03 FOR RUM RIVER DRIVE ENHANCEMENTS AND AGREEING TO MAINTAIN FACILITY BY THE CITY OF PRINCETON. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

A. Housing Study

Foss reported that Staff recommends a motion to approve the \$125 expense for the completion of an Executive Summary for the Regional Housing Study that was recently completed by Maxfield Research, Inc. Because of the large geographic area of the region and the number of jurisdictions (155) and participating entities (17), the study encompasses over 400 pages.

The summary document, approximately 10 pages in length, will highlight key findings from each section from the report, including: demographics, employment, housing characteristics, market findings from all housing sectors, and housing demand through 2025. The document will summarize housing findings in a concise format with a combination of text, graphs and maps. It will be completed in memorandum format in an electronic PDF.

It has also been requested that they include a couple of paragraphs about Baldwin Township with a brief summary of key statistics and refer the reader to the full 425 page report for more detailed information on Baldwin Township.

This document will be an asset for the City regarding any prospective developers, or their bank loan officers. It is believed that not many would be interested in reading 425 pages in order to discern the housing needs for Mille Lacs County, or the City of Princeton submarket. This executive summary will be much more palatable for developers and Bank Presidents/Loan Officers to read and use.

This is a more affordable route than spending \$35,000 - \$40,000 to get our own housing study done.

Staff recommends a motion to approve the \$125 expense for a Regional Study Executive Summary as an addendum to our Regional Housing Study.

HALLIN MOVED TO APPROVE THE REGIONAL EXECUTIVE SUMMARY OF THE HOUSING STUDY FOR \$125. ZIMMER SECONDED THE MOTION.

Dobson asked if the full and summary reports would be kept at city hall. Foss replied that they would be kept here and be available for developers to review and have copies made. A portion on Baldwin Township will also be available. Karnowski said in his experience many developers want to see a housing study before building in a community.

THE MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

A. Bremer Bank Request

Karnowski reported that the city has been advised that Bremer Bank has foreclosed on the Cartwright property located in the North Mall. The Sheriff's Sale was held on November 6th so the bank is now in the 6 month redemption period during which the bank is unable to sell, lease or rent the property.

To minimize their mortgage loss, Bremer is working to get control of the property so they can market it immediately rather than wait for the redemption period to end on May 6th.

Several years ago, the city provided about \$16,000 in loan funds to Cartwright (via Lakes and Pines and there is still about \$16,000 outstanding on that loan. Karnowski advised that it's fair to say that the city cannot expect to recover any of those funds. Accordingly, to expedite the property sale prospects, Bremer is requesting that the city sign a 'satisfaction of mortgage' for the outstanding loan.

Karnowski advised the Council that he is currently trying to negotiate with Bremer to see if, in exchange for the city's agreement to sign a satisfaction of mortgage, if Bremer would reimburse the city some of the eventually property sales proceeds and that it's possible that may happen. Nevertheless, Karnowski said he does not see any benefit to the city, or the health of the North Mall, to withhold signing the satisfaction of mortgage and, if the Council agrees, a motion to agree to provide Bremer with the requested satisfaction of mortgage would be in order.

Zimmer asked how Lakes and Pines is involved in the process. Karnowski replied that the City receives the Grant, but Lakes and Pines reviews the applications and determines who receives the funds. The people at Lakes and Pines have the training and experience to determine who qualifies.

Dobson questioned if we were to get the \$16,000 back, could the City use that to help another business or would it need to be returned. Jackson replied that most of these grant dollars were used to redevelop the area. So, it would first go to the city to cover any costs and after that, it is supposed to be available for other businesses.

Walker asked about a recent issue in which a grant was not handled correctly and the funds needed to be returned. Whitcomb said that was for the old dump. Walker asked if this could come back down the road like that one did, and then we would be required to return the funds. Jackson responded that he does not believe so, as the grant was to be used for businesses and there was a risk at some being default.

Dobson asked if Jackson knew what the dollar amount is that would have to go to debt service to cover costs the city had. He also said he wondered if there was city money spent on

this exact property. Jackson said it was a 40 year loan, so it extends to 2022. Karnowski added that the total loan on this property was about \$22,000.

Karnowski stated that the Bank will probably not get all of their funds back, so it is likely the city will not see anything.

Walker said he doesn't like that we are considering this, when there are other businesses that also have these loans.

Dobson added that he also does not like that we are looking at this. Just last year, Bremer asked for an extension on the water and sewer on a foreclosed property, which the council approved. Bremer stated that they were going to pay the SAC and WAC fees as soon as the property became theirs and they did not. He does not like the fact that Bremer didn't follow through on that property and are now asking the City for a satisfaction of mortgage.

