MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
NOVEMBER 26, 2019 7:00 P.M. AT PRINCETON CITY HALL
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Mayor Brad Schumacher called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were, Jack Edmonds, Jenny Gerold, Jules Zimmer and Jeff Reynolds. Others present: City Administrator Robert Barbian, Finance Director Steve Jackson, Police Chief Todd Frederick, Public Works Director Bob Gerold, Community Development Specialist Stephanie Hillesheim, Clerk Shawna Jenkins, Liquor Store Manager Nancy Campbell, Fire Chief Ron Lawrence, and Attorney Damien Toven.

AGENDA ADDITIONS/DELETIONS

Schumacher stated that he would like to move the Airport parallel taxiway discussion up to be held after PUC Commissioner speaker Gregory Hanson since there are several Airport commissioner and hanger owners present at the meeting.

Schumacher also scratched the Administrator Review under the closed session.

REYNOLDS MOVED TO APPROVE THE AGENDA AS AMENDED. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSIDERATION OF MINUTES

A. Regular Meeting minutes of October 24, 2019
B. Study Session Meeting minutes of November 7, 2019

REYNOLDS MOVED TO APPROVE REGULAR MEETING MINUTES OF OCTOBER 24, 2019 AND STUDY SESSION MEETING MINUTES OF NOVEMBER 7, 2019. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

A. Permits and Licenses
B. Personnel
   1. Police Officer Lucas Wubben Step increase effective 12-4-19

J GEROLD MOVED TO APPROVE THE STEP INCREASE FOR POLICE OFFICER LUCAS WUBBEN. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Donations
   1. Resolution 19-57–donation from Princeton Twice New Clothing for Holiday lighting

EDMONDS MOVED TO APPROVE DONATION RESOLUTION 19-57. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

OPEN FORUM –

Tim Hennagir questioned why was the administrator review was removed from the agenda.

PUBLIC HEARINGS - None
PRESENTATIONS / SPEAKERS –

Greg Hanson, Public Utility Commissioner was invited to come to the meeting this evening by the Mayor. He wanted to update the Council on the last few months.

There was a lot of applicants for the open seat, and it was handled differently than usual, with the Council doing interviews. The Council worked with him and did his interview via Skype as he was out of town. He lived here many years ago, and recently moved back. Liaison Edmonds has been great to work with, and has been relaying information back to the PUC and vice versa.

After he was appointed, Barbian sent a memo that included 5 things that the hiring Committee and Council was interested in starting conversations on with the PUC. He is the newest member, and is just getting the hang of things. He truly believes the PUC is a very valuable asset to the community. About a year ago, he lost power and being the last house on the line, he expected to be out of power for quite some time. The PUC had the power restored in about an hour. When the polar vortex hit last winter, many people where without heat when the gas company had problems with their lines. The PUC fired up their generators to help provide extra power for people to heat their homes with electric heaters while the Gas company repaired the issue, which took a few days.

There has been a lot of discussion with the cash reserve policies, what is it needed for and what is it used for. One example, if a switch goes out, that is 1.5 million to replace. With cash reserves in place, that allows the problem to be fixed sooner, and without bonding. In January, they received a $.04 price decrease, which they passed along to the customers. They have had a lot of conversations about the cash deposits that are required, and when and how they are refunded. They plan on looking into that more, as the residents and their finances change. The price stability is important for our customers. The changes in the market is not easy to plan for, especially for those that are retired and on a fixed income. The Council and the PUC are both very interested in the city's residents and growing the community. He looks forward to serving another 3 years, if the Council would approve his application for another 3 years. He thanks the Council for their time, and invites them to attend the PUC meetings.

Schumacher stated that the hiring committee was suggested by Zimmer. He wanted Hanson to come to the Council to speak so they were also aware of those 5 discussion items that came up during the interviews. He would like to see more direct conversation in these situations, instead of on social media. It is much more effective to sit down and together and talk about issues.

Schumacher added that Hanson is very talented and appreciates him coming to speak tonight.

Zimmer thanked him as well. He can attest to Hanson's experience when his power went out. He has experienced that quick service as well. He thanked Hanson for the invite to attend the PUC.

Hanson stated that all the Public Utility Commission members are very thoughtful and care about the community and the residents.

Barbian reported that the PUC is planning to attend the Council's December Study Session.
A. Airport Parallel Taxiway Project

Goerke advised that every fall the FAA requests that a Grant Initiation Request be completed for upcoming projects requesting federal dollars. This year a request for federal funding to complete the parallel taxiway rehabilitation at the Princeton Municipal Airport in 2021 is planned. This is the final phase of the airfield rehabilitation project that was started in 2017.

