

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
NOVEMBER 12, 2015 7:10 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, and Jules Zimmer. Others present: Administrator Mark Karnowski, Development Director Jolene Foss, Police Chief Todd Frederick, Public Works Director Bob Gerold, Liquor Store Manager Nancy Campbell, Fire Chief Jim Roxbury, Clerk Shawna Jenkins, Engineer Attorney's Damien Toven and Kelli Bourgeois. Absent was Victoria Hallin and Dick Dobson

AGENDA ADDITIONS/DELETIONS

CONSIDERATION OF MINUTES

- A. Regular Meeting Minutes of October 22, 2015
- B. Study Session Meeting Minutes of November 5, 2015

WALKER MOVED TO APPROVE THE REGULAR MEETING MINUTES OF OCTOBER 22, 2015 AND THE STUDY SESSION MEETING MINUTES OF NOVEMBER 5, 2015. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

- A. **Permits and Licenses**
- B. **Personnel**
 - 1. WWTP Manager Chris Klinghagen Step 5 Increase to \$27.26 effective 11-22-15
 - 2. Public Works Austin Schneider Step 4 Increase to \$23.53 effective 11-18-15
 - 3. Public Works / WWTP Tyler Hall Step 3 Increase to \$22.54 effective 11-18-15
 - 4. Police Ryan Vandenhuevel Step 5 Increase to \$62,568 year effective 11-15-15
 - 5. Liquor Store – approval to Hire Theresa Zinnel at \$11.18 effective 11-10-15
- C. **Donations/Designations**

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

OPEN FORUM

PUBLIC HEARINGS

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

- A. EDA Board Meeting of October 15, 2015
- B. Planning Commission meeting of October 19, 2015
- C. Fire Advisory Board meeting of November 3, 2015
- D. Airport Advisory Board meeting of November 2, 2015
- E. PAVC Board meeting of October 26, 2015
- F. Park Board meeting of October 26, 2015
- G. Planning Commission Special Meeting of November 2, 2015

PETITIONS, REQUESTS, AND COMMUNICATIONS

- A. Letter to Fire Department from Gerald and Marilyn McLarnon

Roxbury reported that the Fire Department received a letter from Gerald and Marilyn McLar-

non. On October 29th, the Princeton Fire and Rescue Department responded to a chimney fire at their residence. With the prompt response, the damage was confined to the chimney. They wanted to extend their thanks to the city and all of the participating firefighters for the very successful outcome.

ORDINANCES AND RESOLUTIONS

A. Ordinance 726 amending Snow Emergency Parking – FINAL READING

Karnowski stated that staff has added the language as requested regarding an NOAA prediction of a snowfall can be used to call a snow emergency, and that streets cannot be parked on until they are plowed curb to curb.

WALKER MOVED TO APPROVE ORDINANCE 726 AMENDING SNOW EMERGENCY PARKING REGULARITONS. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

B. Resolution 15-67 – accepting donations

Karnowski advised that the City has received several donations from various individuals. Joe Schwartz from Big Sky Productions shot and put together a wonderful video of Princeton's Parks. The value of that work and design is \$500.

Princeton Used Clothing has donated \$300 to be used for Christmas Lighting, Cynthia Walker donated \$25 to the Police Department and Rachel Leonard donated \$100 towards the Eagle Scout Project at the airport.

WALKER MOVED TO APPROVE RESOLUTION 15-67 ACCEPTING \$925 IN DONATIONS. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Resolution 15-68 accepting donation of Pet Oxygen masks

Karnowski advised that the Princeton Fire Department is the recipient of equipment from Invisible Fence of Central Minnesota that could help save the life of a pet that experiences smoke inhalation at a major fire. The estimated value of the masks is approximately \$100 each. One will stay at the Wyanett Substation and one at the main station.

ZIMMER MOVED TO APPROVE RESOLUTION 15-68 ACCEPTING THE DONATION OF PET OXYGEN MASKS FROM INVISIBLE FENCE OF CENTRAL MINNESOTA. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

D. Resolution 15-70 amending Sterling Point Developer's Agreement

Foss reported that Roger Fink, Sr. VP of Trident Development, LLC and Quintin Harris, Sr. VP of Lancaster Pollard have requested the opportunity to amend the Developer's Agreement and the TIF Note that the City of Princeton and Trident Development, LLC entered into on July 22nd, 2010 regarding the Assignment of and Transfer of Project.

