

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD  
ON DECEMBER 21, 2021 4:30 P.M.**

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**1. Call to Order - Roll Call**

Mayor Thom Walker called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Vicki Hallin, Jenny Gerold, Jules Zimmer, and Jeff Reynolds. Others present: Administrator Michele McPherson, Finance Director Tracy Peters, Public Works Director Bob Gerold, Police Chief Todd Frederick, Fire Chief Ron Lawrence, Wastewater Plant Manager Chris Klinghagen, Clerk Shawna Jenkins and Attorney Damien Toven. Absent is Liquor Store Manager Nancy Campbell.

**2. Pledge of Allegiance**

**3. Agenda Additions / Deletions**

McPherson would like remove item 7.9, authorization to schedule hiring approvals, and add the following:

- 7.9 – approve hiring of Dylan Donner for the Liquor Store Manager
- 7.10 – Approve hiring Ed Yost for the It Manager
- 7.11 – Approve hiring of Heather Brooks for the Community Development Manager

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

**4. Consent Agenda**

- 4.1. City Council Meeting Minutes of November 9, 2021
- 4.2. Police Officer Lucas Wubben Step Increase 4 effective 12-4-21
- 4.3. Authorize Purchase of Sampler Head
- 4.4. Authorize Purchase of UV Lightbulbs
- 4.5. Authorize Execution of Revised Contract with Central MN Custodial Services
- 4.6. Res. 21-73 Authorizing Execution of MNDoT Maintenance & Operations Grant 1047506
- 4.7. Information Only - PUC Agenda Packet for November 17, 2021

HALLIN MOVED TO APPROVE THE CONSENT AGENDA. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

**5. Open Forum**

**6. Old Business**

6.1 Phosphorus Trading Sites Annual Report

B Gerold reported that the city is in compliance with the Phosphorus Trading Sites requirements. The Council was provided the Annual report to review.

J Gerold added that these trading sites involve a lot of work, but it's a great program.

HALLIN MOVED TO ACCEPT THE ANNUAL PHOSPHORUS TRADING SITE REPORT. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

6.2 Ordinance 814 - Fee Schedule Amendment - FINAL READING

McPherson stated that this is the second reading of the Fee Schedule amendment. The Changes will go into effect in 2022.

J GEROLD MOVED TO APPROVE ORDINANCE 814 APPROVING THE FEE SCHEDULE AMENDMENT. HALLIN SECONDED THE MOTION. VOTE 4:1. J GEROLD, HALLIN, WALKER AND ZIMMER IN FAVOR, REYNOLDS OPPOSED. THE MOTION CARRIED.

### 6.3 Resolution 21-85 - Certify 2022 Budget and Tax Levy

Peters presented the 2022 Preliminary Budget on 12/9/2021 as part of the Truth-in-Taxation presentation. This memo is to address questions that came up following the presentation, as well as provide an overview of the changes concurrently made to the budget.

On 12/9/2021 the mayor asked what the carryforward fund balance was, as well as what happens to those funds. The response was that the Finance Director would look into what it was, but the funds become part of the City's reserves, essentially increasing retained earnings. Prior to the 2020 audit (in 2021), the fund balance at 12/31/2020 increased \$127,221.29 Year over Year (YoY) from \$3,013,541.63 in 2019. It should be noted that this increase includes funds that were transferred from Liquor.

Council member Zimmer asked what the fund balance was for the Liquor Store. As of 12/31/2020, the Liquor Store had \$5,735,523.31 in retained earnings. This was an increase of \$345,603.47 YoY from 12/31/2019, despite the transfers out to supplement the General Fund. It should be noted, however, that 2020 was an unusual year for the Liquor Store, as COVID positively impacted the bottom line for Liquor Stores with the closing of bars.

After further review of the budgets, staff was able to find an additional \$13,328 of cost cuts/revenue increases. This resulted in a final levy of 9.13% instead of the previously presented 9.64%.

While not a direct levy impact, it is still worth noting that the Fire Chief was able to fundraise and collect enough funds to cover the UTV, which resulted in a CIP ask of \$3,000 instead of the originally approved \$23,000.

#### **Recommendation:**

Staff recommends the City Council approve Resolution 21-85 adopting the 2022 Budget & Tax Levy.