The taxiway pavements are currently 31 years old and have a PCI value ranging from 58 to 72 (2014). There are signs the pavement has reached the end of its useful life. There are numerous longitudinal and transverse cracks. Patching has been completed to address larger cracks. The projected PCI is as low as 50 in year 2020. Major rehabilitation or reconstruction is necessary to extend the useful life of the taxiway. This project also includes installing taxiway edge lights along the parallel taxiway and runway connectors.

KLJ has assembled the Grant Initiation Request Package and it’s attached for your review. KLJ requests that the Grant Initiation Request be approved to request FAA and MnDOT Aeronautics funding for the construction costs of the parallel taxiway rehabilitation project. The total estimated cost for this project is $1,785,000 with $127,376 estimated as the local share.

Schumacher asked if the taxiway plan includes the Kruse section. Barbian responded that it does not, as that is a private taxiway and could not be done with grant funds. Some issues with land need to be resolved as well. The original comment that Kruse’s had said regarding that the taxiway is closed was a misinterpretation. That is just closed to the public. It is a long-standing issue that the City and the Kruse’s want to get resolved.

Schumacher clarified that KLJ is just looking for approval to apply for the grant, and if it was received the City’s portion would be approximately $127,000.

Troy Minske, hanger owner said the Kruse issue is separate, and does not factor into this grant they would like to apply for. The FAA has rules about pavement conditions, and both the taxiway definitely needs to be done.

Schumacher asked if the work was being done, would it be beneficial to do that private taxiway at the same time. Minske said the land issues need to be resolved before anything is done there.

Zimmer wanted clarification that this request is only for the public taxiway that everyone uses. Staff confirmed that, and Jackson added that the funds are in the CIP and can be moved out a year it needed.

Zimmer stated that the taxpayers are still going to have to pay $127,000, which is a large amount of money. He hopes those that use the taxiway understands that the city has to come up with a large amount of money to do this project. He asked if Airport is self-supporting in terms of finances. Staff explained that the hanger owners do pay a land lease fee per year which is $.08 a square foot.

J Gerold asked if the Airport is working on any development ideas for some of the improvements. Minske replied that this is not a new project, and this is standard maintenance and repairs that the City has to do on any roads.
J Gerold added that every time the City approves a project, and applies for a grant, we are tied into the airport for another 20 years. Looking at the CIP, it totals about 10 million in projects over the next several years. She stated that the Council really needs to look at the amount of money being spent on airport projects. The City has a sewer system that is 50-60 years old in some areas that we are likely to begin needing repairs, which will be very expensive. She is struggling with the 4800 residents of the City, versus the number of residents that utilize the airport.

Schumacher said that the Airport does hamper some Industrial Park Growth, which would equal more jobs. His goal is to extend 21st, and grow the industrial park. Minske responded that you are not going to get those big companies. Currently, two of the city’s largest companies have airplanes at the Airport and use them for business. Zimmer asked if hangar owners could be assessed for repairs as homeowners are with street work. Barbian said he does not know, there may be some type of tool that could be utilized.

John Bjorstad has been looking at the registration forms in the AD building to determine the reasons people are flying into the Airport. About 70% come here for fuel, and out of those 70%, about 90% of those eat and shop in town while they are here. He believes there are about 300 airplanes a year fly in that do not have hangars here. He said it seems that J Gerold is not a fan of the airport. J Gerold responded that she just wants to be fiscally responsible for the taxpayers. This is a lot of money over the next 16 years. We have things that are aging and that will cost a significant amount to repair throughout the city.

Schumacher added that while the liquor store fund is what funds these projects, $127,000 could be spent in many other ways.

Zimmer stated he wants to be sensitive to the needs out there. He hears there are a few businesses that have planes out there, but what about the many others that just fly for hobby. Bjorstad and Minske responded that they would estimate that about half fly for hobby only. Zimmer stated that residents would be paying for people’s hobby. Bjorstad understands that, but without necessary improvements, the airport doesn’t exist. He has not seen the airport financials, but the Airport is a benefit to the City.

Zimmer added that he wishes there was a way that the City could get some additional financial help with some of these future project costs.

Schumacher stated that Goerke is very good, so it is likely that the grant would be approved if applied for.

Barry Ramage said he has only been on the Airport Board since this spring, so he does not know the numbers. However, both the DNR Firefighters and the North Memorial helicopter being here is a huge benefit to the residents. We wouldn’t have either of those without the airport.

