MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
MAY 11, 2017 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, Jack Edmonds, Jules Zimmer and Jeff Reynolds. Others present: Administrator Mark Karnowski, Finance Director Steve Jackson, Police Chief Todd Frederick, Development Director Jolene Foss, Public Works Director Bob Gerold, Clerk Shawna Jenkins, Fire Chief Ron Lawrence, Engineer Andy Brotzler, and Attorney Damien Toven.

AGENDA ADDITIONS/DELETIONS

CONSIDERATION OF MINUTES

A. Regular Meeting Minutes of April 27, 2017
B. Study Session Meeting Minutes of May 4, 2017

WALKER MOVED TO APPROVE THE REGULAR MEETING MINUTES OF APRIL 27, 2017 AND THE STUDY SESSION MEETING MINUTES OF MAY 4, 2017. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

A. Permits and Licenses
B. Personnel
   1. Public Works – approval to hire PT Seasonal Justin Zahner effective May 15, 2017
   2. Public Works – approval to hire PT Seasonal Alexander West effective June 5, 2017
   3. Approval to Hire Splash Park employee Clara Skeim
   4. Approval to Hire Splash Park employee Kailee Roth
   5. Approval to Hire Splash Park employee Robyn Schramel
C. Donations/Designations
   1. Resolution 17-23 accepting donation to the Police Department

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

OPEN FORUM

PUBLIC HEARINGS

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

A. EDA Board Minutes of April 20, 2017
B. Park Board Minutes of April 24, 2017

PETITIONS, REQUESTS, AND COMMUNICATIONS

ORDINANCES AND RESOLUTIONS

A. Ordinance 750 – Solicitor permit amendment –FINAL Reading

Karnowski advised that staff found a loophole which would allow “solicitors” to sell without a license (and only “register” with the city) At the end of the current ordinance, it also states that when a solicitor “registers” with the city, the application is signed off on immediately after it is filled out. Therefore, a background check would not be completed in these instances.

Definition of “Solicitor” which would encompass most people wishing to go Door to Door:
“Solicitor” - a person who goes from house-to-house, door-to-door, business-to-business, street-to-street, or any other type of place-to-place, for the purpose of obtaining or attempting to obtain orders for goods, wares, products, merchandise, other personal property or services of which the person may be carrying or transporting samples, or that may be described in a catalog or by other means, and for which delivery or performance shall occur at a later time. The absence of samples or catalogs shall not remove a person from the scope of this section if the actual purpose of the person’s activity is to obtain or attempt to obtain orders as discussed above. The term shall have the same meaning as the term “canvasser.”

The proposed amendment simply changes the requirement that Solicitors are required to be licensed and a background check done as it is with Peddlers and Transient Merchants.

If the Council agrees with requiring Solicitors to have a background check done and be licensed, please approve Ordinance #750.

EDMONDS MOVED TO APPROVE ORDINANCE 750 AMENDING CHAPTER 670 OF THE CITY OF PRINCETONS ORDINANCES IN REGARD TO PEDDLERS, HAWKERS, SOLICITORS AND TRANSIENT MERCHANTS. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

A. Council Chambers Remodeling Proposal

Karnowski stated at a recent study session. Dr Espe spoke on the School Board’s ideas for the Council Chambers. The U shaped Dias would allow seating for 11 and be moved back a bit, with the floor flattened to eliminate the step which is not ADA compliant. Carpet, paint and for the cabinetry to be removed to allow for more room. The estimated total cost is $40,000. The School District understands that they are a bigger user of the space and stand ready to pay for a greater cost, but are wondering if the City could contribute as well.

Sara Marxhausen advised that Dr. Espe have a conflict and could not attend the Council meeting tonight. She was at the Middle School, but is now the School District’s Director of Human Resources.

Whitcomb asked if it there was a way to use the current Dias instead of building a new one. Marxhausen replied that Crystal Cabinets did look at the current Dias and determined that it should be replaced.

Karnowski said he did speak to the city’s building inspector and the Council Chambers does currently meet the ADA requirements with the ramp and step warning labels.

Zimmer commented that if the council was sitting further back, they would lose some of the personal connection to the residents that come to speak to the Council. Marxhausen responded that the podium will be easily moved, so that should solve that issue.

Edmonds stated that being new on the Council, he has been struggling with this a little. The shared building and Council chambers is a new arrangement and this seems to be a bit too soon. Although he would like to see a technology upgrade.
Reynolds commented that it is obvious they have put a lot of thought into this remodeling plan and he would personally like to see this plan acted in full.

