

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JUNE 23, 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 and Dick Dobson. Others present: Administrator Mark Karnowski, Public Works Director Bob Gerold, Development Director Jolene Foss, Police Chief Todd Frederick, Fire Chief Jim Roxbury, Clerk Shawna Jenkins, Engineer Andy Brotzler, and Attorney Damien Toven. Absent was Jules Zimmer, Victoria Hallin, and Liquor Store Manager Nancy Campbell

AGENDA ADDITIONS/DELETIONS

CONSIDERATION OF MINUTES

- A. Regular Meeting Minutes of June 16, 2016

WALKER MOVED TO APPROVE THE REGULAR MEETING MINUTES OF JUNE 16, 2016. WHITCOMB SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

- A. **Permits and Licenses**
 - 1. Fireworks Permit for Harry Moses at 509 19th Ave N
- B. **Personnel**
- C. **Donations/Designations**

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

OPEN FORUM

PUBLIC HEARINGS

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

- A. Report on the 2015 City Audit

Steve Wischmann from BerganKDV reported on the 2015 City Audit. The City's General Fund has been steadily increasing over the past five years, with an increase of \$217,522, or 8.8% from 2014-2015. The increase during 2015 is a result of the positive operations of the Fund.

The current policy of the City is to have 30-50% of the subsequent year's budgeted expenditures as unassigned fund balance; the City is just above the top of its policy range at December 31, 2015 by having \$2,526,573. That is 54.9% of 2016 budgeted expenditures of \$4,601,065. This amount is not considered excessive as future intergovernmental funding is uncertain.

Total Revenues increased \$198,726, or 5.7% from 2014 to 2015 due to increases in licenses and permit revenues of \$80,507 and property tax revenue of \$114,311. License and permit revenue increased due to an increase in commercial construction activity within the City. Property tax revenues increased due to an increase in the tax levy and better collection of delinquent amounts in 2015

Total Expenditures increased \$113,049, or 3.3%, from 2014. The most significant increase

was in public safety expenditures due to payments made to the EDA for rent of the public safety building. These rent payments are used by the EDA to make principal and interest payments on the bonds issued to construct the building. Partially offsetting this increase was a decrease in public works expenditures due to a milder winter which caused less overtime to be worked and a decrease in fuel prices. In addition there was a change in the Public Works Supervisor with the promotion made internally, which resulted in a decrease in wages and benefits.

General Fund expenditures were under budgeted amounts by \$309,910, or 7.9% and Capital outlay expenditures were \$162,174 under budget. Partially offsetting these variances were parks and recreation and economic development expenditures, which were over budget. Parks and recreation expenditures were over budget primarily due to the allocation of insurance and other general expenditures, while economic development expenditures were over budget due to a contribution to the EDA Capital Projects Fund to close out the fund.

Comparing 2011 through 2015, the City's taxable tax capacity has decreased from \$3,009,781 to \$2,963,059, or 1.6% in five years. The City's taxable tax capacity did increase in 2015 from 2014. This overall decrease is common for Minnesota cities due to declining market values. The City's certified levy over this same five year time frame has remained fairly consistent, increasing slightly from 2014 to 2015. As a result, the City's tax capacity rate has increased from 72.54% in 2011 to 74.51% in 2015.

Liquor sales have increased steadily over the past five years. In 2015, Sales increased \$207,990, or 6.3%. Cost of sales also increased from 2014, increasing \$148,839, or 6.1%. The increase in sales exceeded the increase in cost of sales as the City implemented pricing changes to increase profit margins. Because of these changes made, the gross profit percentage increased slightly in 2015

The Airport Fund gross profit and operating revenues remained consistent, increasing just \$286. Operating expenses decreased \$15,049, or 7.8% from 2014, primarily due to a decrease in materials and supply costs. After an operating loss of \$161,856, non-operating grant revenues of \$254,932 and transfers in of \$22,100, the Airport Fund net position experienced an increase in 2015 to \$2,276,626.

The Sanitary Sewer Fund reported operating Income again in 2015. Operating revenues decreased due to a decrease in sewer availability charges of \$49,917 as there were fewer large construction projects in 2015. Sewer use charges increased \$37,065 to partially offset this decrease due to a slight increase in the number of customers and usage. Operating expenses stayed consistent with the prior year. The net position in the sewer fund increased to \$184,627, which is due to the funds positive operations, and partially offset by interest payments made on Long-term debt.

