

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON  
FEBRUARY 26, 2015 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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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, Police Chief Todd Frederick, Public Works Director Bob Gerold, Clerk Shawna Jenkins, Engineer Mike Nielson and Attorney Damien Toven. Absent was Community Development Director Jolene Foss

**AGENDA ADDITIONS/DELETIONS**

None

**CONSIDERATION OF MINUTES**

- A. Regular Meeting Minutes of February 12, 2015

HALLIN MOVED TO APPROVE THE REGULAR MEETING MINUTES OF FEBRUARY 12, 2015. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

**CONSENT AGENDA**

- A. **Permits and Licenses**
  - 1. Gambling License Princeton Lion's Bingo and raffle on April 18 at Steven's
- B. **Personnel**
  - 1. Police Chief Todd Frederick Step 2 Increase after 6 month probation to \$68,373
- C. **Donations / Designations**

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

**OPEN FORUM**

David Padella with the Mille Lacs County Historical Society announced that starting next month, their meetings have been moved to the first Wednesday of every month at 7pm. There have been a lot of changes over the last few months. In addition to the new roof, they have made some interior changes as well. He is looking forward to the Council seeing the changes.

Padella said it is his understanding that Councilor Hallin used to be involved in teaching at the Pioneer School and he invited her to come back. He reported that they had to cancel a few days last year because they were short teachers. Hallin said she will stop in to talk to them and will try to get something set up for this year's Pioneer School.

Hallin said she has been getting phone calls asking if the Depot is open regular hours. Padella responded that they are open a few days a week, but those hours may change when winter is over. They are closed Sundays, Mondays and Tuesdays.

**PUBLIC HEARING – West Branch Street Roadway and Utility Improvements**

Nielson advised that this is a Public Hearing for the City to consider and possibly adopt the proposed assessment against abutting properties for the North 400 feet of 13<sup>th</sup> Ave North, West Branch Street from 13<sup>th</sup> Ave to 7<sup>th</sup> Ave, 7<sup>th</sup> Ave from West Branch Street to 3<sup>rd</sup> Street North and 3<sup>rd</sup> Street North from 7<sup>th</sup> Ave to approximately 150 feet west of Rum River Drive. The improvements will be generally located within the roadways. The nature of the im-

provements shall include roadway resurfacing / drainage improvements, sanitary sewer service, water service and appurtenant work.

The proposed assessment would be payable in equal annual installments extending over a period of 15 years, the first of the installments to be payable on or before the first Monday in January 2016 and would bear interest at the rate of 6.5% annum from the date of adoption of the assessment resolution.

Rick Schwartz submitted his comments via email:

*One of the main reasons for this update is to adequately supply a proper amount of water pressure to the end of the project and loop.*

*Only assessing 37 property owners, I feel is not fair or appropriate. It is my opinion and the opinion of others that any abutting properties, meaning any homes that are in reach of a water hydrant would be benefiting from these improvements. The assessment should not only include the properties that are on West Branch, but to include all in reach of the fire departments reach from said hydrants.*

*I truly realize the need for the improvement to keep Princeton up to date and place to call home with functioning systems in place. I am simply asking for all benefiting to be assessed for these improvements, including the PUC splitting 50/50 and not 40/60.*

*The other discussion point was widening the streets 6 feet and if any possible land that is not in the right of way would be taken, then assessed, forced to a 15 year loan and charged interest. In this scenario that would be very tough to swallow.*

*I would further ask the city council to continue this meeting to allow additional property and home owners to have a chance to speak out.*

*Please accept this letter as my statement and disapproval of assessment as written. I have 3 very important meetings to attend on Thursday evening and cannot be in three places at one time.*

Dennis Hatch and Marlene Nelson (Princeton Realty) submitted the written comments as follows:

*This letter is to address 920 West Branch Street and the new water-sewer line going in. This letter pertains specifically to PID # 24-028-3403. The land is zoned residential vacant. There is a possibility of building a single family home, 2 duplexes or a 4 plex. This would be a plus for the City with the additional taxes.*

*Nelson stated that acting as the listing agent, her opinion is that putting in water and sewer makes this a much more marketable property but only if stubs are put in now. Stubs put in at a later date means a greater expense and digging up a new road which is not as desirable.*

Whitcomb opened the Public Hearing at 7:24pm

Bridget Anderson 315 10<sup>th</sup> Avenue stated they have a corner lot on West Branch and questioned why they are on the list when they already have sewer and water. Nielson explained they could hook up along West Branch if they wanted to. Anderson asked if the road is widened will their very large tree need to be removed. Nielson said he would have to look at

that property to answer that. She also stated that the traffic speeds by and asked if stop signs could be added to slow people down. Nielson said studies show that stop signs unfortunately do not slow people down. He added that they can look to see if there could be some slight design changes to the curve and see if a 3 way stop would be suitable. Nielson will meet with them after the meeting to discuss their property.

