

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL
HELD ON SEPTEMBER 23, 2021 7:00 P.M.**

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, Community Development Manager Stephanie Hillesheim, Public Works Director Bob Gerold, Police Chief Todd Frederick, Fire Chief Ron Lawrence, Liquor Store Manager Nancy Campbell, Clerk Shawna Jenkins and Attorney Damien Toven. Absent is and Wastewater Plant Manager Chris Klinghagen.

AGENDA ADDITIONS/DELETIONS

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

CONSENT AGENDA

- A. City Council Meeting Minutes of September 9 2021
- B. Approve Resignation of Liquor Clerk Wendy Shipman effective 8-28-21
- C. Resolution 21-56 authorizing continued rental of safe deposit box at Bremer Bank
- D. EDA Minutes of August 19, 2021
- E. Approve change to November and December 2021 meeting dates
- F. Authorize Mayor & Administrator Signature – amendment #2 of Airport Maintenance & Operation Grant Contract #1033538
- G. Authorize Execution of State Grant for Taxiway A & Connector Taxiway, Lighting and Rehabilitation Project
 - a. Resolution 21-60 – Authorization to Execute Contract

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

OPEN FORUM

OLD BUSINESS

- A. Ordinance 808 – Sunken Ship Brewery Annexation – FINAL reading

Hillesheim advised that this is the final reading approving the annexation of the property which will be the Sunken Ship Brewing Co. The Ordinance and supporting documents will be sent to the state, and then to the County for recording.

J GEROLD MOVED TO APPROVE ORDINANCE 808. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

- B. Resolution 21-41 – Establishing Joint Airport Planning Board and approving Two members to the same.

McPherson advised that in order to remove the zoning protections for the cross-wind runway, the airport zoning ordinance needs to be amended. In order to accomplish the amendment, the City needs to establish, temporarily, a Joint Airport Planning Board comprised of persons from the City, and the two counties and townships affected by the Airport.

Analysis:

Step One of the process is to approve Resolution 21-41 which establishes the Board and ap-

points two members from the City, neither of which can be a Councilor. A member from the Planning Commission and the Airport Advisory Board may be appropriate.

The next step will be to send a letter, certified mail to Mille Lacs and Sherburne Counties, and Princeton and Baldwin Township requesting that they also appoint two members each to the Joint Airport Planning Board.

Per the direction of the City Council on July 22, 2021, the Airport Advisory Board and Planning Commission were asked to identify members to serve on the Joint Airport Planning Board. Troy Minske and Eldon Johnson were recommended from each committee. In addition, the resolution has been amended to place an end date for their service.

Recommendation:

Staff recommends the City Council approve Resolution #21-41 establishing a Joint Airport Planning Board and appointing Troy Minske from the Airport Advisory Board and Eldon Johnson from the Planning Commission to serve as representatives from the City.

HALLIN MOVED TO APPROVE RESOLUTION 21-41 ESTABLISHING A JOINT AIRPORT PLANNING BOARD AND APPOINTING TROY MINSKE FROM THE AIRPORT BOARD AND ELDON JOHNSON FROM THE PLANNING COMMISSION TO SERVE AS REPRESENTATIVES FROM THE CITY. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

- A. Ordinance 809 – Amendment to allow Brewer Tap Room & other styles of Brewers in B-1, B-2 and B-3 – FIRST READING

Background:

In 2016, Ordinance amendment #733 was approved to allow Brewer, Brewpub, Microbrewery, Micro distillery, and Tap Room and allowance of Microbrewery as a home occupation in the R-1 and R-2 Residential Zoning Districts.

Currently, we have property owners that would like to open a Brewer Tap Room in the proposed B-3 General Commercial District and the closest permitted use to this would be a bar.

Definition for Bar: Establishments serving "on-sale" liquor with or without food

The proposed business would have on-sale consumption of malt liquor produced by the brewer for consumption on the premises of a brewery and includes the sales of malt liquor produced and packaged at the brewery for off-premises consumption as allowed by Minnesota Statutes.