Whitcomb said doesn’t like seeing the floor lowered, as he likes to see the back of the audience. Walker said he agrees with Whitcomb and feels it should be slightly raised.

Whitcomb asked if it would be the School Districts responsibility if the bids came in high. Marxhausen responded that was correct, and they did estimate the costs on the high side. She added that the District recently learned that Crystal Cabinets has donated the materials for the new Dias and they will only need to pay the labor.

Walker said he understands that the School watches their pennies as much as the city does, and knows they will be looking for the best price. He is good with the project.

Zimmer stated that this will be an improvement to the Council Chambers. If he remembers correctly, this design it is pretty similar to how the board room at the old district meeting area is set up.

Whitcomb asked what will happen with the regular meetings during the construction. Marxhausen replied that the School Board had discussed that and were thinking that meetings could be moved to one of the school’s media centers.

School Board member Eric Strandberg added that they are estimating the remodeling to be completed in 4 weeks.

Karnowski stated that from a City staff perspective, the office remodel went on for much longer than estimated and created some ill will. If this will only take a month, the city can work around that, but he suspects it will take much longer. Strandberg said he is a pipe fitter by trade and he is confident that this should only take about a month to complete. They can also require the contractors to use the back school entrance so the city would not be dealing with that traffic.

Karnowski mentioned the City possibly using the Civic Center if it is open for meetings as well.

Walker questioned if some of the room could be used during the construction because most of the work should be happening in the front near the Dias. He said he would like to get this project done and asked the school to do what they can to hurry the project along.

Zimmer asked them to pass along the city’s comments if the project is approved. Karnowski suggested putting time requirements in the bid, so they will be more apt to meet the deadline.

Jackson added that he would like Staff to look at the design and have some input, as the current Dias would not fit all the City staff. So, he would like to see how a table would fit, or if the Dias could be extended on one side.

Karnowski commented that at other cities he has worked at, many people seemed to be confused as to who was elected and who was appointed. With the table, there is a clear separation between the elected officials and appointed staff. Jackson agrees, but if the Dias has seating for 11, it would look strange to only have part of the seats used and a full table off to the side.

Whitcomb asked what the council wishes.
Walker asked if the tables would match the Dias. Marxhausen replied that they will have new matching tables that are on wheels.

REYNOLDS MOVED TO APPROVE THE COUNCIL CHAMBER REMODELING, WITH THE EXCEPTION THAT THE CABINET IN THE REAR CORNER WILL REMAIN. WALKER SECONDED THE MOTION.

THOM ASKED REYNOLDS IF HE WOULD ACCEPT A FRIENDLY AMENDMENT, REQUIRING FINAL STAFF APPROVAL OF THE DESIGN. REYNOLDS ACCEPTING THE AMENDMENT.

Whitcomb added that he would also like to see the school district keep city administration informed weekly on the progress.

Karnowski stated that he appreciates Walker’s amendment involving staff in the discussion and design approval. He asked if staff should veto the project if there cannot be a suitable design agreed upon. Walker stated he just wants to see the best outcome for both the city and school.

Marxhausen replied that it can be difficult to get everyone to all agree on the same thing, but from the discussion tonight she understands that the council would like to see.

Walker said he is sure Crystal Cabinets can do a drawing with the design plan, floor elevations, etc. He thinks the school and city can come up with something that accommodates both the School Board and the City Council.

VOTE 3:2, EDMONDS AND WHITCOMB OPPOSED, THE MOTION CARRIED

B. Airport Crack Sealing Bid Recommendation

Karnowski reported that the project scope includes crack sealing airfield pavements, including the runway, taxiways, and apron areas.

On Friday, April 21, 2017, the SEH on behalf of the City of Princeton accepted quotes for the airport crack sealing project. The estimate for the project was $33,400.00. Three (3) quotes were submitted, with the results as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Base Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Struck &amp; Irwin Paving, Inc.</td>
<td>$25,813.00</td>
</tr>
<tr>
<td>Fahrner Asphalt Sealer, LLC.</td>
<td>$27,228.00</td>
</tr>
<tr>
<td>Asphalt Surface Technologies Corp. (ASTECH)</td>
<td>$44,285.00</td>
</tr>
</tbody>
</table>

Based on past experience with Struck & Irwin Paving, as well as company reputation, it is our recommendation that the City of Princeton award the 2017 Crack Seal project to Struck & Irwin contingent on reception of the FAA grant. In reliance on our experience with all of the contractors and information provided in the bid packages, we have determined that 1) they have a sufficient understanding of the project and equipment to perform the construction for which it bid; and 2) according to their bonding agent they presently have the financial ability to complete the project bid. SEH makes no representation or warranty as to the actual financial viability of the contractor or its ability to complete its work.