The City as usual does show a lack of segregation of accounting duties. Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed the benefits. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct. This will continue to be reviewed annually in the City's audit.

It was also suggested to monitor Liquor Store inventory more closely, and to develop a plan for negative fund balances and to close funds with limited activity.

The implementation of GASB 68/71 in regard to long term liability for PERA was discussed briefly.

Dobson complimented Jackson and the department heads on the good job they have done.

DOBSON MOVED TO ACCEPT THE 2015 AUDIT. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

- B. Variance for Front Yard Setback – PC approval update
- C. Airport Board Minutes of June 13, 2016

PETITIONS, REQUESTS, AND COMMUNICATIONS

ORDINANCES AND RESOLUTIONS

- A. Ordinance 736 – Wild and Scenic Area – FIRST READING

Foss reported that the MN Department of Natural Resources (MNDNR) received correspondence from the MN Office of Administrative Hearings- Municipal Boundary Adjustments Unit, approving annexation of land to the City of Princeton. The land being referred to is designated for ballfields by the School District.

The annexed land includes areas in the Rum River Scenic District. Although we already have land in the Scenic District of the Rum River, the regulations applicable to the existing land in our existing ordinance cannot be extended to the newly annexed land. They were established as a type of 'urban' district.

Minnesota Rules 6105.1440 Subpart 4G allow portions of the Rum River district in Princeton at the time of Wild and Scenic River Designation (WSR) to be considered urban areas, with different regulations applicable to them; however, these urban regulations cannot be extended to regulate the recent annexation.

The City of Princeton must amend our ordinance to incorporate regulations consistent with state standards for this newly annexed land.

To accommodate the requirements for the annexed land, staff is requesting that we establish two separate land use districts, one for the Scenic District land originally in the city and a new district for this and any future annexations of Scenic District land. By doing so we can add sections addressing lot standards and use restrictions required for this and future annexations without have to rewrite the ordinance as a whole.

The amended ordinance will clearly differentiate between the original urban area and the "newly annexed" land.

The MN DNR has reviewed and approved the ordinance amendment.

DOBSON MOVED INTRODUCE ORDINANCE 736 AMENDING THE CITY ZONING ORDINANCE BY ADDING CHAPTER IX, SUBSECTION 11, WILD AND SCENIC RUM RIVER PROTECTION AREA FOR NEWLY ANNEXED PROPERTIES DISTRICT, ESTABLISHING THE

PERMITTED AND CONDITIONAL USES, PERFORMANCE STANDARDS AND RELATED REQUIREMENTS. WALKER SECONDED THE MOTION.

Walker asked if there was any other uses on the property that was annexed and if so could they be continued. Foss said she will confirm that with the DNR

THE MOTION CARRIED UNANIMOUSLY

B. Ordinance 737 – amendment to R3 regarding Home Brewing – FIRST READING

Foss advised that the Micro Brewing as a Home Occupation Ordinance Amendment that was recently approved did not define that that usage would not be allowed in the R-3 Multiple Family Residential Zoning District.

It is the Planning Commission Staff's opinion allowance of this type of activity as a home occupation would not be conducive to responsible land use due to the residential density in these areas.

Staff requests a recommendation to the City Council to prohibit micro brewing as a home occupation in the R-3 Zoning District.

WALKER MOVED INTRODUCE ORDINANCE 737 AMENDING CHAPTER V (ZONING DISTRICTS) TO THE CITY ZONING ORDINANCE FOR R-3 MULTIPLE FAMILY RESIDENTIAL DISTRICT, UNDER CONDITIONAL USES/ITERM USES, AMENDING THE HOME OCCUPATION, ADDING TO THE WORDAGE THAT MICROBREWING IS NOT AN ALLOWED USE. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Ordinance 738 – alternative Building materials – FIRST READING

Foss reported at the June 20th Planning Commission meeting an ordinance amendment proposal to allow alternative building materials (Insulated Concrete Form and Pole Type Construction) in the B-3 General Business District, the MN-1 Industrial and MN-2 Industrial was discussed at a public hearing and was recommended for approval by the City Council.

