

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL HELD ON
MARCH 6, 2013 4:30 P.M. AT THE NEW PUBLIC SAFETY BUILDING**

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, Jules Zimmer and Victoria Hallin. Staff present, Administrator Mark Karnowski, Finance Director Steve Jackson, Community Development Director Carie Fuhrman, Clerk Shawna Jenkins, Fire Chief Jim Roxbury, Police Chief Brian Payne, Engineer Mike Nielson and Public works Director Bob Gerold.

Proposed 21st Ave Roundabout - Nielson

Nielson reported that there are a couple options for the possible round-a-bout at 21st. He stated that dual lanes and dual left turns are now needed. The City currently has about 1.1 million left from what was received for the round-a-bout located at Rum River Drive. MnDot has also stated they will contribute a couple hundred thousand to cover the local portion. With the limited funds available, he suggested the City just concentrate on constructing the round-a-bout.

On the north side of Highway 95, there is a frontage road that services the houses to the west. Those houses currently do not have sewer and water. In the past, he had talked to the land owner of the Northeast piece to inquire about his feelings about an assessment for water and sewer. He asked the Council if there was any interest in contacting the owners to the north side to determine if they want a frontage road extended and water and sewer installed.

Several years ago one of the larger property owners was interested in having water and sewer installed as there would be a possibility of future development. Nielson said he would like to know if the Council wants to complete this area, or split some of the funds to the 13th Avenue area.

Karnowski stated several years ago, he met with several of the owners about the frontage road, sewer and water. At the time, there was some optimism in that if the big box area took off that these properties would be able to be sold as commercial. However, he seemed to think that they would not be interested until commercial development was imminent.

Walker asked if it could be added down the road without tearing up the median. Nielson responded that it would depend on how it was designed and constructed. Karnowski added that if or when Dan Howard was to develop that Northeast property, a traffic study would probably need to be done.

Walker asked about the property to the west, and if MnDot would be okay with their driveway accessing Highway 95. Nielson replied that MnDot has not seen this design as of yet, but he is hoping to get it approved as an interim plan until the traffic increases.

Nielson said if there is some Council interest in a frontage road, he can meet with the property owners. Walker mentioned sending a letter to the property owners to get their opinion. Karnowski suggested inviting them to have a sit down at city hall and look at the options. Nielson added that he will run this design past MnDot first, to see if it is an option before meeting with the property owners.

Whitcomb asked if there is a timeline that the City needs to use that remaining 1.1 million. Nielson replied that the funds are earmarked, but the sooner they are used the better.

Walker asked how long it would take for MnDot to get back to him about the plan. Nielson responded that it will likely take a couple of months. He said MnDot said they would kick in

up to \$240,000 towards the local portion. Karnowski added that the City will need to cover the engineering costs.

Dobson mentioned a future trail that would be going through to 120th. Fuhrman said the trail would likely be extended in the future, so it would be a good idea to keep that in mind while planning the project.

Payne stated that he has heard a few complaints about the round-a-bout in town. Some people have stated that they cannot seem to get onto Highway 95 because of the steady stream of traffic.

13th Ave Water loop

Fuhrman reported that there is some NSP money that was used to demo the former Arcadian Homes and we have some responsibility to follow through that being done. Staff sent out an RFP to redevelop the site, but we did not receive any response. Staff was informed that until the water issue there is resolved, there would not be any developers interested in the site.

Nielson said many years ago when Arcadian was looking at developing the property a 12" water main was looked at to increase the water flow. In talking to the PUC, they would like to loop the connection back from the line near Hytech. The PUC would like to continue working with the city in regards to water and sewer. The City had proposed a full reconstruction of 13th, so the PUC is interested in finding out if the Council would like to look at that project.

Dobson stated it would be cheaper and more effective for the City to work with the PUC and do the work at the same time. Karnowski added that the City is close to reaching the 5000 population mark, which will allow us state aid for our streets. The plan in the past was that 13th would be a major north south collector road. He asked if the Council would want to built it out to curb and gutter now, or wait a bit in the hopes that we could get state aid road money to assist in that work.

Karnowski added that one thing that has been discussed, is that storm water may need to be treated somewhat differently in the future. The conversation he suggests Council have is to work towards curb and gutter or have streets like there are now which will allow the water to run off and be ground collected. He asked if they want the road to just be patched after the water main repairs, or to totally reconstruct the road and add curb and gutters.