The total project costs are estimated to be as follows:
Construction (Struck & Irwin)  $25,813.00
Design/Construction Administration Eng. (SEH)  $13,700.00
Administrative (City of Princeton)  $1,000.00
TOTAL PROJECT COSTS:  $40,513.00

The project is eligible for federal grant funding at 90 percent and MnDOT funding at 5 percent of project costs. Ultimately, it is expected the local share for crack sealing work from the City of Princeton will be approximately $2,026.00. Since the final eligibility determination is made once the grant application is submitted, there could be some changes in the final local share.

WALKER MOVED TO AWARD THE 2017 AIRPORT CRACK SEAL PROJECT TO STRUCK AND IRWIN IN THE AMOUNT OF $25,813.00. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

A. PFRD Retirement Benefit Increase request

Adam Cook advised that the Princeton Fire and Rescue Department’s Relief Association is respectfully requesting that the Princeton City Council approve the Association’s benefit level from $3,000 to $3,075 per year of service.

The Princeton Fire Relief Association is made up of 31 active paid-on-call members of the Princeton Fire and Rescue Department. The purpose of the association is to provide retirement, disability and death benefits to the members or beneficiaries of members of the department. The pension benefit is also one way to encourage volunteer or paid-on-call members to "stay on the job".

The State of Minnesota has provided the major share of funding for the association through distribution of the money collected from a gross earnings tax on fire insurance premiums sold in the state, also known as “2% Money”. The funds are allocated back to the departments based on the population and property values in the area served by that department. There is a strong relationship between state fire aid and the number of fire-related calls a fire department responds each year. The state fire aid was established in 1885 and has been the most stable source of funding. According to the most recent state auditor’s report, Princeton Fire Relief Association is in the 89% in the amount received and the 88% in pension amount. The relief association does benefit from the population and valuation that comes from the areas of Princeton Township, Wyanett Township, Blue Hill Township, Greenbush Township, City of Princeton that is served by Princeton Fire and Rescue Department.

The City has also shown continued support of the Relief Association as exemplified by this year’s budgeted contribution of $19,135.

State law requires that a relief association be governed by a nine-member board of trustees. The Princeton Fire Relief Association is directed by six trustees elected by members of the Fire Department, the fire chief, the city Administrator, and the Mayor. Monthly board meetings and a minimum of four quarterly meetings are held each year to oversee the management of the Association’s funds.

The members of the Relief Association are covered by a defined benefit plan. The benefit level of the plan is determined by the number of members, their length of service, and the value of the relief fund. Benefit level studies are performed on an annual basis. When a benefit level
increase is warranted an approval request is made to the City Council. This year the relief board approved a request to council for an increase effective March 21st, 2017. The per year benefit level would go from $3,000 to $3,075.

The Princeton Fire Relief Associations assets are invested through The Parr McKnight Wealth Management Group, of Wells Fargo Advisors. The Parr McKnight Group specializes in working with relief associations to help them formulate an investment policy statement, manage and supervise their investments, receive on going trustee education and assist in the reporting process. They currently work with over 65 relief associations in the state of MN. The relief association has adopted an Investment Policy Statement for the investment for our pension fund. Our target investment allocation is sixty percent in stocks, thirty-five percent in bonds and five percent in cash. We rebalance to our target allocation annually. The Relief Board believes in long-term investing and has resisted attempting to time market moves.

The Princeton Fire relief board believes that it has fiduciary responsibilities to both the membership and to the Council. The responsibility to the membership is to seek the highest financially sound benefit level. The responsibility to the Council is to not expose the city to any financial risk which could lead to mandatory contributions. Historically after the State and City contributions our investments only needed returns of 4% to cover normal costs and stay one hundred percent funded. Even with this increase for 2017 we are projecting a funding ratio over 107%

The PFRD’s Relief Association Retirement Benefit level was increased from $2,875 to $3,000 on September 3 of 2015. Previous to that, the benefit had not been increased during the previous 12 years because of the economic slowdown.

The Relief Association is asking for approval to increase the benefit by $75. This would change the yearly benefit level from $3,000 to $3,075 per year of service.

The Relief Association membership thanks the Council for its past and future support.

Zimmer asked how PFRD stacks up to other local communities. Lawrence and Cook responded that it the benefit level is all over the board. Whitcomb said this is a good way of retaining firefighters.

Walker said this is only about a 2% increase and is in favor of it.