Discussion centered on the value of allowing this type of construction and the look of the finished construction.

B-3, MN-1, and MN-2 already have a list of Applicable Regulations for aesthetic purposes.

See Chapter V, Section G for B-3 General Commercial District

F. Exterior Building Materials

Buildings within the General Business District shall be faced with the following:

- a. Face brick;
- b. Natural or synthetic stone;
- c. Stucco or EFIS;
- d. Prefinished metal panels;
- e. Glass and or curtain wall construction;

- f. Integrally colored split face (rock face) burnished or glazed concrete masonry units (excluding smooth, plain or painted).
- g. Precast concrete panels;
- h. Fiber-cement siding;
- i. Windows are required in the front of the building pending planning review and demonstration of need; e.g. security, etc.;
- j. Or other materials approved by the Planning Commission if determined to have a similar or better longevity and durability as material listed above.

The standards for how buildings look when completed are already addressed in the Zoning Ordinance.

See Chapter V, Section N for B-3 General Commercial District

N. General Design Criteria

- a. Building facades shall be designed to avoid monolithic or monotonous appearance by employing designs which prevent the appearance of straight, unbroken lines in their horizontal and vertical surfaces.
- b. Portions of buildings facing or oriented toward public rights-of-way or residentially zoned or designated parcels shall features breaks/divisions in materials, separate entrances/entrance treatments, variation in roof lines and/or variation in building setbacks.

See Chapter V, Section G for MN-1 and MN-2

G. Other Applicable Regulations

- 1. For aesthetic purpose, all buildings and structures shall be faced with the following:
 - a. Face brick;
 - b. Pre-finished metal panels;
 - c. Pre-cast concrete panels;
 - d. Glass and/or curtain wall construction;
 - e. Concrete block may be used alone or in conjunction with other permitted materials or surfaced with stucco, wood, or properly applied masonry paints;
 - f. Plastic panels when combined with modular exposed structural curtain wall systems;
 - g. Other approved materials;
 - h. Windows are required in the front of the building pending planning review and demonstration of need, e.g. security etc.;

There are no General Design Criteria in place for MN-1 or MN-2 Industrial Districts.

All buildings would have to meet the criteria established by the International Code Council (ICC) in the International Building Code (IBC). The International Building Code® (IBC®) is a model code that provides minimum requirements to safeguard the public health, safety and general welfare of the occupants of new and existing buildings and structures.

The IBC is fully compatible with the ICC family of codes, including: *International Energy Conservation Code®* (IECC®), *International Existing Building Code®* (IEBC®), *International Fire Code®* (IFC®), *International Fuel Gas Code®* (IFGC®), *International Green Construction Code™* (IGCC™) (to be available March 2012), *International Mechanical Code®* (IMC®), *ICC Performance Code®* (ICPC®), *International Plumbing Code®* (IPC®), *International Pri-*

vate Sewage Disposal Code® (IPSDC®), International Property Maintenance Code® (IPMC®), International Residential Code® (IRC®), International Swimming Pool and Spa Code™ (ISPSC™) (to be available March 2012), International Wildland-Urban Interface Code® (IWUIC®) and International Zoning Code® (IZC®).

The IBC addresses structural strength, means of egress, sanitation, adequate lighting and ventilation, accessibility, energy conservation and life safety in regards to new and existing buildings, facilities and systems. The codes are promulgated on a 3-year cycle to allow for new construction methods and technologies to be incorporated into the codes. Alternative materials, designs and methods not specifically addressed in the code can be approved by the code official where the proposed materials, designs or methods comply with the intent of the provisions of the code (see Section 104.11).

The City Building Inspector has verified that all projects must meet the minimum requirement set forth in the IBC, including those that refer to snow, wind and rain loads.

The Planning Department will require a site plan review with the Planning Department and/or the Zoning Administrator for projects that are requesting pole type structure or insulated concrete forms of construction.