Analysis:

The Planning Commission held a public hearing on September 20th, 2021 for Ordinance #809 to allow with a Conditional Use of Brewpub, Microbrewery, Micro Distillery, and Brewer Tap Room in the B-1, B-2, and B-3 zoned districts. A summary of the Ordinance Amendment is as follows:

- * A Conditional Use Permit will be required
- * Minnesota Statue § 340A.301 subdiv. 6 (c), (i), or U) along with Alcohol and Tobacco Tax Trade Bureau Title 27, Chapter 1, Subchapter A, Article 25 Beer are to be obeyed
- * Brewpub, Microbrewery, Micro Distillery, and Brewer Tap Room will be followed in accordance with conditions outlined in Zoning Ordinance #538

Amendment Review Standards:

The Zoning Ordinance does not outline specific factors upon which a proposed amendment should be considered; therefore, staff is providing the following factors, which are common review standards from other ordinances:

1. The proposed action has been considered in relation to the specific policies and provisions of and has been found to be consistent with the official City Comprehensive Plan.
2. The proposed use is or will be compatible with present and future land uses of the area.
3. The proposed use conforms with all performance standards contained in this code.
4. The proposed use can be accommodated with existing public services and will not overburden the city's service capacity.
5. Traffic generation by the proposed use is within capabilities of streets serving the property.

Recommendations/Conclusion:

The Planning Commission held a public hearing on September 20th, 2021, and moved to recommend the City Council hold a first reading to introduce Ordinance #809.

HALLIN MOVED TO INTRODUCE ORDINANCE 809. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

- B. Ordinance 810 – Rezoning for “sunken Ship” property located at 32273 124th once annexation is complete – FIRST READING

Background: The applicants, Jeff Smith, Jon Smith, and Teresa Smith (Stout Storage, LLC) have applied for annexation into the city limits and the City Council is holding the second reading September 23, 2021 and with approval will forward the annexation to the State for final approval.

This property site that was previous known as Shipwreck is a corner lot located on the east side of 124th Street Northwest and south of 323rd Avenue Northwest. The Dairy Queen and Coborn's sites are north across 323rd Avenue Northwest and adjoining the property is a township based commercial business east of the site and another south of the site.

Rezoning Application Review:

This site was used for commercial and has been vacant for a few years. The new owners would like to continue the commercial use for a Brewer Taproom. The surrounding properties inside city limits (Dairy Queen, Coborn's and across Rum River Drive South are Caribou, McDonalds, Kwik Trip, and Mike's Discount Foods) all are B-3 General Commercial District.

The intent of the B-3 General Business District is to create an area to serve the commercial and service needs of the general population. The objective is to provide services to both pedestrian and vehicular traffic and to accommodate those businesses which require large areas for off-street parking or generate substantial traffic originating from outside the community.

Future Land Use Plan (Comprehensive Plan)

The Comprehensive Plan and Future Land Use Plan designates this area as commercial use. The request to rezone this property would not affect the integrity of the neighborhood. If the

Planning Commission and City Council approve the zoning change to B-3 District, staff will amend the Zoning Map.

Conclusion / Recommendation for Rezoning:

The Planning Commission held a public hearing on September 20, 2021 and recommended approval to the City Council of the rezoning. If the Council sees fit, a motion to introduce Ordinance 810 would be in order. The property site is located at 32273 124th Street Northwest, PID #01-004-1320, and the following conditions should be in place by the final reading on October 14, 2021:

1. The State approval of the annexation for this property site.
2. City Council approval of Ordinance #809 to allow the proposed use of Brewer Tap room.

HALLIN MOVED TO APPROVE THE INTRODUCE ORDINANCE 810. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

a. FYI – No action needed – CUP for Sunken Ship Brewing Co and Site Plan Review

C. Wine and Spirits Grant Request from Jenna Jenson, USBourne Books & More

Jenna Jenson explained the Bag of Smiles program supplies a bear and a book to children in the hospital. The Company will be matching donations at 50% as well.

