Mayor Paul Whitcomb called the meeting to order. Council members present was Thom Walker, Jack Edmonds, Jules Zimmer, and Jeff Reynolds. Staff present, Administrator Mark Karnowski, Finance Director Steve Jackson, Police Chief Todd Frederick, Community Development Director Jolene Foss, Clerk Shawna Jenkins, Liquor Store Manager Nancy Campbell, and Fire Chief Ron Lawrence. Absent was Public Works Director Bob Gerold.

**Insurance Renewal – Jim Burroughs**

Burroughs reported that the 2017-2018 premium went down slightly, which is primarily due to a property rate decrease. The Liability premium is up $1,011 due to one more Full Time employee and increased expenditures. The Auto premium is down $1,204 due to vehicle changes. Mobile property rating structure has changed, so that resulted in a decrease of $941. The Liquor Liability premium is up $187 due to increased sales.

The difference in the Insurance Workers Compensation is based on payroll and rates. The Firefighters rate calculation has changed, and has an increase of $1,397.

Burroughs stated that the City Council needs to take action on whether they wish to waive the Statutory Liability limit of $500,000 to the $1,500,000 Maximum for a cost of $2,216.

Walker asked how the modification rate changes from city to city. Burroughs responded that some cities are as high as pushing 2, we are right in line with other cities in our situation.

Walker asked if the safety training is to assist in the workers comp rates. Burroughs said it does.

**WALKER MOTIONED NOT TO WAIVE THE STATUTORY LIABILITY LIMIT OF $500,000. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIE UNANIMOUSLY**

**Temporary 3.2% Liquor License for Mille Lacs County Fair**

Karnowski reported that the county is looking to sell beer again at this year’s Fair.

Frederick stated that one difference this year, is that they plan to allow fair goers to walk around the fair while drinking.

Campbell and Walker both suggested having arm bands for those drinking beer, so it will be easy to know who is of legal age and who is not. Staff will contact the County to notify them of that requirement.

**ZIMMER MOTIONED TO APPROVE THE TEMPORARY 3.2% LIQUOR LICENSE FOR THE MILLE LACS COUNTY FAIR. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIE UNANIMOUSLY**

**Northstar Canoe Annexation – Resolution 17-36**

Karnowski advised that owner Ted Bell has applied for annexation into the City. The Public Hearing will be held on September 14, 2017 at 7pm.

The logic is that we will be protecting the cities wells by annexing the property. Holding the meeting on September 14 will allow the time frame to be met for the notice to be sent to Baldwin Township.
Karnowski stated that he is working on trying to get a special taxing district for wellhead protect areas as this property is.

Walker asked if the large piece of property is currently in the city. Karnowski replied that it is in the city limits. Walker questioned if lines are stubbed into the other adjacent properties. Staff replied they believed they were stubbed out to a couple of them.

WALKER MOTIONED TO APPROVE RESOLUTION 17-36 ACCEPTING THE PETITION FOR ANNEXATION AND CALLING A PUBLIC HEARING. ZIMMER SECONDED THE MOTION. THE MOTION CARRIE UNANIMOUSLY

City Administrator Retirement and Search process

Karnowski stated that with mixed emotions, he is notifying the City Council of my intent to retire this late summer or fall. He sincerely appreciates the support the Council provided during his tenure working for the betterment of Princeton that made waking up and coming to work each day so enjoyable.

Over the past 14+ years he said he has been consistently blessed with solid Council members that did their homework, came to meetings prepared to discuss the issues on the agenda and provided staff with direction. He has also been fortunate to work with knowledgeable and dedicated co-workers who, as a team, have allowed us to accomplish a lot.

Together we have provided the city residents with a new, state of the art wastewater treatment facility. We have a new municipal liquor store whose profits allow the Council to provide grants to area organizations to do good deeds as well as provide the necessary funding for our new public safety building without using property tax dollars.

The Council had the foresight to acquire the Riebe property which, when fully developed, will expand the leisure opportunities for residents and city visitors alike.

With community support we were able to upgrade the Civic Center to a facility we can all appreciate and be proud of. We’ve also been able to create a new ‘big box’ commercial area while making advances in adding new businesses to the existing downtown area.

It is truly amazing what we have accomplished with everyone working together and pulling in the same direction. Rather than set a defined separation date, if it pleases the Council, he said he would like to continue serving the city until the Council gets a new City Administrator on board. If the Council so wishes, he would also be willing to do some overlapping to assist in the transition and, hopefully, get the new Administrator up to speed more quickly.

He once again expressed his gratitude for opportunity to serve the City of Princeton. He said he feels blessed beyond measure that he had the opportunity to finish my career being a part of such a great team.
Karnowski said there are two options for the process of hiring a new City Administrator. A city can use a search firm or do it ‘in-house’. In discussing the options with Mayor Whitcomb, he suggests using the in-house process.

He provided the job posting that is based on the one the city used in 2003 as well as the current job description and a proposed application scoring sheet for the Council to review. Because of Veteran’s Preference requirements, application scoring sheets are necessary to rank applications. The scoring sheets are only used to determine which of the interested candidates will be offered an interview.

The interview process can be done several ways. The city can do a shorter interview with multiple candidates with the goal of coming up with a shorter list of applicants who would be offered a second interview. There’s also a process by which each of the candidates interviews ‘one-on-one’ with each of the Council members before the second interview.

He asked if the council had any preferences at this time.

Walker questioned if the person interviewed that has the highest points needs to be the one hired. Karnowski responded that they scoring sheet is only used to determine who gets a preliminary interview.

The consensus of the Council was to accept Karnowski’s retirement plan and have him stay on until a new Administrator begins working for the city.

Edmonds stated he is grateful that Karnowski will assist in the transition to a new Administrator.