Walker suggested installing sidewalks on 13th as well. Fuhrman she has talked to both Jackson and Nielson about this, and feels we should look at long term infrastructure planning.

Nielson said curb and gutter does add some value to the properties, and when there is a large rain, it does get under the road, which is not good for the roads long term.

Zimmer asked why there was a lot of opposition to this by the residents when it was discussed in the past. Nielson and Hallin both responded that there would be a lot more traffic if 13th were to connect to Highway 95. Karnowski added that there was also comments from citizens that if the road was widened, they are going to lose a lot of front yard. Also, he does not think all the houses on 13th meet the current setbacks.

Zimmer asked if state aid would pay for all of the improvements to 13th Avenue. Nielson replied that once the City hit the 5000 population, the yearly aid would be approximately \$250,000 and you can borrow up to 4 years of that aid. He feels assessments are still a good option, but they should be smaller than usual as the roads would be heavily used by all the residents, and not just those on the road would be benefiting from the improvements.

Karnowski stated that the PUC does want to move ahead with the water loop project, so the Council should determine how they want to proceed as well.

Whitcomb asked about the sewer lines on 13th. Nielson said there are some, and Gerold added that the manholes in the area are still brick, but they have not had any breaks. Nielson added that if there was a full reconstruction done to the road, it would be wise to redo or sleeve the sewer that is there. He commented that the connection to Highway 95 does not need to be done.

Walker feels it would be better to do it right, then to just patch it and have it needed again in a few years. He questioned how the City will handle repairs needed in the future, as many of the roads are quite old. Nielson stated a Capital Improvement Plan would be a great option and is something that staff has discussed. He added that sewer and water pipe should last approximately 75-100 years and about 60-75 years under roadways if they were done correctly. He said he likes to plan on 50 years, and figure about 2% of the infrastructure each year when planning the budgets.

Nielson reported that if the City were to sell bonds, 20% has to be assessed in order to not require a referendum. A feasibility study would need to be done as well, and public hearings held.

Walker stated there would be more assessments than just to those properties on 13th. Nielson said there will be a benefit to a lot of properties. There would likely be a different assessment for those that are directly hooked up to the line, verses those that do not have such a direct benefit.

Nielson said they had started the feasibility study on 13th in the past, so it he would not need to start from scratch. He added that he would be in favor of just patching West Branch. Gerold added that the maintenance on West Branch is minimal, but there are some catch basins he has concerns about.

Walker asked what happens with storm water. Gerold said we used to have storm and sanitary sewer that ran separate and it sounds like things will move back towards that. Nielson said because of the sandy soil of the area, there is some subsurface treatment that occurs. However, it is something that he will need to talk to his storm water specialist about.

Nielson feels that the City and residents would not be happy with the road in 5 or 6 years if it is just patched. Dobson added that as a homeowner, he would rather have it done right the first time, instead of road disturbances every few years.

Walker asked if we would do sidewalks on one side, or both. Fuhrman and Karnowski responded that is a Council policy decision. Fuhrman said the sidewalk policy is something that should be looked at. She said for new subdivisions, just one side is required. Nielson said for a residential street a sidewalk on one side is fine, but for a collector road that could be busy a sidewalk on both side is a better option.

Walker asked if there is a way to deal with the storm water in the interim, then just convert it in the future it needed. He said he would like to see the road completely reconstructed.

Karnowski said the Council does not need to make a decision tonight, but it can be put on the next meeting agenda so the Council has some time to think about the project and talk to people.

Walker asked for an estimate on cost per foot of City road. Nielson replied that just asphalt would be about \$75 per inch/square yard. For curb, gutter and sidewalks, it would be approximately \$350 per inch/square yard. Nielson estimated \$128,000 in bituminous and for a full reconstruction he would estimate about \$250,000.

Dobson said he feels we don't want to move a decision out too long, as there is an issue with fire protection.

Walker suggested putting something on the City's Facebook page to let the residents know they can come to the next meeting to look at the options and talk to the council members. Dobson said it shows the Council is being transparent. Zimmer and Hallin said they agreed, and the residents can be informed that the project is important and needs to be done.