J Gerold asked Peters where we were at for year-to-date Wine and Spirits Grants. Peters responded that there is a balance of \$2400 remaining for the year

J Gerold asked if Jenson collects a commission on the sale of the books and bears. Jenson responded that she collects 17% commission. While they do provide the books and bears to more than just the Princeton hospital, there is a total of 18 hospitals all within driving distance of Elk River.

Zimmer stated that the normal criteria is that the funds benefit those in the City or at least the Princeton School District area. Jenson said she is in contact with the owners of Bag of Smiles and she can request that a set number of bears be set aside for children in the Princeton Hospital.

ZIMMER MOVED TO APPROVE A WINE AND SPIRITS GRANT FOR \$200. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

D. Resolution 21-55 – accept donations for Light up Princeton

Hillesheim reported that the city is beginning to receive donations for Light up Princeton.

HALLIN MOVED TO APPROVE RESOLUTION 21-55 ACCEPTING DONATIONS FOR LIGHT UP PRINCETON. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

- E. Resolution 21-57 – accept donation from Richard and Norma Gist for Police k9 program

Frederick advised that on 09/16/2021 the Princeton Police Department received a donation for \$100.00 from Richard and Norma Gist. This donation from the Mr. and Mrs. Gist is to be used for the Princeton Police Department k9 program. This donation is greatly appreciated by Officer Cederberg, K9 Officer Bogey and the other members of the department.

ZIMMER MOVED TO APPROVE RESOLUTION 21-57 ACCEPTING A DONATION FOR THE POLICE DEPARTMENT K9 PROGRAM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

- F. Resolution 21-58 – accept donation from Sandra Joyal for the Police Department

Frederick reported that on 09/15/2021 the Princeton Police Department received a donation for \$ 20.00 from the Sondra Joyal. This donation will be used to assist the police department with officer safety. This donation is greatly appreciated by the police department.

HALLIN MOVED TO APPROVE RESOLUTION 21-58 ACCEPTING A DONATION FOR THE POLICE DEPARTMENT. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

- G. Ordinance 811 – amending the zoning map by Rezoning Princeton Business Park to MN-1 Industrial District – FIRST READING

Hillesheim stated that this ordinance will rezone the Business Park from B-3 to MN-1. This is the first reading. The Council will also be holding a public hearing on an easement vacation on these properties.

HALLIN MOVED TO APPROVE THE INTRODUCE ORDINANCE 811. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

- H. Authorize Execution of Amendment to the East Central Cable Commission Bylaws

McPherson advised that Councilor Hallin reported some months back that there was an amendment proposed to the bylaws of the East Central Cable Commission. Staff received the proposed revision which addresses the length of the Treasurer's position and requiring it to be rotated.

Councilor Hallin may provide additional information, but it was requested that the amendment be agreed to by the City.

Recommendation:

Staff recommends that the Mayor and Clerk be authorized to execute the amendment to the bylaws of the East Central Cable Commission.

Walker questioned what will happen with the franchise fees and contract with fewer people moving to streaming services. Hallin is not sure, she will bring that up at the upcoming meeting

REYNOLDS MOVED TO APPROVE THE AMENDMENT TO THE EAST CENTRAL CABLE COMMISSION BYLAWS. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

I. Award Clean-up Contract for 509 6th Ave N (Clayson)

McPherson reported that staff is anticipating that we will be getting a default judgement at court on Monday. At the writing of the memo, they were not sure how many vehicles and what those will cost to have removed. They will request court to issue an order regarding the vehicles.

Toven said if the Council wants to add an additional amount for vehicle clean-up, they can do that in the motion.

Frederick added that there are 4 vehicles for sure, possibly a fifth. Walker questioned how you determine what is junk and what is not. Frederick responded that they usually determine that by asking if the vehicle is road worthy or not. Does it start, have turn signals, can you drive it down the road.