Staff contacted several communities that are in the region or are of similar size and this is what was found:

Zimmerman: Pole frame construction is allowed in industrial and commercial, some standards on sheet steel exterior

Elk River: Pole type structures are allowed in Industrial

Milaca: Pole type structures are allowed in commercial and industrial

Cambridge: Nothing that states pole type structures are not allowed. Architectural metal siding as an accent only, no more than 35% on exterior

Circle Pines: Nothing in ordinance regarding pole type structures

Baxter: Nothing specific in place regarding post frame construction. Architectural standards put in place. Non Architectural sheet metal in MN-1 up to 20% on front façade and up to 100% on other facades. MN-2 -40% on front.

St Cloud: The Land Development Code only addresses exterior materials in the industrial districts. Any internal structure allowed by the Building Code is permitted.

B. Design Standards The following design standards apply: 1. All exterior wall finishes on any building must be any single one (1) or combination of the following: a. Face brick b. Natural stone or cultured stone c. Specially designed pre-cast concrete units, if the surfaces have been integrally treated with an applied decorative material or texture d. Membrane e. Factory fabricated and finished metal-framed panel construction, if the panel materials are any of those named in Paragraphs 1 through 3 above, glass, pre-finished metal (excluding unpainted galvanized iron), or plastic f. Other material as may be approved by the Zoning Board of Appeals 2. All subsequent additions and out-buildings constructed after the original building(s) must be harmonious in ar-

chitectural design and general appearance. 3. Any other exterior wall finishes or any changes in architectural design must be approved by the Zoning Board of Appeals.

In the City owned business parks, the covenant does not allow pole type structures.

Maple Grove: Prohibits pole type construction by reference to exterior standards, no types of sheet metal for exterior in Commercial or Industrial

Otsego: No response

Little Falls: The City of Little Falls' ordinance doesn't really treat pole buildings differently than other buildings in commercial and industrial developments – at least not from a zoning perspective. All buildings are subject to the building code and if you had specific questions about how that is handled the City's contracted building inspector is David Barsody at 612-219-2252.

Roxbury reported that he was asked, from a fire department perspective, to give his opinion regarding the proposed ordinance amendment which would allow the use of:

- A. Insulated Concrete Foam
And/or
- B. Pole type building construction

In areas of the city zoned General Commercial District (B-3), Industrial (MN-1) and Industrial 2 (MN-2).

He checked the appropriate resources and find that those material can be used such that they meet currant fire code.

He stated he appreciated staff checking with the fire department of an opinion on this issue.

WALKER MOVED INTRODUCE ORDINANCE 738 AMENDING THE ZONING ORDINANCE ADDING THE DEFINITIONS FOR ALTERNATIVE BUILDING MATERIALS AND REMOVING PROHIBITION OF USAGE OF POLE TYPE CONSTRUCTION FROM CITY OF PRINCETON ZONING ORDINANCE 538. DOBSON SECONDED THE MOTION.

Walker stated he was at the planning commission where this was reviewed. As he said at that meeting, he would like to see a requirement of an architectural review prior to being issued a certificate of occupancy to make sure the building meets City Requirements.

THE MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

- A. Proposed sale of Former Fire Station

Karnowski reported that the City and the School District have reached tentative agreement on a purchase price for the former Fire Station. The School District's initial offer was to purchase the property for \$100,000.

The City's Counter offer was for a selling price of \$175,000 plus payment in lieu of property taxes starting at \$2,500/yr. and increasing by 2.5% per year for 20 years. (Total: \$226,573)

That offer was rejected by the School Board who then countered with an offer of \$150,000 cash.

Subsequently Mayor Whitcomb, Councilmember Walker and Administrator Karnowski met with School Superintendent Julia Espy and the District's Director of Business Services, Michelle Czech.

After a fair amount of "back and forth", the agreement was for a purchase price of \$175,000 cash.

If the Council agrees with that price, a motion to authorize the sale of the former Fire Station for \$175,000 to the Princeton School District would be in order.

DOBSON MOVED AUTHORIZE THE SALE OF THE FORMER FIRE STATION FOR \$175,000 TO THE PRINCETON SCHOOL DISTRICT. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

MISCELLANEOUS

BILL LIST

DOBSON MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$115,916.39 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 73871 TO 73922 FOR A TOTAL OF \$217,017.16

ADJOURNMENT

There being no further business:

DOBON MOVED TO ADJOURN THE MEETING AT 7:32PM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins
City Clerk

Paul Whitcomb, Mayor