Due to the success and maturation of the Sterling Pointe Senior Living, LLC, Trident Development is looking to refinance the current loan with Lancaster Pollard. They have requested the opportunity to provide a rider for the Developer's Agreement and TIF Note that allows for the assignment to a different operator, only in the case of default, without City Council approval.

The reason for this request is that HUD wouldn't allow the refinance to occur with the stipulation written as it is, in the Developer's Agreement. In the event of foreclosure or default, if HUD were able to find a new assignee or operator, they want assurance that the City will not prevent a new, qualified operator to assume the loan.

The Regulatory Agreement with HUD in regard to Sterling Pointe outlines the terms/conditions of the HUD loan. The sections below define approved uses, requirements and actions agreed upon. These will not change with the proposed amendment:

Section 1 - Definition of Approved Use states: "**Approved Use**" means the use of the Project for the operation of the Healthcare Facility as an assisted living facility with 57 beds and such other uses as may be approved in writing from time to time by HUD based upon a request made by Borrower, or Operator, but excluding any uses that are discontinued with the written approval of HUD.

Section 11(b) - no other business or activity other than this Project. (b) Borrower shall not engage in any business or activity, including the operation of any other project or other healthcare facility, or other ancillary businesses, or incur any liability or obligation not in connection with the Project. Borrower shall not acquire an Affiliate or contract to enter into any affiliation with any party, except as approved by HUD.

Section 21-Project to be maintained in accordance with Program Obligations. PRESERVATION, MANAGEMENT AND MAINTENANCE OF THE MORTGAGED PROPERTY. Borrower (a) shall not commit or permit Waste, (b) shall not abandon the Mortgaged Property, (c) shall restore or repair promptly, or cause to be restored or repaired promptly, in a good and workmanlike manner, any damaged part of the Project to the equivalent of its original condition, or such other condition as HUD may approve in writing, whether or not litigation or insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair, and (d) shall keep, or cause to be kept, the Project in decent, safe, sanitary condition and good repair, including the replacement of Personality and Fixtures with items of equal or better function and quality. Obligations (a) through (d) of this Section 21 are absolute and unconditional and are not limited by any conditions precedent and are not contingent on the availability of financial assistance from HUD or on HUD's performance of any administrative or contractual obligations. In the event all or any of the Improvements shall be destroyed or damaged by fire, by an exercise of the power of eminent domain, by failure of warranty, or other casualty, the money derived from any settlement, judgment, or insurance on any portion of the Project shall be applied in accordance with the terms of Program Obligations and the Borrower's Security Instrument or as otherwise may be directed in writing by HUD.

Section 26 - requirements for Operator to be approved by HUD and comply with HUD Program Obligations

Article VI Sections 6.9 and 6.10 of the current Developer's Agreement is as stated:

ARTICLE VI Section 6.9

Assignment. Except as provided in the next sentence of this Section 6.9 or in Section 6.10, the Developer shall not assign its interest in this Agreement or the TIF Note without the consent of the City pursuant to an action by the City Council, which consent shall not be unreasonable withheld. The Developer may assign its interest in this Agreement and the TIF Note to any financial institution providing financing to the Developer for the Project, without further action or consent of the City, provided that the Developer and the assignee shall retain and undertake all of Developer's responsibilities under this agreement and the TIF Note.

ARTICLE VI Section 6.10

Transfer of Project. The Developer may not transfer, assign, lease, sell or assign the Project to any other entity without obtaining the prior written consent of the City. Failure to obtain such consent shall automatically terminate this Agreement and Note as of the date of such unpermitted transfer.

The proposed amended language is included the HUD Amendment to Development Agreement.

The City Attorney has reviewed and responded to this amendment proposal.

It is Staff's recommendation to approve the Developer's Agreement and TIF Note Amendment

Roger Fink is representing Sterling Point and stated that the property has reached a point in that they would like to move their construction loan to a final loan. If the property happened to fall into foreclosure, this amendment would allow HUD to find a person able to take over the property. We would like to get the cities approval and like to complete their paperwork with HUD by the middle of December.

Walker asked for clarification on the refinance. Fink replied that they were approved for 220F loan with a 35 year fixed rate. This will lower debt services, improve cash flow and will allow the property to operate better. The HUD has strict requirements, and money is put aside each month to make any capital improvements needed in the future.

