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, Engineer Jen Edison and Attorney Damien Toven.

AGENDA ADDITIONS/DELETIONS

Schumacher stated he would like to add the Liquor Store Fire Department Fundraiser after the Consent Agenda, move Ordinances up to be discussed after the Public Hearings so Tammy Omdal can answer any questions, and the SMMPA Certificate of Utility after that.

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

CONSIDERATION OF MINUTES

A. Regular Meeting Minutes of August 22, 2019
B. Study Session Meeting of September 5, 2019


CONSENT AGENDA

A. Permits and Licenses
B. Personnel
   1. Police Officer Cole Wubben Step Increase effective 9-24-19

ZIMMER MOVED TO APPROVE THE STEP INCREASE FOR COLE WUBBEN EFFECTIVE 9-24-19. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Donations
   1. Resolution 19-35 – accept donations from Lion’s for Airport Fuel Facility

EDMONDS MOVED TO APPROVE RESOLUTION 19-35 ACCEPTING DONATION FROM THE LION’S FOR THE AIRPORT FUEL FACILITY. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

D. Miscellaneous
   1. Approval to Sign FAA Grant for Runway 15-33 Reconstruction Project

EDMONDS MOVED TO APPROVE THE SIGNING OF THE FAA GRANT BY THE MAYOR AND CLERK. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Liquor Store Fundraiser
Dylan Donner, Assistant Liquor Store Manager reported on the Miller-Coors that does a fundraiser for the local fire departments. They put our donation buckets and an event is held where there is free hotdogs and the Fire Department brings a truck out for people to see. So far, $285 has been collected and Donner provided the donations collected so far to staff.

OPEN FORUM

Lee Steinbrecher 620 4th Ave South wanted to talk about the issue with the Shopko parking lot. It is really causing a hardship for some people. The two prominent signs posted state “no Overnight parking”. There is some no parking anytime signs, but they are very small and hard to read. He is wondering if Public Works can put barrier’s there that say no parking. He hopes it would stop people from parking there and getting their vehicles towed. He would also ask that Staff talk with the owners of the lot.

Nicholas Taylor added that he understands it is private property, but we want Princeton to be a place where people want to stop. Instead, word is getting out about this and it is keeping people from stopping.

Tim Hennagir from the Union Times would like to ask the Mayor about the email he was copied on to PUC Manager Keith Butcher. The Mayor talked about a state investigation into no bid contracts, and the PUC chairperson. He asked if there has been a complaint filed with the state. Schumacher stated he has not filed anything with the state. He has asked the PUC to provide any bid information on these amounts. He stated Edmonds had said he would get that information, and he has not seen anything.

Hennagir stated that he is very aware of the Open Meeting Laws and emails can violate those laws. He asked the City Attorney to explain how emails can violate the Open Meeting Law. Toven responded that if a Council member sent an email to the whole council, or a “reply all” was hit and city business was discussed, it would be a violation. Hennagir said it could happen accidentally, but still be a violation.

Barbian responded that the Council is aware of that, and reminded them to be very mindful of this. Staff is also aware, and emails are usually sent out via Blind Copy.

Kevin Gerrard asked about Data Request statute that was brought up at the last meeting, as he has still not been able to get the documents he has requested.

Edmonds stated at the PUC meeting, it was asked if there is a definition for a “reasonable request”. Toven replied that there is not an exact definition. A person does have the option of filing a complaint with the state when a data request is not fulfilled. He added that Data Practice requests can be very expansive and take a lot of work. Depending on the nature of the data, it could contain, public and private information, so staff would need to go through everything and remove any private data.

Barbian told Gerrard that the City is not the appeal agency, he will need to contact the appropriate authority. Gerrard says he has asked for one document, and he received half of what he was looking for. He claimed that the City Council is telling Princeton Public Utilities not to provide him the information. Schumacher stated that he will need to file a complaint with the state.
Barbian spoke about the Shopko issue. There is one instance where it is believed that there was a violation of a state statute. The County Attorney is determining if charges will be filed.

Zimmer stated that Steinbrecher is correct that it is private property, so the city doesn’t have a whole lot of say. If the property owner would allow it, he is in favor of a larger sign to let people know that they cannot park there.

Steinbrecher asked if the City has approached the owner. Zimmer and Schumacher stated that staff has been in contact with the property owner on a few occasions, and has extended a lot of effort to try to resolve the issue. Barbian added that the City does recognize this has a problem, and has also tried to talk with McDonalds and Caribou to see if something can be worked out.

Staff will have some additional discussion with the property owner to discuss larger signs or the possibility of barricades.