Brent Curtis advised that he is in the process of buying a flight school and operating it out of the airport. He stops and eats in town, and fuels up, as will his students. Not every city has an airport, he currently travels 40 miles one way to come to our airport. He works in law enforcement, and having that helicopter is very important to the community.

REYNOLDS MOVED TO APPROVE THE APPLICATION FOR THE TAXIWAY REHAB GRANT APPLICATION. EDMONDS SECONDED THE MOTION.
Zimmer added that he went out and looked at the taxiway. The city has committed to the airport and this needs to be done. He is hoping that the Airport Board and Airport users can be more understanding and maybe even help generate some revenue to help with these projects.

Goerke said this is the pre-application that shows we are looking for a grant. The next step would be to finish plans, and put it out for bid which would occur in the spring.

Zimmer would like to look at the current airport lease rate and how it compares to other airports. J Gerold added that there are open areas for new hangers to be built as well. Schumacher wondered if a new runway and taxiway would bring more hanger owners to the airport.

Zimmer asked if the Council is able to increase the rates. Jenkins replied that it would be done via a fee schedule amendment.

J Gerold stated that she understands this is a phase of a bigger project, but large projects will be a tough sell for her from here on out.

THE MOTION CARRIED UNANIMOUSLY

FYI – REPORTS, ANNOUNCEMENTS, CORRESPONDENCE AND BOARDS / COMMITTEES

A. PUC Commission Packet for 11-20-19

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. Wine and Spirits Grant Request from Boy Scouts of America, Pack 116 and Troop 16

Jenkins advised that staff received a letter from the Boy Scouts asking for donations for the Princeton Scout Groups. Staff contacted the Boy Scouts to find out if the donations stay local. He confirmed that the funds will be going directly to the units of Princeton through Camperships and Scholarships. There are many families in the community that cannot afford to be in the program and go to camp. With donations, they are able to sign up children to go to camp, no matter what their financial struggle may be.

ZIMMER MOVED TO. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ORDINANCES AND RESOLUTIONS

A. Ordinance 785 – Title 2 Amendments – FIRST READING

At the October 24th meeting, Mayor Schumacher brought up the Social Media Policy, and said he felt all the Boards and Commissions be required to follow it. Attorney Toven said he will work with Staff to draft an ordinance amendment to include that as well as adding the Public Utilities Commission.

Staff noticed a few other things that should be amended as well, so those were changed and Toven added his recommended changes to the draft as well.
Toven explained what he was suggesting to add to the ordinance. This is a first reading.

Zimmer asked for clarification that this reads the same as the state statute. Toven responded that it is the same as the statute, just made a little more readable. He crafted the language and added to each of the commission sections. He used some language from the school board in terms of removing those from the board if needed.

Edmonds suggested that the proposed changes be sent to the PUC as well prior to the next meeting.

Toven stated that he did put language in the amendment that has Board and Commission appointments being done in January instead of December, as was previously discussed.

Edmonds stated the Planning Commission requirements should be amended, as that has been changed. Jenkins replied she will look that up and make the change for the final reading.

REYNOLDS MOVED TO INTRODUCE ORDINANCE 785. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

B. Ordinance 786 – Fee Schedule Amendments – FIRST READING

Jenkins advised that this is the standard fee schedule amendment that is done year. It is being done a little earlier, as there has been some long-term usage of the Tie Down Area of the Airport, which causes some snow clearing hardships.

ZIMMER MOVED TO INTRODUCE ORDINANCE 786. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Ordinance 787 – Renaming of Smith System Road – FIRST READING

Hillesheim advised that earlier in 2019, city staff were contacted by the Princeton School District 477, requesting the consideration of changing the name of Smith System Road to a name fitting of the school property located along the route. The Council reviewed the request at the June 27, 2019 meeting confirming the direction of the Planning Commission requiring the School District cover any of the costs associated with the name change including signage and other fees. The Planning Commission and City Council also requested the School District choose a name other than Tiger Street, since there is a right of way within the area with that name.

Students were tasked with deciding upon the new name and Tiger Boulevard is what was chosen. School District Superintendent, Ben Barton, requested the City of Princeton move forward with the name change through the process outline in the ordinance.

This is the first reading of the above-mentioned ordinance change, renaming Smith System Road to Tiger Boulevard.

**Recommendation:**
City staff recommend the council move forward with the requested change.
J GEROLD MOVED TO INTRODUCE ORDINANCE 787. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

A. Airport Parallel Taxiway Project – moved up, between Speakers and Reports

B. Great Northern Trail Pay Voucher #2
   Barbian advised that this is the second pay voucher for the Great Northern Trail.