Walker asked what will happen with those vehicles. Frederick replied that Clayton will need to prove ownership to reclaim the cars. If they do not, they will follow the forced title transfer process.

McPherson stated that all costs will be assessed to the property. Toven added that they can also request a judgement against the individual as well.

HALLIN MOVED TO AWARD THE CONTRACT TO OLD CRAP, LLC. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

J. Award Contract for Classification - Compensation Study

McPherson advised that the Requests for Proposals for the Classification and Compensation study were released at the end of July, 2021. Four proposals were received:

- Abdo Eick & Meyers
- David Drown & Associates
- Flaherty-Hood PA
- Gallagher

Copies of the proposals are included for your review. Abdo Eich & Meyers and Gallager did not follow the submittal instructions by not submitting sufficient copies and/or an electronic copy.

Analysis:

The proposals were sent to each Department Head for their review and comment. There were follow-up/clarification questions sent to the proposers for a response. Gallagher did not respond to our request for additional information and of the three remaining responses, Flaherty-Hood had the most comprehensive and complete response and they have experience in completing such studies in cities with paid on-call Fire Departments, Municipal Liquor Stores and Police Departments.

Of those Department Heads indicating a preference, Flaherty-Hood was the top selection. Their proposal is also the lowest cost. Flaherty-Hood is also a partner to the Coalition of Greater Minnesota Cities, so they would have a greater understanding of the market in outstate cities.

Recommendation:

Staff recommends that the City Council award the contract for the Classification and Compensation Study to Flaherty-Hood for a price not to exceed \$20,500.

HALLIN MOVED TO APPROVE AWARDING THE CLASSIFICATION AND COMPENSATION STUDY TO FLAHERY-HOOD FOR A PRICE NOT TO EXCEED \$20,500. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

K. Res 21-59 – Certifying Preliminary Tax Levy and Designating Public Input meeting.

McPherson stated that staff has compiled the estimated/proposed expenses and revenues for 2022 and have determined the preliminary levy amount.

Attached:

- Resolution 21-59
- Operating Expense Comparison 2021 to 2022 (does not include capital or personnel expenses); this document highlights the changes, especially those areas where previous non-qualifying capital expenses were included in the operating budget.

Analysis:

The proposed levy increase is 11 percent (up \$296,387.00 from 2021). The majority of this increase lies in personnel:

- 2 percent COLA increase
- \$1.00 per hour increase for paid on-call firefighters
- Assumed 10 percent increase in health insurance premiums
- Payout of sick leave/comp time for those employees who moved from a non-exempt to an exempt position (approximately \$38,000)
- New or modified positions:
 - Fire Chief to $\frac{3}{4}$ time
 - Technology Services Manager or a change in service providers
 - Community Development Interns (2)
 - Finance Department Intern (1)

It should be noted that the current technology services expenditures in the operating budget were not removed, so the budget would be inflated in this area when taking the new position into consideration.

In addition to normal inflationary increases, the operating budget includes costs that were previously in the Capital Improvements Plan that did not qualify as a capital expense (\$72,395.00).

Recommendation:

While the proposed preliminary levy is significantly higher than what has been proposed in the past, additional information will be gathered and decisions made which will tighten the budget and reduce the final levy.

Staff recommends that the City Council adopt the attached resolution 21-59 to set the preliminary levy and establish the date of the public input meeting.

The October and November study sessions will include the various department budgets.

J Gerold is concerned with how the residents are going to feel about this high of an increase. Maybe we do some of the employee additions this year and the rest a year later. Peters added that Hillesheim had reached out to Some neighboring cities and there was another one at 10%.

Walker stated that we need to run the city the way they feel the city should be run. No one is going to like it. There are a lot of cities that are in the same boat.

L. 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 \$127,331.08 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 83611 TO 83669 FOR A TOTAL OF \$223,146.52. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

M. City Administrator Bi-Weekly Report

Airport

McPherson reported that the final flight inspection for the runway project has been completed and the work passed inspection. There are monies left over from the inspection, so staff has processed the paperwork needed to receive \$1,698.52. A final walk-through of the project has been scheduled for September 22. Once all work on the punch list is completed, we can request the final reimbursement and close the project.