HALLIN MOVED TO APPROVE RESOLUTION 21-85 CERTIFYING THE 2022 BUDGET AND TAX LEVY. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

## **7. New Business**

### 7.1 Resolution 21-79 - Accept Donation to PFRD from Fairway Ponds Townhomes

J GEROLD MOVED TO APPROVE RESOLUTION 21-79. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

### 7.2 Resolution 21-80 - Accept Donation to PFRD from Isanti Co. Sportsman's Club for UTV

HALLIN MOVED TO APPROVE RESOLUTION 21-80. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

### 7.3 Resolution 21-81 - Approve Donation to Police Department from Richard & Normal Gist

HALLIN MOVED TO APPROVE RESOLUTION 21-81. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

#### 7.4 Resolution 21-82 - Approve Donation to Police K9 Program from Shield Services

J GEROLD MOVED TO APPROVE RESOLUTION 21-82. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

#### 7.5 Resolution 21-83 - Approve Donation to PFRD from Mystic Riders for UTV

Lawrence reported that the Department has received \$27,800 in donations for the UTV. The Total amount for the UTV and trailer is \$28,000.

HALLIN MOVED TO APPROVE RESOLUTION 21-83. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

#### 7.6 Authorize Execution of Revised Civic Center Agreement with American Legion

McPherson advised that the city has had an agreement with the American Legion since 2014. Late this summer, there was an incident of an unreserved event causing a conflict with a reserved event. Staff was able to facilitate a resolution. The American Legion Commander was immediately contacted to begin discussions on how to prevent the issue from recurring.

##### **Analysis:**

Staff and the American Legion worked to revise the agreement to:

1. Clarify the weekend day (there had been assumptions that the weekend could be two days),
2. Eliminate the specificity of allowed Legion events,
3. Required the Legion to be more proactive in determining uses and also establishing a contact person for scheduling events with the City, and
4. Requiring the Legion to provide a list of keyholders annually by a specific date.

The City Attorney reviewed the changes as did all affected staff.

##### **Recommendation:**

Staff recommends that the City Council authorized execution of the revised civic center agreement with the American Legion.

Legion Commander Jack Edmonds said it was an embarrassing issue that occurred. He thanked McPherson for her hard work on working on this additional language to the agreement.

HALLIN MOVED TO APPROVE THE EXECUTION OF THE REVISED CIVIC CENTER AGREEMENT WITH THE AMERICAN LEGION. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

#### 7.7 Authorize Execution of Lease with Sherburne State Bank

McPherson advised that the City has had a lease with Sherburne State Bank since 2017 which allows the bank to use a portion of the City's property for its drive-thru and sign. The lease expires every five (5) years, so a new lease has been presented for execution.

**Analysis:**

The new lease:

1. Fills in some gaps that were missing, like Exhibit A,
2. Provides a proper legal description of the area to be leased, and
3. Is in recordable form.

As the lease is giving a property right to another party over real property, it should be recorded in the land records system. This will allow prospective purchasers to find the lease in the public record.

The City Attorney did review the changes.

**Recommendation:**

Staff recommends that the City Council authorize execution of the lease with Sherburne State Bank.

HALLIN MOVED TO APPROVE THE EXECUTION OF THE LEASE WITH SHERBURNE STATE BANK. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.8 Resolution 21-84 - Small Cities Development Program Application for Funding

McPherson advised that staff submitted a preliminary application for funding for infrastructure improvements through the Small Cities Development Program (application attached for your information). The proposed project would be the sewer and water replacement in 7<sup>th</sup> Avenue.

**Analysis:**

Preliminary review of the City's application by State staff noted some additional information is needed. One of those items is the attached resolution which indicates the City's financial commitment to the project.

**Recommendation:**

Staff recommends that the City Council approve Resolution 21-84 relating to the preliminary application to the Small Cities Development Program.

Hallin asked if there is a match on this. McPherson said all funding sources are on the table at this point. J Gerold asked when the current franchise fee ends. Franchise fees could also be used for needed infrastructure.

HALLIN MOVED TO APPROVE RESOLUTION 21-84. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

~~7.9 Authorization to Schedule Hiring Approvals for January 6, 2022~~

7.9 Approve hiring of Dylan Donner for Liquor Store Manager, start date of January 9, 2022

McPherson stated that the Liquor Store Manager Position was advertised, nine applications were received, and two applicants interviewed (three were selected for interviews). Dylan Donner is our

selected candidate and he has accepted a verbal offer to start January 9 at Step 1 with a salary of \$67,524.

**Recommendation:**

Staff recommends that the City Council approve the hiring of Dylan Donner for the Position of Liquor Store Manager as noted above.

J GEROLD MOVED TO HIRE DYLAN DONNER AS THE LIQUOR STORE MANAGER. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.10 Approve hiring of Ed Yost as the IT Manager, start date of January 10, 2022

McPherson reported that the Technology Services Manager Position was advertised, three applications were received, and two applicants interviewed. Ed Yost is our selected candidate and he has accepted a verbal offer to start January 9 at the minimum salary of \$58,282.

**Recommendation:**

Staff recommends that the City Council approve the hiring of Ed Yost for the Position of Technology Service Manager as noted above.