Al Brodeson 901 West Branch Street questioned why the road is going to be widened when there is already a lot of traffic on that road. Nielson replied that in most cases, a narrow road causes people to drive off the edge and create more issues. Brodeson said if the road is widened, their garage may even need to be moved, in addition to some landscaping.

Jeff Davis 912 West Branch asked if it would save the property owners some money if the road was not widened. Nielson said it would not be much savings. If the shoulders were not paved, they would be graveled which costs a lot more in maintenance, so in turn saves everyone money.

Jim Hennesy 702 West Branch Street said he will be out of town end of March when the project may be approved and he is concerned he would not be heard. He asked if he can submit a statement.

Karnowski responded that Hennesy can email a statement or drop it off with the City Clerk and that if anyone has questions they are welcome to stop in or call staff.

Al Brodeson questioned why the water lines are being redone. Nielson responded that some of the old shared lines travel through backyards and have long runs. Those that are on those lines can be reconnected in the front instead of digging up the back yards. This will allow the property owners to use their entire backyards again if those lines are no longer used. The lines will be a 12" duct line pipe. Brodeson said his mother just put in a septic a few years ago. Nielson responded that in many cases such as that, the assessment can be deferred until the property is sold or if the septic were to fail. Nielson added that it is tough to determine when the best time is when there are multiple septic systems adjacent to sewer in a city.

Jim Hennesy asked if the property owners will be required to hire a contractor to hook them up. Nielson replied that they can do it on their own, or the council may agree to allow the property owners to add that cost to the assessment. Nielson said if some of the long service lines were to fail, it would be much more expensive for them to replace or repair the lines.

Brodeson asked if the City were to go into someone's yard and a tree was required to be removed, who is responsible for those charges. Nielson said the City would not be working in yards as the water lines would from the street to the house would be the responsibility of the home owner.

Nielson stated that the fire flow is very low in the area and needs to be fixed for safety reasons.

Hallin said she was asked by a resident if they can again use their entire back yard if those lines were no longer used. Nielson said that yes, they could again use that land.

Rodger Anderson owns some undeveloped property along West Branch and asked if the erosion issues will be fixed. He questioned if the City would be going on private property to do that. Nielson replied that they will only go on private property with permission from the

property owner.

Jeff Davis 912 West Branch asked if the assessment is based on the footage. He asked if the amount of buildable land on a lot comes in to affect. For example, should a lot that only has a small portion of buildable land pay the same as one that is entirely buildable. Nielson said that they can sit down with individual property owners and take a look at those types of situations.

Kelly Odeen on 3<sup>rd</sup> Street said he heard it may be an interest rate of 6%. Nielson replied that the current bond market is fairly good and we hope to be lower than that. Jackson added that if the bond were to be sold today, it would probably be in the 2.5-3%, and we would charge 1% over that. That could change in 2 months, but that is an estimate if it were to be done today.

Jim Hennesy said he appreciates that the City is looking out for future needs, but hopes the Council is also aware of the cost to the residents and that they will have big impact to their lives. He said some people could lose their homes from this.

Ann Brodeson 901 West Branch Street said she is 72 years old and lives on a fixed income. She doesn't know how she will pay for this. Nielson said he believes there is a senior deferral available. It does have particular requirements that need to be met such as age, income, etc.

Bridget Anderson asked why seniors get a deferral and others do not, such as a single income family. Jackson said the senior deferral is a state law.

Nielson added that usually longer the bond goes, the higher the interest rate. Staff, council and the citizens would need to determine how long they would like the assessment to be spread out.

A resident asked how the bond is paid. Nielson stated they are added to your taxes. She asked if those were tax deductible. Staff was not sure and suggested she speak to a tax attorney.

Jeff Davis asked if there are any other funding services available. Nielson replied there are not a lot of options or grants available for these types of situation.

Anderson asked what the average service life is of lines. Nielson responded 50-75 years on average. Anderson asked why the assessments are not pro-rated off that time frame. Nielson said the City would need to raise taxes across the board to cover projects, but borrowing at a low interest rate is usually the best option. He said he is aware of a few cities that do not assess, and that is Minnetonka and Wayzata. He is not sure why they do not, but they must have a pretty high tax rate and capacity.