WALKER MOVED TO PUT MESSAGE ON THE CITY'S FACEBOOK PAGE ABOUT THE POSSIBLE PROJECT AND UPCOMING MEETING. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Assessment Policy Discussion

Re-assessment of Tax Forfeited Property

Karnowski reported that the Council may be aware that properties in the city for which property taxes have not been paid are routinely sold by the County. When those parcels are sold, the money collected from the sale is divided amongst the city, school district and county. The city was recently advised that a property within the city was sold but that the sale price did not cover the infrastructure assessments that had been levied against the parcel.

The State of Minnesota allows cities to re-assess such parcels in order to make sure the city collects all of the infrastructure assessment.

This would be a policy decision the City Council should make. Without getting into any specifics about the parcel currently in question, does the city want to have a policy that the city will re-levy unpaid assessments against a parcel that goes 'tax forfeit' or not?

If so, city staff will prepare and bring the necessary resolutions to the Council to begin the process of re-assessing the property.

Dobson said he believed he read about an issue where some buyers sued the municipality because it was not disclosed at auction. Karnowski said it would show up when a special assessment search was done, and there would still be public hearing.

Karnowski said he will check with the City Attorney and put it back on for an Assessment.

Activation of 1st Street Deferred Assessments

Karnowski reported that a few of the current Council was on the City Council when 1st Street was reconstructed about a dozen years ago. At that time, some of the assessments were deferred as a type of area assessment. The parcels in question were lots that were not immediately adjacent to 1st Street but received sewer and water service because of the infrastructure improvements under 1st Street.

Those improvements were deferred at the Council's November 7, 2002 Council Meeting. Mille Lacs County is now asking if the City wishes to activate the deferred assessments.

Steve Jackson is the only staff member that dealt with the issue that's still on staff. Mayor Whitcomb and Council Member Walker were on the Council at that time.

Hallin and Dobson both agreed that the properties should be assessed, as it was mentioned in the resolution. Karnowski said he believes some of the parcels were old airport hangers.

Nielson said some of these properties did not hook up at that time. Fuhrman said some of the properties on this list have recently hooked up. Jackson added that many of these properties were waiting for a forced main to hook up. Walker stated he would like to see who has still not been assessed.

Karnowski said staff will update this list and provide the Council with the information

Frozen Water Line Issue

Karnowski stated that the excessive and persistent cold weather we've experienced this winter has caused numerous water services to freeze. The strategy to address this issue has been to recommend that the property owner run a continuous ¼ inch stream of water (about the width of a #2 pencil).

The Minnesota rural water association suggests that a stream of water that size will amount to about 360 gallons of water going down the drain every day. It's also anticipated the need to run that water will probably continue through sometime in April when the frost begins to come out of the ground. That means there's a potential for the owner of a single family home to end up paying for over 40,000 gallons of water over what they'd normally use during the winter months.

In addition to the impact on the homeowner's water bill, running a continuous stream of water will also have an impact on the homeowner's sewer bill because the homeowner's sewer rate is calculated using the average monthly water usage for the four winter months (November through March).

City staff has been working with the PUC and the PUC has agreed to review the sewer bills for those who have notified the PUC that they're running a continuous stream of water. The plan is to look at their November and December water usage and compare that to the previous year's usage for the same two months and use that factor to come up with a sewer rate for the 2014-15 year (April through March).

It's felt that system should result in a fairly accurate usage rate.

Staff is interested in getting the Council's thoughts on whether they feel the proposed practice would treat the homeowners fairly and, if not, what suggestion(s) you might have for an alternative process.

Karnowski said just today on the Administrator and Clerk's List serve it was stated by a City's Auditor that a policy should be approved and in place if the Council decides to make any adjustments.

Hallin asked for clarification on how the sewer usage is calculated. Wangen from PUC responded that the water use in December, January, February and March are used to calculate the sewer usage. She stated they could use last year's usage, move it up a month, or just use December, January and February.

Hallin questioned how many residents have notified the PUC that they are running their water. Wangen said they have heard from about 60 homes that are running their water, with about 20 lines that have frozen up. Walker suggested using the usage from December, January and February for all residents to make it easier to calculate.