Hallin said if this is the first satisfaction of mortgage request, she expects we may see more.

Walker stated we can ask for some compensation if we agree to approve this.

Hallin would like to get the City Attorney's input on this. Walker said he sees both sides, but doesn't know if it will make a difference. If there is a redemption period, they can't sell it before then anyway. Karnowski responded that if the City will provide the satisfaction or mortgage, the Bank would contact the owner to see if they will sign a quit claim deed and they would not need to wait for the 6 month redemption period. If the city does not do approve the satisfaction of mortgage, getting the quit claim deed would not speed the process up. He believes the bank has someone interested in buying the property.

Dobson agrees with Hallin that there could be more of these requests in the future. He questioned if the Council would be setting a precedence by forgiving the loan. Karnowski said it is in foreclosure, so the City probably is not going to get any of that money back anyway. Dobson asked how the residents would see feel if the Council approved this.

WALKER MOVED TO TABLE THE SATISFACTION OF MORTGAGE FOR BREMER BANK UNTIL THE NEXT MEETING AND TO HAVE THE ATTORNEY'S REVIEW. HALLIN SECOND-ED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

B. 2015 Council Liaison Appointments

Karnowski reported that as is always done in January, the Council determines who will be the liaisons for several boards and commissions.

Board/Commission

Current Appointment

Planning Commission	Jules Zimmer
Park Board	Thom Walker
Airport Advisory Board	Dick Dobson
Public Utilities Commission	Thom Walker & Victoria Hallin
Economic Development Commission	Paul Whitcomb
Fire Advisory Board	Victoria Hallin
Housing & Redevelopment Authority	Dick Dobson
Tree Board	Victoria Hallin
Cable Commission	

Mille Lacs Co. Historical Society
Library (P.A.L.S.)
ECRDC Board
Chamber of Commerce

Jules Zimmer
Jules Zimmer
Thom Walker
Victoria Hallin

Once the Council agrees on the liaison appointments, a motion to make those appointments would be in order.

The Council also needs to elect the Acting Mayor for 2015. A motion to make that Appointment would be in order as well.

ZIMMER MOVED TO APPOINT THE COUNCIL MEMBERS TO THE FOLLOWING COMMISSIONS:

<u>Board/Commission</u>	<u>Appointment</u>
Planning Commission	
Park Board	Jules Zimmer
Airport Advisory Board	Thom Walker
Public Utilities Commission	Dick Dobson
Economic Development Commission	Thom Walker & Victoria Hallin
Fire Advisory Board	Paul Whitcomb
Housing & Redevelopment Authority	Victoria Hallin
Tree Board	Dick Dobson
Cable Commission	Victoria Hallin
Mille Lacs Co. Historical Society	Jules Zimmer
Library (P.A.L.S.)	Jules Zimmer
ECRDC Board	Thom Walker
Chamber of Commerce	Victoria Hallin

HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

DOBSON MOTIONED TO APPOINT VICTORIA HALLIN AS ACTING MAYOR FOR 2015. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Smoking in City Vehicles

Karnowski reported that Minnesota State law prohibits anyone from smoking in a commercial vehicle if there is more than one person present.

City management has received complaints regarding the smell of vehicles after a smoker has used that vehicle and has requested that the city prohibit smoking in any city vehicle.

Aside from the lingering smell, there are other reasons for prohibiting smoking in city vehicles. Those include, but are not limited to:

1. **Safety** – if an ash falls off the end of a cigarette, it can fall into the driver's lap and cause the driver to become distracted, which could cause an accident.
2. **Distraction** – The act of lighting and smoking a cigarette can be a distraction to the driver's ability to concentrate on driving.

3. **Damage to City Property** – If a burning cigarette or ash from a burning cigarette lands on a vehicle's seat or floor, it can burn a hole in the fabric and negatively impact the appearance and re-sale value of the vehicle.
4. **Promotion of Healthy Living** – The city wants to encourage employees to lead a healthier lifestyle. Smoking is not good for one's health and smoking while driving can also be a distraction.

Staff is requesting that the Council adopt an amendment to the personnel policy that prohibits smoking a cigarette while seated in any city vehicle.

If the Council concurs, a motion to that effect would be in order.

Hallin said she agrees with this policy.

HALLIN MOVED TO APPROVE THE AMENDMENT TO THE PERSONNEL POLICY TO PROHIBIT SMOKING IN CITY OWNED VEHICLES, INCLUDING E CIGARETTES. WALKER SECONDED THE MOTION. VOTE 4:1 DOBSON OPPOSED, THE MOTION CARRIED

D. Rum River Drive and 15th Street intersection improvement

Karnowski stated that as the Council is aware of, Mille Lacs County is planning to resurface Rum River Drive this summer. As part of that project, they're planning on cleaning up the Rum River Drive/15th Street intersection.