**ZIMMER MOVED TO INCREASE THE RELIEF ASSOCIATION BENEFIT LEVEL FROM $3,000 TO $3,075 PER YEAR. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY**

**B. PFRD New Recruit Update**

Chief Lawrence said the new recruits are all excited and doing well. He is requesting that the City Council approve designating the following three new recruits to the status of ‘probationary firefighter’ pending a successful completion of their medical physical and psychological exam:

Toni Ickler
James Ahner
Mark Ellington
Those are the final two steps in the hiring process and should be completed by May 20th.

WALKER MOVED TO DESIGNATE TONI ICKLER, JAMES AHNER AND MARK ELLINGTON AS PROBATIONARY FIREFIGHTERS PENDING SUCCESSFUL COMPLETION OF THEIR MEDICAL, PHYSICAL AND PSYCHOLOGICAL EXAM. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. PFRD New Helmet Purchase proposal

Karnowski advised that the PFRD has obtained 3 quotes for fire helmets and fronts. Chief Lawrence wishes to share with the city council that we are ready to purchase the helmets. CIP amount was for $6500.00 and the total price will be just short of the $6500.00.

ZIMMER MOVED TO INCREASE THE RELIEF ASSOCIATION BENEFIT LEVEL FROM $3,000 TO $3,075 PER YEAR. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

D. City Policies

Karnowski reported that Staff has spent some time over the past few months sifting through various policies that have been adopted or drafted but not presented for Council consideration.

There are 33 policies that have been adopted since 1995. They include:

- Technology Policy
- Fire Department Billing Policy
- Business Subsidy Policy
- Police Ride Along Policy
- Liquor Store Grant Policy
- Employee Wellness & Recognition
- Investment Policy
- Web Page Hosting Policy
- City Property Salvaging Policy
- Fundraising on City Property Policy
- Boulevard Tree Policy
- Vehicle Use Policy
- City Hall Use Policy
- SCDP Anti-Displacement Policy
- Right-of-way Vacating Policy
- Annexation Policy
- Library Community Room Policy
- Vacation of City Property Policy
- Mark Park Softball Field Policy
- Fixed Asset Policy
- Fund Balance Policy
- Sewer Maintenance Policy
- Geocaching Guidelines Policy
- Web Page Linking Policy
- Hepatitis B Policy
- Facebook Policy
- Insuring Not Public Data Policy
- Assessment Deferment Policy
- Data Practices Policy
- Snow Removal Emergency Policy
- Security Camera Policy
- Donation of Surplus City Equip. Policy
- PFRD Lost Pager Policy

The policies that have been drafted over the years to address specific issues but then not presented for Council consideration include:

- City Spokesperson Policy
- Public Forum Comment Policy
- Conflict of Interest Policy
- Driver’s License Check & Flagging Policy
- Professional Service Contact Policy
He asked the Council to review the five policies that have not been considered by the Council and let staff know if any should be adopted. The one he feels may be important would be the conflict of interest policy. The League did not have a standard or sample, but staff drafted one and the attorney did review and approve it.

Karnowski added that in regard to the driver's licenses, staff is usually aware if someone has issues with their license. His suggestion would be that the employee be required to make the city aware if there are any changes.

Walker stated he understands the gist of the conflict of interest policy, but asked who would be affected. Karnowski stated it could affect everyone. Walker responded that when it comes to possible conflicts of interest with the Council, they usually police themselves. Karnowski provided an example. While he has never seen it happen in Princeton, it could be something like a council member calling the public works director and telling them to come and plow their driveway.

Walker said he doesn't want this to be used against people, but if any of these issues occur, he would like it to come before the council. He would like it to be very clear that if someone does not self-report on a conflict of interest that it needs to come before the council. He is in favor of approving the conflict of interest policy with that stipulation.

Whitcomb asked staff to make that change and bring the conflict of interest back for approval.

E. Public Works Pickup purchase

Gerold stated that Public Works is looking at purchasing a 2017 Chevy Silverado 1500 for $29,777.68. Currently, there is $30,000 budgeted for this new piece of equipment in the Parks CIP. This is to replace a 2005 Chevy we are requesting to sell at Public Auction.

WALKER MOVED TO APPROVE THE PURCHASE OF A 2017 CHEVY SILVERADO 1500 FOR $29,777.68 AND TO SELL THE 2005 CHEVY AT PUBLIC AUCTION. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

F. BerganKDV Engagement Term Agreement

Jackson reported that back in 2013, the City went through the Request for Proposal (RFP) process to the select an auditing firm. The City sent out five requests and received two proposals in response to its RFP. In addition to the two responses, we received a letter from one of the companies simply stating that at that time they were not going to submit a proposal. The other companies did not respond in any manner. The RFP at that time did indicate the possibility of negotiating a three year extension at the end of the initial period.