PUBLIC HEARINGS

A. TIF 8-4 – Resolution 19-37 – approving TIF 8-4 Tammy Omdal

Tammy Omdal provided the details of the proposed TIF. The School District and the County have received the documents and staff has not received any comments. The school or county received of the TIF district, and staff has not received any comments, questions or concerns.

ZIMMER MOVED TO OPEN THE PUBLIC HEARING AT 7:43PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Barbian advised that the prospective buyers are here if the Council has any questions. Staff is steadily progressing with the plans and the development agreement.

ZIMMER MOVED TO CLOSE THE PUBLIC HEARING AT 7:44PM. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ZIMMER MOVED TO APPROVE RESOLUTION 19-37 APPROVING TIF DISTRICT 8-4. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ORDINANCES AND RESOLUTIONS – Moved up

A. Resolution 19-36 IRS Compliance with reimbursement

This is a standard resolution to establish procedures relating to compliance with reimbursement bond regulations under the Internal Revenue Code.

REYNOLDS MOVED TO APPROVE RESOLUTION 19-36. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY
B. Resolution 19-38 – West Birch – Assignment of Development and TIF District 7-1

Omdal advised that Resolution 19-38 approves the assignment of the development agreement, assignment of Tax Increment Financing, allonge endorsement to Tax Increment Revenue Note and Master subordination agreement and Estoppel Certificate.

J GEROLD MOVED TO APPROVE RESOLUTION 19-38. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Resolution 19-39 – approve modification of TIF Plan 7-1

Omdal advised that Resolution 19-39 is modifying the Tax Increment Financing Plan for district 7-1. The change includes some minor changes to Table A, which shows the projected tax increment for West Birch Estates.

ZIMMER MOVED TO APPROVE RESOLUTION 19-39 MODIFYING THE FINANCING PLAN FOR TIF DISTRICT 7-1. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

D. Resolution 19-40 – approve Interfund Loan for TIF 7-1

Omdal advised that this is the standard resolution that authorizes interfund loan for advance of certain costs in connection with TIF district 7-1.

ZIMMER MOVED TO APPROVE RESOLUTION 19-40. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS – moved up

A. SMMPA Certificate of Ability and City Agreement

SMMPA Representative Dave Geschwing gave an update on the proposed Badger Transmission Line project that SMMPA is looking to do, and discussed the agreement that they are looking for the City to sign.

Schumacher said there is a big communication breakdown between the City Council and the PUC. He appreciates Geschwing coming up for the meeting tonight. He would like to see PUC Manager Butcher, staff and 1-2 council members to sit down for a meeting and discuss this.

Geschwing stated that all SMMPA members would benefit, as this will help keep their bills lower. The Cities of Austin and Rochester will not be renewing their standard contracts, but they have entered into separate contracts relating to this transmission line. Schumacher asked what the deadline to sign is. Geschwing responded that they would like all of them back by October 4th.

Edmonds questioned if there was any problem with the Council approving and signing the document today. Toven said he has reviewed the contract, and is fine with the Council sign-
EDMONDS MOVED TO SIGN THE AGREEMENT. ZIMMER SECONDED THE MOTION. VOTE 2:3. EDMONDS AND ZIMMER IN FAVOR, SCHUMACHER, GEROLD AND REYNOLDS OPPOSED. MOTION FAILED.

Schumacher would like that discussion set up. He has concerns with how this was moved through the process. He would like to be there, along with Butcher and Erickson from the PUC, and J Gerold, Jackson and Barbian in attendance for the City.

SCHUMACHER MOVED TO TABLE THE ITEM UNTIL THE OCTOBER STUDY SESSION. REYNOLDS SECONDED THE MOTION. VOTE 3:2 SCHUMACHER, REYNOLDS AND GEROLD IN FAVOR, EDMONDS AND ZIMMER OPPOSED. THE MOTION CARRIED

PRESENTATIONS

A. Boy Scout Volunteer Alex Nutt Eagle Scout Project of Ga Ga Ball Court

Schumacher presented the plaque to Alex Nutt for his donation of the Ga Ga Ball Court in Rainbow Park.

Nutt stated that he had contacted the Park Board to talk about his idea for an Eagle Scout Project. The Ga Ga Ball is in and read to be used.

FYI – REPORTS, ANNOUNCEMENTS, CORRESPONDENCE AND BOARDS / COMMITTEES

A. Aero Business Park Lot Sale, TIF update and Development Agreement Draft
B. EDA Board Meeting of August 15, 2019
C. Planning Commission Meeting of August 19, 2019
D. Park Board Meeting of August 26, 2019
E. Princeton Public Utility Meeting packet for August 28, 2019

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. Chamber of Commerce Request for use of city’s generator for Chili Fest

Kim Young reported she is the new executive director for the Chamber of Commerce. She is requesting the use of the generator for the chili fest from noon to 4pm on September 21st.