They have provided a drawing of the proposed changes to the intersection. No Council action is required as there will be no financial contribution by the city for that project.

DOBSON MOVED TO SUPPORT THE RECOMMENDED CHANGES TO THE RUM RIVER DRIVE AND 15TH STREET INTERSECTION. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Zimmer asked how that cross intersection piece became a road. Gerold said he thinks someone starting crossing there, then someone added fill and then gravel.

E. Solar Proposal

Karnowski reported that with the opening of the new WWTP and the decommissioning of the WWTP Ponds, staff has been trying to find ways to use the old pond site that would benefit the city.

One of the ideas we've explored with the PUC is entering into an agreement with a firm to build a solar array that would then be hooked up to the Southern Minnesota Municipal Power Agency (SMMPA) system (of which the Princeton PUC is a member).

SMMPA is in the process of advertising for proposals (RFPs) to build such a system somewhere within their network area.

Staff has met with the City Engineer, a representative from SMMPA, the PUC and a firm that would actually build the project (Solarstone Partners, LLC).

In order for that firm to submit an RFP, they have to have 'control' over the property. Accordingly, they are asking the city to enter into an agreement that would give them the necessary status so they can submit a proposal by the submittal date of February 6.

If the firm is actually, then, awarded the project, then the city would enter into a complete agreement with the city, SMMPA and the PUC.

In the meantime, staff is asking the city to authorize city staff and the city engineer to structure an appropriate land control agreement with the firm to allow them to submit a proposal for the property.

If the Council agrees with that concept, a motion to authorize city staff and the city engineer to negotiate a land control agreement (lease) would be in order

Dobson asked if we approved this, would we have to leave that open ended not knowing what company would be awarded the project. Karnowski replied that we would be signing a lease with Solarstone Partners LLC. As he understands it, each company is trying to find a location to make their proposal. There are likely other companies talking to communities about other sites. Dobson said he wouldn't want to give this company a leg up. Karnowski replied that as far as he knows, this is the only company that has expressed an interest in our site.

WALKER MOVED TO AUTHORIZE CITY STAFF AND THE CITY ENGINEER TO NEGOTIATE A LAND CONTROL AGREEMENT WITH SOLARSTONE OR ANY OTHER COMPANY THAT MAY BE INTERESTED. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

F. Civic Center Rental Agreement Discussion

Karnowski said he put together a rental agreement to be used for the Civic Center. He asked the Council for any suggestions or changes.

Whitcomb said he feels the deposit could be higher. Dobson added that another similar local rental facility has a damage deposit and a cleaning deposit, which is required at the time of rental.

Dobson on that contract, there is a place for the person to initial next to each rule, so it shows each one was read.

Hallin said she thinks \$500 is a little high for a Friday or Saturday. Karnowski said he just put numbers in there for place holders. He added that there have been some major improvements and it looks really nice. His thought was to start a little lower, and then we can increase them a bit in the future.

Karnowski stated that the City's operating expense will be increasing, as it will be heated year round and it will be used much more, but it will be a learning experience for a little while. Hallin said she doesn't want to scare people off with high rates, as we want to get people in the site and really show it off.

Walker said Hallin has a point. Whitcomb agreed and said we want it used so let's reduce the rates a bit and get people fired up about it.

Hallin would like to see the state and city liquor laws attached as they are referred to in the contract.

Zimmer asked when it would be checked after an event is over. Karnowski replied that in City's he has worked out prior, if an event is going to have alcohol, they are required to have a police officer so they would be there when the event was over. Gerold has an individual that is willing to check before they go in, and once the event is over they will walk through and report back on the condition of the facility.

Hallin she would like to also ban the use of all glitter, as you just can't get rid of it no matter how much vacuuming and cleaning you do.

Walker said he feels \$50 an hour is adequate for cleaning. Gerold said he was going to talk to our cleaning company and find out what they charge.

Dobson said if someone rented it Friday night and didn't clean it, would it get cleaned prior to the Saturday renters. Gerold said he planned on having the custodial service that is used in the City Buildings come in and clean it if that was the case.

MISCELLANEOUS

Dobson asked Staff if they could take a look at the MN Flag in the Council Chambers and fix it.

BILL LIST

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$100,129.30 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 71228 TO 71293 FOR A TOTAL OF \$831,261.28. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

There being no further business:

HALLIN MOVED TO ADJOURN THE MEETING AT 7:53 PM. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

Shawna Jenkins
City Clerk

ATTEST:

Paul Whitcomb, Mayor