Nielson asked Gerold if there has been an increase seen at the Wastewater Plant. Gerold said yes, they have seen a slight increase. Karnowski added that because of that, there is a slight increase for the city as there is more water running through the sewer system.

Nielson questioned if the PUC will be charging the residents for the increased water. Wangen said they were originally going to, but the commission is looking at options in picking up the additional cost. They have put the information out there so they are not limiting it to those that have frozen up.

Zimmer stated they are suggesting running the water for a minute and check the temp. If the water is below 40 degrees, it is suggested to run your water. Dobson stated he has seen it mentioned on the news stations as well, as it is a big problem in a lot of communities.

WALKER MOVED TO APPROVE THE SEWER RATES TO BE BASED OF WATER USAGE IN DECEMBER, JANUARY AND FEBRUARY FOR ALL CITY RESIDENTS. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Former Fire Station Marketing

Karnowski reported that the PD and PFRD are in their new quarters, the City should divest itself of the former fire station. Staff understands that the proceeds from the sale of that building may be used to add new office space and expand some indoor shop space at the Public Works building up on 5th Avenue.

He said he has put together a rough draft of a fact sheet regarding the former fire station. At issue is the 'asking price'. Currently the Mille Lacs County Assessor's Office has the value of the property at \$414,200. According to law, that value is suppose to be within 10% of the actual value. That means our asking price should not be much lower than \$375,000.

It's been mentioned that it may be worthwhile to get a professional appraisal on the building. My concern is that an appraisal would probably cost a few thousand dollars. Our experience in the past (using the former Liquor Store building as the latest example) has been that the selling price ends up being negotiated between the city and the proposed buyer. So, in

his opinion, a formal appraisal really won't help much in the negotiations but will definitely cut into the profit.

He asked if the Council wishes to get a professional appraisal on the building or if they any other comments or ideas that may assist in the marketing of that property.

Karnowski said as a fire station it worked well, but it doesn't have a lot of off street parking so it may limit the prospective buyers. Fuhrman added there is some room for parking in the back. Roxbury added that he would have to look at the survey better, but the bank's access in the back does not allow parking at the rear of the building.

Karnowski stated he was thinking of listing it at \$350,000. Walker and Whitcomb both agreed that was a good starting point.

Karnowski also asked the Council if they wanted to use a Realtor, and just hold out any names that have already expressed an interest in the property.

Walker said he thinks the City should use a Realtor, and suggested asking if it can be done for 4%.

Zimmer and Hallin mentioned asking a Realtor what the price they feel the property should be listed at, as they will have a good idea of the properties in the area and the current market.

Replacement Police Squad

Karnowski reported that Investigator Frederick is requesting the approval to replace the 2008 Ford Crown Victoria (Squad 523). Nelson Auto Center in Fergus Falls again has the state bid for ordering a replacement squad for the year of 2014. The total purchase price including delivery is \$25,900.00 for a 2014 Ford Utility Interceptor. The add on options for the squad have been limited to items such as keyed alike to other purchased squads, removing carpet and adding rubber floors, adding LED spot lamp to driver's side door, wiring package, wiring tunnel (front engine compartment to rear cargo). In addition to the price of the squad there is approximately \$18,100.00 budgeted for replacement of the equipment and the conversion cost.

The Princeton Police Department will be replacing the 2008 Ford Crown Victoria (squad 523) which has approximately 85,000 miles on it. This squad has been used as the Police Reserve Squad and a backup squad for the police officers for approximately 14 months. We will move the 2006 Chevy Tahoe (squad 521) four wheel drive to the reserve program. The Tahoe will still act as a backup squad for the police officers as well as a department needed four wheel drive vehicle for the winter months and to haul the police response trailer.

Walker asked if the Police Department was planning on moving to all Explorers. Payne replied that with the exception of the squad that was hit on the highway, they have all been very good durability wise.

Walker asked if they get 4 years out of each squad. Payne said he expects to get a little more out of each as they have been very good vehicles

WALKER MOVED TO APPROVE THE PURCHASE OF THE NEW SQUAD CAR WITH ADDITIONAL OUTFITTED EQUIPMENT. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

There being no further business:

DOBSON MOVED TO ADJOURN THE MEETING AT 6:20 pm. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

Shawna Jenkins
City Clerk
ATTEST:

Paul Whitcomb, Mayor