Zimmer asked if HUD audits them yearly. Fink responded that they can see their financial statements and can audit them at any time.

Whitcomb asked the Council if they were all in approval of this amendment. Toven said Attorney Paul Dove has reviewed the document and just had some minor changes that he is suggesting.

WALKER MOVED TO APPROVE RESOLUTION 15-70 AMENDING STERLING POINT'S DEVELOPER'S AGREEMENT WITH THE ATTORNEY'S SUGGESTED CHANGES MADE. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

E. Resolution 15-69 Senior Citizen Assessment Deferral

Karnowski advised that a senior citizen deferral option as discussed at the October 15th meeting. He isn't sure that the few changes Attorney Bourgeois are reflected in this draft, so he can make those minor changes and bring it back to the Council.

Walker questioned using “disabled” and wondered how that is determined. Karnowski responded that the State has a definition and requirement to meet that. He will look up the correct wording for it.

F. Resolution 15-71, No parking on west Branch

Foss advised that Resolution 15-71 is to prohibit parking on West Branch Street from 10th Ave North and 13th Ave North as discussed at a previous meeting.

Walker asked if there were any private homes on that section. Gerold replied that he believes there is one home in that section of street. Foss stated it is mostly the apartments that are causing an issue with parking and they have adequate parking lots behind the building.

Foss asked the attorney’s for clarification on whether this needs to be done via ordinance or resolution. Toven was not sure, Nielson said he believes it was done by Resolution. Toven looked it up and confirmed it is done via Resolution.

WALKER MOVED TO APPROVE RESOLUTION 15-71 PROHIBITING PARKING AND PUTTING UP NO PARKING SIGNS ALONG WEST BRANCH STREET BETWEEN 10TH AVE NORTH AND 13TH AVENUE NORTH. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

A. Stormwater management fee

Karnowski reported that at the November Study Session, there was a brief discussion about finally implementing the stormwater management fee the city adopted several years ago.

The discussion with the assessed residents regarding the 8th Avenue Stormwater improvements demonstrates that the city really does need a fund to help off-set the costs of stormwater issues as they come up.

Currently the residential rate is set at \$5.67/quarter with the commercial and industrial rate prorated based on that properties impervious surface and/or contribution to the city’s stormwater system.

Karnowski suggested that the Council authorize collection of the fee beginning with the January Sewer and Water billing which would give the PUC the time to enter in the fee into their billing program. He also suggested that it be a monthly fee rather than a quarterly fee. Collecting the \$5.67 on a monthly basis would be \$1.89/month. Commercial properties would be determined by their impervious services.

He asked how the Council would like to proceed.

Zimmer asked for clarification on when the fee and ordinance was adopted. Karnowski responded that there was a time frame that the city had to calculate the commercial properties, so it was discussed at that time. The fee was adopted in 2009. Walker asked if this would be

set up as an enterprise fund. Jackson and Karnowski confirmed that it would be.

Zimmer questioned how much it would equal each year. Nielson replied that when it was originally discussed, he believed it equaled about \$70,000 - \$80,000 per year.

WHITCOMB MOVED TO APPROVE THE IMPLEMENTATION OF THE STORMWATER FEE, AT \$1.89 RESIDENTIAL PER MONTH BEGINNING IN JANUARY 2016. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

A. Mille Lacs County fire Department Mutual Aid

Karnowski advised that Roxbury was speaking to Milaca and it was suggested that we have an agreement in place to cover any mutual aid with any other Fire Department within Mille Lacs County. The thought was to have one that addressed strictly the Fire Department.

WHITCOMB MOVED TO APPROVE THE MUTUAL AID AGREEMENT WITH MILLE LACS COUNTY. ZIMMER SECONDED THE MOTION.

Walker asked who the mutual aid agreement would be with as there are no names on the signature page. Karnowski said it is a blanket agreement and it would be with whomever signed the back signature page. Roxbury said the intent was to have every Fire Department in the County sign one.

THE MOTION CARRIED UNANIMOUSLY

MISCELLANEOUS

BILL LIST

ZIMMER MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$184,143.37 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 72704 TO 72798 FOR A TOTAL OF \$260,829.66. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

There being no further business:

ZIMMER MOVED TO RECESS THE MEETING AT 7:45PM, UNTIL 6:30PM ON TUESDAY NOVEMBER 24. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins
City Clerk

Paul Whitcomb, Mayor