In 2013, the City selected Kern DeWenter Viere (which is now the merged company of BerganKDV) as their proposal was the lowest over the 3 year period by $330. I am recommending the attached extension agreement since the amounts being proposed are very reasonable. The fees increase by 0.9% for 2016, 1.4% for 2017 and 2.4% for the final year of 2018. These increases are actually less than in the expiring agreement which averaged 2.5% per year.

So based on the well-earned excellence of the firm, their vast experience with city and school district audits and the extensive work with the City of Princeton, staff is recommending the ap-
proval of the agreement as proposed.

Walker asked how they have changed with the merger. Jackson said he has not seen any changes.

WALKER MOVED TO APPROVE THE AGREEMENT WITH BERGANKDV. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

G. Airport Entitlement Agreement

Karnowski advised that at the most recent Airport Advisory Board Meeting, there was a discussion regarding the possible loaning of unused entitlement funds to other airports for a limited period of time. The airport engineer advised that there are advantages to airports that do that as then an airport can acquire more than the maximum $600,000 allowed by the FAA.

Last year the city loaned Fergus Falls $50,000 which they have since re-paid.

This year, the AAB unanimously recommended that the City Council approve a one-year loan of $100,000.

As was the case last year, the airport engineer (SEH) does all the paper work pro bono as a service to the airports they work with so there is no city cost. The documentation is attached and will be mailed if the Council concurs with the AAB’s recommendation.

He asked how the Council wished to proceed.

REYNOLDS MOTIONED TO APPROVE THE AIRPORT ENTITLEMENT AGREEMENT WITH WADENA AIRPORT FOR $100,000. WALKER SECONDED THE MOTION.

Edmonds asked how long the loans are. Karnowski responded that they can vary in length. The city is looking at a large project in the future, so they are trying to lay out the funds for the future project. When the loan is repaid, it is considered “new” money, so it can be banked for a little while.

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 $82,895.22 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 75528 TO 75601 FOR A TOTAL OF $168,038.97. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

*** CLOSED SESSION REGARDING PENDING LITIGATION ON 21ST ROUNDABOUT ***

Whitcomb stated that the agenda item for this meeting is to discuss pending litigation in the Matter of the proposed 21st Roundabout Project Assessments,
This portion of the properly noticed regular meeting of the City Council of the City of Princeton will be closed pursuant to Minnesota Statutes, section 13D.05, subdivision 3 (b) under the attorney/client privilege exception to the Minnesota Open Meeting Law to discuss pending litigation related to the matter of the proposed 21st Roundabout Project Assessments.

The city’s need for absolute confidentiality outweighs the purposes served by the open-meeting law in this case based on the following:

• Absolute confidentiality is necessary so that the City Council and legal counsel can have a candid and open discussion to determine the available legal options to handle the pending litigation, including strategy and possible areas of resolution.
• The purpose of the closed meeting is not to make a decision behind closed-doors, but instead is to determine the legal options for handling the referenced pending litigation.
• The only business to be discussed in this portion of the meeting is the pending litigation.
• An open session would be detrimental because it may take place in the presence of individuals involved in the litigation.
• A closed session would benefit the public because the ultimate outcome of the litigation may impact the finances of the City.

The City Council will now go into a closed session. Only the officials and consultants of the City who reasonably require access to this data may be in attendance at any portion of the meeting for this agenda item. The meeting should not be taped or otherwise electronically recorded since it has been closed under the attorney-client privilege.

REYNOLDS MOVED TO CLOSE THE MEETING AT 8:26PM. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

EDMONDS MOVED TO ADJOURN THE CLOSED SESSION AT 9:01PM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

REYNOLDS MOVED TO HAVE STAFF WRITE THE APPROPRIATE LETTER TO MNDOT STATING THEY ARE COMMITTING TO THE PROJECT AND WOULD LIKE TO BID IT OUT FALL/WINTER OF 2017/2018, FOR THE WORK TO BE COMPLETED IN 2018. EDMONDS SECONDED THE MOTION. VOTE: 4;1 WALKER OPPOSED, THE MOTION CARRIED

ADJOURNMENT
There being no further business:

ZIMMER MOVED TO ADJOURN THE MEETING AT 9:02 PM. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted, ATTEST:

_________________________  ______________________
Shawna Jenkins Paul Whitcomb, Mayor
City Clerk