

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
FEBRUARY 11, 2016 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, Victoria Hallin, Dick Dobson, 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 Jeff Row and Attorney Damien Toven.

AGENDA ADDITIONS/DELETIONS

Whitcomb would like to remove the Planning Commission Appointment, as the applicant does not live in the Princeton Zip Code.

Dobson stated he would like to add the Odger's Annexation to Unfinished business

CONSIDERATION OF MINUTES

- A. Regular Meeting Minutes of January 28, 2016
- B. Study Session Meeting Minutes of February 4, 2016

HALLIN MOVED TO APPROVE THE REGULAR MEETING MINUTES OF JANUARY 28, 2016 AND THE SPECIAL STUDY SESSION MEETING MINUTES OF FEBRUARY 4, 2016. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

- A. **Permits and Licenses**
 - 1. Mille Lacs Ducks Unlimited Gambling permit for April 14, 2016
- B. **Personnel**
- C. **Donations/Designations**

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

OPEN FORUM

PUBLIC HEARINGS

- A. Storm Water Utility Fee

Karnowski reported that staff has had some additional conversations since the Council Packet went out and we have some modifications we feel should be considered.

One of the things staff feels should be considered is adding a downtown Commercial rate. With the current rate plan, they would be lumped in with the rest of the commercial and business rate.

The Council may also want to decide on an apartment rate. Some apartments are only paying a couple dollars a month for the whole building. Perhaps a small (50¢ to \$1) per unit charge would be suitable.

The Council may also want consider a reduced rate for parcels that have had to install stormwater ponds or have, otherwise made stormwater adjustments to their properties. (Coburn's, UDSP, Glenn Metalcraft and others).

Staff certainly doesn't want to continue delay collection of the stormwater fees, but the following needs to be considered;

1. Work with the PUC to make sure that the rates being proposed will be easy to plug into their system.
2. Create a spreadsheet for the PUC to make the data entry for each account relatively easy.
3. Make sure the rates are fairly easy for staff to explain and for the public to understand.

Whitcomb opened the public hearing at 7:07

Duane Kruse asked how the Storm water Fee will work. Nielson responded that a number of years ago, a storm water utility plan was approved with a base amount needed determined per year. It includes costs for street sweeping, basin cleaning, and a few other costs. Nielson said the rate was then determined by the size of lot, the amount of impervious service, etc.

Kruse added that he heard the City of Ramsey implemented a stormwater fee and he heard horror stories about some seeing a bill for \$1,800 per year. Karnowski stated that he had received another call from a business owner who was also concerned. With the current rate structure draft, the worst case scenario, would be for sites with large impervious surfaces, and they would top out at \$50 per month.

Lynn Gleason from Mille Lacs Soil and Water stated they can help assist businesses come up with some plans to mitigate some stormwater. Karnowski added that staff has discussed some of the properties that have put stormwater systems in already and the discussion was to provide those properties some reduction in the fee.

Hallin asked Gleason if there is funding available. Gleason said there is not any currently, but there may be some grants available for people to apply for. Karnowski explained the reason that this is being implemented, is a fund could help bring assessments down on projects, like the one that needed to be done last fall.

Kruse commented that when they built their building, they were required to put in parking for 8 cars, and now they are being charged based on the impervious surfaces. He asked what keeps the fee from rising in the future. Hallin asked if the parking spots are regulated by square footage. Karnowski replied that they are.

Ron Weyer from RW Builders stated that they have a lot of commercial buildings and wondered how this will affect them.

Neilson said the State will be mandating 1 inch of rain to infiltrated, instead of the previous 1/2" requirement so the City is going to be required to do more with the new MS4 permit requirements. He stated said 100% of these funds will be used for storm water maintenance. A study showed 16 flooding areas in the city, and these fees will help cover costs to improve drainage in those areas.

Weyer said he is concerned with those fees going up in the future. Nielson said the way

the rates where set up, it should balance the run off in commercial verses residential. If taxes where raised, then it wouldn't be equally split.

Karnowski added that the reason it would be done as a fee, verses taxes is because then the the schools, Churches and similar properties would be contributing as well. If it was done as taxes, then those types of properties would not be paying a fee, when in many cases those types of properties have the largest amount of impervious surfaces. He stated that the fee may need to be increased at some point, but he does not feel the council would raise it to collect more than what was needed. These new mandates are going to hit the city hard.

Weyer asked if the commercial properties will be looked at individually. Nielson replied that the commercial properties with on-site stormwater systems will be looked at. He said ideally, a regional pond would work well in some areas, instead of having individual ponds on separate properties.

Walker stated that the Staff and Council will be looking at reducing the rates on some commercial properties, but the top rate is currently \$50 per month. Nielson added that there are only about 8 properties that would be at that the highest rate as of now.

Nielson commented that the rate is in essence based on the amount of run off from a property. If a property has a large parking lot, they would pay a bit more.

DOBSON MOVED TO CONTINUE THE PUBLIC HEARING TO AN INDEFINATE DATE.
WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

- A. EDA Board Meeting of January 21, 2016
- B. Park Board meeting of January 25, 2016

PETITIONS, REQUESTS, AND COMMUNICATIONS

ORDINANCES AND RESOLUTIONS

- A. Ordinance 729 amending Kennel Language – FINAL READING

Foss advised that there have been no changes since the first reading. There are some additional changes to Kennel Ordinance in the B-1, B-2 and the B-3 Districts. There are also some changes to Performance Standards, Standards and re-alphabetizing subsequent sections.

Hallin asked about a typo on page 2, Foss will make that change.

Walker asked why we have the same language in 2 sections. Foss explained the same language is in B1 and B2, so it is listed twice on the amendment.