ZIMMER MOVED TO APPROVE THE REQUEST TO USE THE GENERATOR FOR THE CHILI FEST ON SEPTEMBER 21, 2019. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

B. Wine and Spirits Request from Princeton Outback Dancers

Jenkins advised that this request came in the mail. Twenty-two girls for Princeton and Zimmerman have been selected to participate in the Outback Bowl Pregame and Halftime shows on New Years Day in Tampa, FL. To make the trip possible, they are asking for local businesses to sponsor these dancers.
Zimmer moved to approve a Wine and Spirits Grant request in the amount of $200. J Gerold seconded. Motion carried unanimously.

**NEW BUSINESS**

A. Assessments on Sierks, Price Custom Homes

Jackson advised that when parcels 24-550-0160 and 24-550-0170 were purchased as tax forfeited property from the County, the unpaid assessments were eliminated. Tax forfeiture eliminations whatever certified assessments existed prior to the date of the forfeiture. However, the County continued to show the assessments on their site.

Even though those assessments are eliminated during the legal process of the forfeiture, the city has the right to recertify the assessments to the County after going through the notification and public hearing process of the assessment certification. The assessments were for street, curb and gutter, and storm sewer improvements in the area.

The Council needs to decide to begin the process of calling for a public hearing to recertify the assessments or to allow the elimination of the assessments to remain.

J Gerold asked if the buyers knew there were assessments when they purchased the properties. Jackson responded that the advertisement that the county puts out usually includes the assessments.

Edmonds had wondered why it was not recertified when Sierk's purchased the land. He questioned why it is being looked at now.

Zimmer stated he does not feel comfortable putting an assessment back on that was removed.


Zimmer moved not to re-certify the assessments. Edmonds seconded. Motion carried unanimously.

B. CDB Loan Subordination for Daniel and Jessie Hollenkamp

Barbian advised that the owners of 605 Central S, Milaca, MN 56353, Daniel Hollenkamp and Jessie Hollenkamp received two loans from the Small Cities Community Development Block Grant Program (CDBG) program. The original loan amounts were: 2,900.00 and 14,030.00. The current payout of the loans is 290.00 and 5,612.00 respectively. The owners now wish to refinance their home and have requested a subordination.

After the Cities or Milaca and Princeton completed putting the original improvement projects and loans in place with the assistance of Lakes & Pines the City of Princeton became the program oversight agency. This includes making determinations on requests for subordinations.
Analysis:

To consider the request the Policy & Procedures Manual was reviewed and Lakes & Pines was contacted to verify this was a local decision. This was confirmed.

To complete the process the establishment of reasonable terms as follows were established:

1. That the total of all loans; the primary mortgage and the CDBG loan from the City not exceed a loan to value of 90%.
2. All taxes will need to be documented as current.
3. The home must remain the principle residence of the original loan makers.

In review of the loan repayment agreements and mortgage it was found that there was a typo in one of the documents filed showing a release prior to the end term. This warrants a correction and can be completed by requiring execution prior to and with the subordination.

The pending refinancing and request for a subordination of the CDBG loans can strengthen a household’s finances although it is not always successful. The two loans are nearing the end of the repayment which end in 2020 for the smaller loan and 2023 for the larger loan. The subordination is viewed to have little impact on the City of Princeton CDBG assets.

Recommendation:

That the City Council approve the subordination provided that the borrower documents the terms below and execute a loan agreement and mortgage correction.

1. That the total of all loans; the primary mortgage and the CDBG loan from the City not exceed a loan to value of 90%.
2. All taxes will need to be documented as current.
3. The home must remain the principle residence of the original loan makers.

REYNOLDS MOVED TO APPROVE THE SUBORDINATION AGREEMENT. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

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 $207,678.83 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 79859 TO 79953 FOR A TOTAL OF $339,792.90. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

MISCELLANEOUS

A. On Board Agenda Software system approval

Hillesheim stated that if the Council is happy with the agenda software we are trying, staff would like approval to sign the agreement. Zimmer stated he has started using and if he can use it, anyone can.

ZIMMER MOVED TO APPROVE THE ON BOARD AGENDA SOFTWARE. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY
Barbian reported that there is a meeting on Monday, September 16th that everyone is invited to. It is in regard to the Princeton Airport and its needs. MnDOT will be at the meeting.

ADJOURNMENT
There being no further business:

ZIMMER MOVED TO ADJOURN THE MEETING AT 8:20PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

______________________________
Shawna Jenkins Tadych
City Clerk

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Brad Schumacher, Mayor