Brian Humphrey 506 3<sup>rd</sup> Street said with the upcoming construction, it may present an issue for residents to access the mail box in the alley behind the post office. He questioned if it should be just moved to a different location permanently.

DOBSON MOVED TO CLOSE THE PUBLIC HEARING AT 7:58PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Walker announced to everyone in attendance that the Council's contact information is on the

website so if people don't feel comfortable talking tonight, they can give him a call or even stop over.

Karnowski reiterated that as well and stated that if anyone has questions or concerns to please call, email, stop in, etc.

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

- A. Fire Advisory Minutes of February 3, 2015
- B. PAVC Minutes of February 9, 2015
- C. Park Board Minutes of February 23, 2015

### **PETITIONS, REQUESTS, AND COMMUNICATIONS**

- A. Wine and Spirits Grant Request from Kinship Youth Mentoring

Karnowski reported that Kinship is requesting \$1500 to help support their mentoring program that helps kids and builds a sense of community in their lives. The council agreed it is a worthy organization 2011.

ZIMMER MOVED TO APPROVE THE REQUEST FOR \$1500 BY KINSHIP TO HELP SUPPORT THEIR MENTORING PROGRAM. WALKER SECONDED THE MOTION.

It was asked what Kinship received from the City in the past.

WALKER MOTIONED TO TABLE THE KINDSHIP REQUEST UNTIL JACKSON CAN LOOK AT WHAT WAS GIVEN LAST TIME. DOBSON SECONDED THE MOTION.

Jackson came back into the Council Chambers and reported that \$680 was given in 2011 and \$1000 in 2013.

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### **ORDINANCES AND RESOLUTIONS**

- A. Ordinance 715 – Amending Fee Schedule – FIRST READING

Karnowski advised that the Fee Schedule needs to be updated with the new Civic Center Fees that have been set by the Council.

HALLIN MOVED TO INTRODUCE ORDINANCE 715 AMENDING THE FEE SCHEDULE. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

- B. Resolution 15-08 supporting dedicated state funding for City Streets

Karnowski advised that the media states as of late that the Governor and legislative leaders appear to support passage of a substantial transportation funding bill for the 2015 legislative session.

While the League of Cities has a long history of supporting increased transportation investments, their support has not helped secure more discretionary transportation funds for cities and, despite intense efforts over the last two decades on the part of the League and city officials, the Legislature has not passed the street improvement district enabling legislation requested by cities.

The counties have secured additional wheelage tax authority as well as local option sales taxes for transportation. The Legislature has increased the gas tax and other revenues distributed by a constitutional formula through the Highway User Tax Distribution Fund (HUTDF), but those revenues provide discretionary funds to only 147 of Minnesota's 852 cities (those over 5,000 in population). Currently, 84 percent of city streets are funded with property taxes and special assessments.

After a lengthy discussion, the League of Minnesota Cities Board of Directors voted on Jan. 15 to base its support for a 2015 transportation funding bill on inclusion of a new state funding stream for city streets. The directive, which marks a change in the League's transportation advocacy strategy, reads as follows:

*"The League will support and advocate only for omnibus transportation funding bills that contain a new funding source for city streets. The League will advocate for a sustainable funding stream outside the constitutional formula for city streets. The League may also advocate for street improvement districts, although it will not condition its support for an omnibus transportation bill on inclusion of a street improvement district mechanism. The League will testify in support of omnibus transportation funding bills that contain discretionary funds for cities, including for city streets. The League would be neutral/silent on bills that do not contain discretionary funds and tools for cities."*

The League's directive would be neutral on bills that contains provisions the League has supported—such as a gas tax increase and street improvement district authority for cities—but all LMC Board Members agreed that city street funding has remained unaddressed in omnibus transportation funding bills for over a decade.

The Leagues strategy is intended to support an omnibus transportation funding bill that provides additional dedicated state funding for city streets including funding that can be used for non-MSA (municipal state aid) city street maintenance, construction and reconstruction and convey to the Governor and Legislature that adequately funded city streets is essential to mobility and economic vitality.

The LMC Board requested that Cities interested in supporting this effort are encouraged to consider adopting a resolution as soon as possible and sharing it with their legislators and the LMC

WALKER MOVED TO APPROVE RESOLUTION 15-08 SUPPORTING DEDICATED STATE FUNDING FOR CITY STREETS. DOBSON SECONDED THE MOTION.