Walker asked if we wanted to allow overnight boarding in B1. Foss explained they would need to apply for an Interim use and it would go to the Planning Commission for approval.

Walker questioned wording in B3 that states "Kennels, with overnight boarding, provided that (a) No overnight boarding allowed". Foss stated that is a typographical error and she will correct that.

WALKER MOVED TO APPROVE ORDINANCE 729, STRIKING SECTION 3, TAB D, SUB A. AND RE-ALPHABETIZING OF ALL SUBSEQUENT SECTIONS. DOBSON SECONDED THE MOTION DOBSON. THE MOTION CARRIED UNANIMOUSLY

B. Odger's Annexation

DOBSON MOVED TO RECONSIDER THE MOTION MADE ON JANUARY 28TH FOR THE STAFF TO PROCEED ON ANNEXATION BY ORDINANCE. ZIMMER SECONDED THE MOTION.

Dobson stated that he does not feel it is a good time to proceed with the annexation. If anything were to be developed on that land, a septic would need to be put in and the City could proceed with annexation at that time. He does not want to annex a property unless the owner requests it, unless there were an issue with the wellhead protection plan.

Walker thanked Dobson for reconsidering the motion. He said he has a little different view and would like to annex the un-developed portion and let the sale of the current office go through. Walker said the reasoning was to prevent a business that we did not see as a fit for the area. That could be prevented by annexing the vacant parcel after the lot split was processed.

Walker said if we have not done anything yet, he would like to hold off.

Whitcomb said he isn't sure why we are wanting to make a change now, the Township is not going to want to give up property now, in 5 years or 10 years.

Zimmer asked if anything has changed from when this was first discussed. Karnowski replied that when the staff first looked at the zoning map, the city appeared to totally surround the township. As it turns out, the west line of Aero Business Park is off about 28 feet from Odger's west property line across the street. He checked with Boundary Adjustments at the state who said even though it amounts to less than 1%, the city does not totally surround the city so it cannot be done by Ordinance. There is a law that allows annexation if the city surrounds it by more than 60%. The Township has 90 days to request a hearing by the State Boundary Adjustments Department. They are then required to hold a hearing before an Administrative Law Judge within 60 days, but then have up to a year to make a decision.

Karnowski added that in checking with Attorney Bourgeois, she said if a building permit was taken out while the property was in the township, the city could not stop the project. While he is certainly sensitive to Dobson's statement, he is concerned that if a permit was taken out on the property, the city could not do anything. Karnowski also noted that the property has deferred assessments, and the city residents are in essence paying thousands of dollars a year for those deferred assessments. The properties are getting the benefit of those streets plus access to city sewer and water, with others covering the costs.

Hallin said even 14 years ago when Miller requested annexation, the City took a lot of heat from the Township, even though the property owners wanted to come in. It appears to be an

island in the City, and in everyone she has spoken to, that is something you don't want to see.

Karnowski stated he was looking at an option of maybe allowing the property to be in a rural taxing district, which would allow them to retain their township level of property taxes, for a certain period of time, or until the property was sold or developed. He added that he had received a letter from Mrs. Odger's stating she was not planning on selling or developing the property.

Hallin said the Township still retains some property taxes for so many years if the land was annexed.

Dobson said he has not talked to anyone on the Township board, he thought more about this after the meeting and these were his thoughts.

Whitcomb and Zimmer said they would like some more information and would like to see what Karnowski finds out. Hallin added that she likes the idea of the Rural Taxing district.

Karnowski responded that he will have some information at the next meeting.

UNFINISHED BUSINESS

A. ~~Planning Commission Appointment~~

Karnowski reported that the reason it was removed, is the applicant did not live in the 55371 area code. Some of the other conversations have been, does it matter if it is a business owner. He questioned if the Council wanted to change the requirements to maybe include the "school district" as the boundary for residency, instead of the zip code.

Walker suggested letting the planning Commission decide if they want to change the requirements

NEW BUSINESS

A. Refunding Bond Sale – Resolution 16-07 (Public Safety Building)

Jackson advised that the EDA/City has outstanding the \$2,240,000 Public Project Lease Revenue Bonds, Series 2013C which were issued to finance the new public safety building. The 2013C Bonds have a remaining average interest rate of approximately 3.95%. The City can consider the issuance of General Obligation Capital Improvement Plan Bonds to pay off the 2013C Bonds.

Based upon interest rates in the current bond market, new refunding bonds could be issued at approximately 2.19%. This interest rate reduction would generate a total net reduction of \$117,494 which is a \$99,162 present value savings (4.15% PV %) over the remaining term of the bonds.

The preliminary timeline to issue the General Obligation Capital Improvement Plan Bonds follows:

1. February 11th City Council meeting. The City Council considers a resolution calling for a public hearing on the issuance of General Obligation Capital Improvement Plan

Bonds.

2. March 10th City Council meeting. The City holds a public hearing on the issuance of General Obligation Capital Improvement Plan Bonds. The City Council considers a Resolution approving a Capital Improvement Plan and sets a bond sale to occur on April 14th.
3. April 14th City Council meeting. Financing bids are presented to the City Council with the recommendation to award the low bid.

HALLIN MOVED TO APPROVE RESOLUTION 16-07, CALLING FOR A PUBLIC HEARING ON THE ISSUANCE OF GENERAL OBLIGATION IMPORVEMENT PLAN BONDS. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

MISCELLANEOUS

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 \$76,843.40 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 73176 TO 73260 FOR A TOTAL OF \$166,243.41. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

There being no further business:

HALLIN MOVED TO ADJOURN THE MEETING AT 7:57PM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins
City Clerk

Paul Whitcomb, Mayor