**Sewer Access Charge Question**

Karnowski advised that some city staffers are under the impression that the City’s Sewer Access Fee (SAC: currently $ per unit) is high enough to possibly impact a builder’s decision on whether to build in Princeton or some other location.

On June 28th of this year, the Princeton Public Utilities Commission (PUC) reduced their Water Access Charge (WAC) fee from $3,825 per unit to a sliding scale based on the size of the water service to the new structure. Their logic not only continue the ‘½ price sale’ adopted in March of 2015 but extend that reduced fee to all properties in the city. The PUC’s new rate doesn’t follow the process previously used by the Met Council and adopted by the City. Instead, the new WAC fees are based on the size of the water service line serving the new structure.

The PUC’s new rate chart looks as follows:

<table>
<thead>
<tr>
<th>Service Line</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1” Service Line</td>
<td>$2,000</td>
</tr>
<tr>
<td>1½” Service Line</td>
<td>$3,000</td>
</tr>
<tr>
<td>2” Service Line</td>
<td>$4,000</td>
</tr>
<tr>
<td>4” Service Line</td>
<td>$8,000</td>
</tr>
<tr>
<td>6” Service Line</td>
<td>$12,000</td>
</tr>
<tr>
<td>8” Service Line</td>
<td>$16,000</td>
</tr>
<tr>
<td>10” Service Line</td>
<td>$20,000</td>
</tr>
<tr>
<td>12” Service Line</td>
<td>$24,000</td>
</tr>
</tbody>
</table>
Taking a page from the PUC playbook, staff is proposing that the City Council also consider making a permanent reduction of the SAC fee of $4,202 and use similar logic used by the PUC. Obviously one has to size a water line sufficiently to provide the water necessary for the optimum functionality of a structure. An argument could be made that the amount of water that enters a building is related to the amount of wastewater that exits the building through the building’s sewer line.

So the proposal for Council consideration, modification and adoption is for the city to join with the PUC and also tie the SAC fee to the size of the water line(s) servicing the property, which would reduce the SAC fee by about half.

That rate structure, if adopted, would read as follows:

<table>
<thead>
<tr>
<th>Service Line</th>
<th>SAC Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot; Service Line</td>
<td>$2,100</td>
</tr>
<tr>
<td>1½&quot; Service Line</td>
<td>$3,150</td>
</tr>
<tr>
<td>2&quot; Service Line</td>
<td>$4,200</td>
</tr>
<tr>
<td>4&quot; Service Line</td>
<td>$8,400</td>
</tr>
<tr>
<td>6&quot; Service Line</td>
<td>$12,600</td>
</tr>
<tr>
<td>8&quot; Service Line</td>
<td>$16,800</td>
</tr>
<tr>
<td>10&quot; Service Line</td>
<td>$21,000</td>
</tr>
<tr>
<td>12&quot; Service Line</td>
<td>$25,200</td>
</tr>
</tbody>
</table>

If the Council concurs, a motion to direct staff to prepare an ordinance amendment formally adopting both the revised PUC and City WAC and SAC charges would be in order.

Walker asked if the city could waive a SAC fee. Karnowski replied that the Council could likely do that if there were special circumstances.

Edmonds questioned what these fees were based on. Karnowski responded that they were based on the original fees and increased slightly for each size up.

Walker asked if anyone has a 12" line. Staff replied that they do not believe there is anyone with a 12" in the City. Karnowski said there was one company in Lindstrom when he worked there, but it is not very common.

Walker asked a customer pays for a larger line if it is needed for Fire Protection. Brotzler responded that they usually would only pay the fee on the water connection fee, not the larger line that is used for emergencies only.

Zimmer feels this is a good idea, and hopes it will encourage new businesses to come to the city.

Zimmer questioned how the original rates were determined. Karnowski replied that it was based on what it would essentially cost to buy into the whole system.

Karnowski added that the current sewer rate does not fully cover the loan payment, and some of the SAC fees are used to pay that as well.

The conversation started when people were deciding to build in the township to avoid the SAC fees. If we lower the SAC fee, it may get more people to build in the City.

This will be for all properties, not just commercial and industrial.
WHITCOMB MOVED FOR STAFF TO PREPARE AN AMENDMENT TO THE FEE SCHEDULE IN REGARD TO THE SEWER AND WATER FEES. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Comprehensive Plan Questionnaire

Karnowski asked the Council to look over the questionnaire that will be going out with the utility bills and give their thoughts.

Jackson asked how familiar that the average resident was with a wellhead protection area.

Walker suggested leaving out 9, as it is pretty similar to question #10. Karnowski said staff can look at a better way of wording the questions.

In regard to the corner near Sterling Point, Walker asked if there were many accidents on that sharp corner. Frederick responded that there are a few, but many times it is just the sign that is hit.

Foss said staff will make some changes and bring it back on the 10th for Council review.

Drug Task Force Update

Frederick reported that they finished up interviews a couple hours ago. They would like Council approval for their recommendation. Staff will then begin advertising for the new officer position.

Karnowski reminded the Council that the program is in the 2018 budget, but the council’s intent is to go forward with it, we need to start now to get everything in place by January 1st.

Frederick stated he would like to get the new person hired and on in December.

WALKER MOVED TO ACCEPT THE CANDIDATE THE COMMITTEE DECIDED ON, AND TO ADVERTISE FOR A NEW OFFICER. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Walker advised the Council that they along with the City staff are invited to the picnic being held at the Community Garden site next week on Wednesday.

ZIMMER MOVED TO ADJOURN THE STUDY SESSION AT 5:40PM. REYNOLDS SECONDED THE MOTION. MEETING ADJOURNED

Respectfully Submitted,

Shawna Jenkins
City Clerk

ATTEST:

_________________________
Paul Whitcomb, Mayor