Zimmer questioned the comment in the memo that stated the League is going to be neutral on the gas tax. Karnowski confirmed that they are not in favor of a gas tax.

THE MOTION CARRIED UNANIMOUSLY

**UNFINISHED BUSINESS**

A. Civic Center Rental Agreement Amendment

Karnowski reported that staff is beginning to receive calls to rent the Civic Center. The American Legion held their first meeting there on February 12<sup>th</sup> and also had an omelet breakfast there on Sunday, February 15<sup>th</sup>. Apparently they're pleased with the results to date, wording changes, etc.

One issue that's come up since the Council approved the rental agreement information is whether the weekend rate should apply to certain holidays. We had someone reserve the building for this year's Christmas Eve, which falls on a Thursday and, accordingly, would be subject to the weekday rate of \$150 (\$100 for a city resident) as opposed to the weekend rates of \$300/\$250.

So the question is whether the Council wishes to charge the weekend rate rather than the weekday rate for these or other celebratory days:

|                   |               |                         |
|-------------------|---------------|-------------------------|
| New Year's Eve    | Halloween     | 4 <sup>th</sup> of July |
| New Year's Day    | Memorial Day  | Thanksgiving            |
| Valentine's Day   | Christmas Eve | Christmas Day           |
| St. Patrick's Day | Labor Day     |                         |

Whitcomb said for this year, he would like to leave it the same for Holidays to get people using it. Dobson said he agrees, although he understands Staff's point of view as well.

The Council agreed to leave the prices as previously agreed upon at this time.

Karnowski reported that every fall the League of Minnesota Cities has meetings throughout the state. He is so proud in how the community came together to rehab the center he spoke to someone at the League about the possibility of having the meeting there. Hallin said that would be excellent and a good opportunity to show how the community came together on the project.

**NEW BUSINESS**

A. Biomatrix International Award

Karnowski reported that BioMatrix International has been selected as one of Finance & Commerce's 2015 Progress Minnesota honorees! There will be a dinner at the Hyatt Regency in downtown Minneapolis to honor this year's recipients.

This award was established to recognize those individuals and companies who are driving business, industrial growth and economic development in Minnesota in unique and innovative ways. The awards encourage, promote and honor entrepreneurs and organizations from

across the state who, by their investment of time, energy and ideas, are having a significant impact on job creation, business development, and the overall economic health of the state.

The Princeton Area Chamber of Commerce board has approved covering \$450 (half the cost of a table at the awards event) and would have 2 representatives from the Chamber attend. The Chamber would request that the City do the same. The table seats 10 total so we would provide 6 seats for BioMatrix International. (Having nominated them, Michels does not believe it appropriate to ask them to pay for their own tickets to a dinner to honor them.)

Michels stated that she would like to share that the City and Chamber are offering this to them as soon as possible.

BioMatrix International is an amazing asset to our community and they understand the value and importance of inspiring locally and impacting globally.

Karnowski advised that they did run it by the city auditor. The city's auditor said the state does not allow even employees to be recognized. They said this is a gray area. Karnowski stated that it may be something that the EDA could pay for. He added that he called Finance and Commerce and was told they only provide one free seat to the award winners.

Walker said he is willing to take it back to the EDA to consider approval.

**B. Board of Appeal and Equalization meeting dates**

Karnowski reported that Mille Lacs County and Sherburne County need to hold their Board of Appeal on different dates. Sherburne will be held on April 9<sup>th</sup> at 4:30pm and Mille Lacs at the normal Study Session of May 7<sup>th</sup> at 4:30.

**MISCELLANEOUS**

Dobson reported on the meeting with the Sheriff's group and it was very informative. They were given a tour of the jail and dispatch center. They are planning on holding a meeting once a quarter. Councilman Zimmer is the alternate, but he can attend any meetings he wants, as well as Chief Frederick. The Sheriff wants to know what they can do to help the municipalities.

Hallin reported on the STEM project event that was recently held at the schools. There were many local businesses that were there to talk to the students. She said it was a great event.

Walker said at Monday's East Central Regional Development Commission they stated they would like to come to a Study Session to reintroduce themselves and talk about different transportation grants, what they assist with, etc.

**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 \$114,866.62 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE

CHECKS 71459 TO 71524 FOR A TOTAL OF \$106,646.07. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

There being no further business:

HALLIN MOVED TO ADJOURN THE MEETING AT 8:22PM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

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Shawna Jenkins  
City Clerk

ATTEST:

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Paul Whitcomb, Mayor