ZIMMER MOVED TO APPROVE PAY VOUCHER #2 FOR THE AMOUNT OF $485,478.50. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Ladder Truck sale
   Lawrence reported that the old ladder 1 was on the govdeals.com website for two weeks. After two weeks, the highest bid received was $4050.00. Our reserve was $5000.00. After it came off the website, he said a private individual requested to come look at it. He has agreed to purchase the ladder for $4800.00.

   He said he is looking for permission to sell it to this individual. He understands the defects that come with the truck and that there is no warranty on this truck. This individual has no ties to the city in any way.

   J GEROLD MOVED TO APPROVE THE OLD LADDER TRUCK TO BE SOLD FOR $4800. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

A. December 24th

   Jenkins advised that according to the City’s Personnel Policy, December 24th is not considered a Holiday. Most of the time, the majority of staff chooses to take that day off.

   If all the staff wish to use a vacation day for December 24th, Will the Council approve for City Hall to be closed for business on December 24th for all or, or part of the day depending on employee vacation wishes.

   ZIMMER MOVED TO APPROVE STAFF TO CLOSE CITY HALL ON DECEMBER 24TH IF THEY CHOSE TO USE VACATION TIME. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

B. December Budget Session
Jenkins reported that at the November 20th Public Utilities Commission, the PUC agreed to a joint meeting with the Princeton City Council at their normally scheduled Study Session on December 5 at 4:30pm.

Since the joint meeting portion is expected to be lengthy, staff is suggesting a second meeting be set to discuss the 2020 budget.

The Final Levy and Budget is set to be presented and approved at the Thursday, December 12th. A budget study Session will need to be held prior to that to allow staff to make any recommended changes.

What is the Council’s wishes on a day and time for a budget study session.

Jenkins advised that the only other item she has on the Agenda besides the budget is the Community Garden discussion with Randy Hatch and the Civic Betterment Group. They can be contacted and that rescheduled to the next meeting.

The Council suggested moving the Garden discussion to the January study session. Jackson feels the remaining budget will take approximately an hour to review.

REYNOLDS MOVED TO APPROVE THE BUDGET SESSION TO BE INCLUDED IN THE DECEMBER STUDY SESSION. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Purchase Agreement for Aero Business Park

Hillesheim reported that the City of Princeton has been working with Oliver Management Group, INC. to come to an agreement for purchase of the land legally described as Lot 1, Block 1 Aero Business Park First Addition, Mille Lacs County. This lot has been split into two lots and the buyer shall take ownership of the south approximate one half for development and construction of a commercial building, containing 10,000 sq. ft (or as large as zoning laws permit). The buyer shall pay seller $5,000 as the purchase price, $1,000 paid at execution of this agreement and the remaining $4,000 due at closing.

Analysis:
The Purchase Agreement is dependent upon adherence to the Developer’s Agreement, which relies upon the execution of the Tax Increment Financing District 8-4.

The Developer’s Agreement outlines the requirements of SAC and WAC fees, $500 site plan application fee, and $1,000 required escrow fee to cover items such as survey, storm water review, easement review and related items.

The Tax Increment Financing Agreement outlines the Tax Increment Financing Plan approved by the City Council on September 12, 2019, requiring the construction of a 10,000 square foot commercial facility that must be completed by December 15, 2022. Closing of the parcel must take place no later than June 1, 2022. If Oliver Management Group, INC. does not meet the construction requirements outlined in this agreement, the price shall become $130,000 and the buyer will pay the amount over 7 years, including interest at 3.5%. In the event of the buyer paying $130,000 for the property, the Tax Increment Financing Agreement as referenced in this agreement shall become null and void. If the buyer does
not give timely notice of the previously described circumstances, this agreement will become null and void.

The site plan application must be submitted prior to closing and will be approved by the Municipal Planning Commission in accordance to the Developer’s Agreements contained in Exhibits A and B of the Purchase Agreement.

**Recommendation:**
City staff recommends the approval of the above-named purchase agreement with Oliver Management Group, INC.

REYNOLDS MOVED TO APPROVE THE PURCHASE AGREEMENT WITH OLIVER MANAGEMENT GROUP. EDMONDS SECONDED THE MOTION. 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 $144,996.77 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 80297 TO 80347 FOR A TOTAL OF $213,146.28. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ADJOURNMENT
There being no further business:

REYNOLDS MOVED TO ADJOURN THE MEETING AT 8:43PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted, 

Shawna Jenkins Tadych
City Clerk

ATTEST:

Brad Schumacher, Mayor