J GEROLD MOVED TO HIRE ED YOST AS THE TECHNOLOGY SERVICES MANAGER. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.11 Approve hiring of Heather Brooks for Community Development Manager, start date January 24, 2022

McPherson advised that the Community Development Manager Position was advertised, four applications were received, and two applicants interviewed. Heather Brooks is our selected candidate and she has accepted a verbal offer to start January 24 at the minimum salary of \$58,282.

**Recommendation:**

Staff recommends that the City Council approve the hiring of Heather Brooks for the Position of Community Development Manager as noted above.

HALLIN MOVED TO HIRE HEATHER BROOKS AS THE COMMUNITY DEVELOPMENT MANAGER. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.12 Bill list

MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$152,291.05 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 84072 TO 84140 FOR A TOTAL OF \$494,836.10. SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.12 City Administrator's Bi-Weekly Report

McPherson had the following observations and information to share from the last two weeks (it is pretty slow at the moment):

## **Board/Commission Openings**

No new additional applications have been submitted. The EDA did discuss that applications were open at their December 16 meeting.

## **Development Projects**

We continue to work on various requests for information from developers, both residential and commercial.

I attended the EDA meeting December 16 to assist with the Strategic Planning work. They will be assembling a survey to determine what people like about Princeton and which of the seven themes: tourism; manufacturing and industrial; retail, restaurants and service industries; transportation; housing; age friendly; or private and public sector relations the city should focus its energy on. The survey will be deployed sometime in January via both social media and print options.

## **Grants**

We are still waiting on the results from our grant application to the Federal EDA for the Business Park infrastructure. I reached out to our contact at the Federal level to inquire as to where our application is in the process.

## **Infrastructure**

### **7th Avenue/County Road 4**

City staff and members from the Princeton Public Utility met with the Mille Lacs County Coordinator, Dillon Hayes and members of the engineering staff to discuss the 7th Avenue/County Road 4 improvement project. The project is now back to a full reconstruction of County Road 4 and is on the County's Highway CIP for 2024. The project will be eligible for State Aid Funds for the road portion. The County more or less implied that they would like to see the city take the lead for engineering and design.

Also at that meeting, staff discussed the possible turnback of County Road 157/21st Avenue to the City. We indicated that would be a better topic for discussion once the Transportation Plan was completed. From the City perspective, we asked about turning back excess right of way and adding it to a more productive parcel thereby increasing the tax base. Staff from both sides agreed to continue discussions on these issues.

### **Radio Simulcast Equipment**

Ron and I continue to work with Micah Myers to find funding for the radio simulcast equipment. Staff host-ed a meeting December 14 with representatives from Isanti and Sherburne Counties and the Princeton School District to bring everyone up to speed as to where the project was. Townships were also invited, but non-attended. Staff will be drafting a model letter of support for other jurisdictions to modify and submit. There will be a request to the legislature to use a portion of the State surplus to fund these types of projects state wide.

## **Liquor Store Operations**

Liquor store operations continue to go well; sales for the week of December 13 were up over 2020 sales which were way over 2019 sales. The store is looking less cluttered, more organized and cleaner. Finance Director Peters starts shadowing the Manager this week; she will spend all of Wednesday at the store. We will be swapping the location of the employee break room and manager's offices prior to January 9; some minor plumbing work will be required to accomplish this. The store will be closed January 1 for the auditor's inventory and January 10 and 11 for floor grinding and sealing, including application of a new color. Finance Director Peters and I will be present to assist with the audit and will help clear the store floor of stock on January 9 in preparation for the floor

project. The wine tasting bar will be removed that day as well which will open up more floor area for product.

### **Public Utilities Commission**

I attended the regular monthly meeting of the Commission on December 15. The budget was approved as well as their fee schedule with minor adjustments. They will be moving forward with a rate study in 2022 and DGR will begin work on tasks related to the system study.

### **Upcoming Meeting/Event Reminders**

- January 1 – Liquor Store closed for Auditor’s inventory, last day of Light up Princeton
- January 10 and 11 – Liquor Store closed for the floor project.
- January 20 – Special EDA meeting for review of their Strategic Plan survey

## **5. Committee Reports**

PUC Manager Butcher reported that last week the PUC approved their 2022 budget and rate study. As of now, there are no rate increases at this time.

The new territory for the land adjacent to Aero Business Park that the city recently purchased has been approved by the State.

They have discussed a tour idea for all of the Boards, Commissions and City Council.

Gerold advised that the Fire Advisory Board is meeting on the 4<sup>th</sup>. She also reported that she participated in a presentation at the Chamber meeting on what the City Council does.

## **6. Adjournment**

HALLIN MOVED TO ADJOURN THE MEETING AT 5:21 PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

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Shawna Jenkins Tadych  
City Clerk

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Thom Walker,  
Mayor