Knife River was to have started on September 23 on the rehabilitation of the taxiways, but the recent rain has pushed the start date into the week of September 27. The attached notice was mailed to the hangar owners; it includes information regarding the 21st Avenue project as well since too is scheduled to start soon.

Staff has scheduled a meeting with MNDOT to discuss the airport CIP for 5:30 pm on October 4 which is the date and time of the regularly scheduled Airport Advisory Board. I would like to invite the Council to participate either in person or by Zoom – a link will be sent closer to the date of the meeting.

Barry Ramage Jr will not be seeking reappointment to the Airport Advisory Board as he is moving to Wyoming at the end of the year.

Budgeting

Staff met with the vendor who provides cleaning services for the city's buildings. The conversation was very productive and several changes to the contract were identified which will lead to cost savings going forward. A new contract will be drafted which will be effective January 1, 2022.

Development Projects

The various residential projects are still in a holding pattern. Staff is still awaiting information from the developers in order to return information back to them.

Personnel

Either Finance Director Peters or I have been participating in interviews to hire additional staff at the liquor store. Several clerks have resigned, so there is a need for additional staff.

MCMA Conference

I attended the MCMA Conference in Duluth last week. There were several good sessions – the one on Employment Hot Topics was particularly interesting, especially as it relates to social media.

Evidently, social media posts by employees detrimental to their employer is not protected speech. In addition, employee handbooks are considered a form of a contract as it relates specifically to compensation and payout of paid time off.

Former Brooklyn Center City Manager Curt Boganey spoke regarding his experience and ethical integrity after the Officer Potter shooting incident; he was relieved of his position along with the Police Chief.

There was a very interesting session by former Ramsey County Sheriff Matt Bostrom on increasing trust through shared values.

Waste Water Treatment Plant Study

The MN Pollution Control Agency reached out looking for volunteers of the WWTP variety to participate in a research project regarding PFAS. The research is a LCCMR/legislature approved endeavor that will be conducted by the MPCA and University of Minnesota. The project will develop strategies to manage PFAS in land-applied substances such as biosolids and compost. They hope to analyze treatment methods and disposal costs as well as attempt to identify how PFAS move from land applied substances into soils, water, and crops.

They are looking for 8 to 10 WWTPs to partner with in order to complete the research. There is no cost to the city and the facility name will remain confidential. Staff has indicated a willingness to participate as a partner.

Upcoming Meeting/Event Reminders

- October 2 – Chamber of Commerce's OctoberFEAST, Mille Lacs County Fairgrounds 11 am to 3 pm
- October 4 – CIP Meeting with MNDOT, 5:30 pm Airport Advisory Board
- October 7 – Council Study Session, review of department budgets, part 1
- October 8 & 9 – Trucker Fest Music Festival, Mille Lacs County Fairgrounds (tickets at HappyProductions.com)

COMMITTEE REPORTS

J Gerold reported that on the 16th, her and Hillesheim attended the Chamber After Hours event for the Chamber's 95th Birthday. The city presented them with a plaque for 95 years of service.

Zimmer reported that the PUC meeting was quite lengthy. A lot of discussion regarding the proposed credit policy. They also discussed implementing a 3% fee to those who wish to use a credit card. That will be visited again during budget time. They are pushing ACH payments, and

will be sending a pamphlet regarding that in the next bill.

Their Auditor does not feel they can make any donations as done in the past, as all their income is from the rate payers.

Public Power Week is Oct 4th – the 11th, and PPU is having an open house on October 9th.

He added that Scott Schmidt is the new Water Superintendent.

Hillesheim announced that there will be a ground breaking for the 21st Ave project. She will let everyone know when that is, and staff can post it so everyone can attend.

ADJOURNMENT

There being no further business:

HALLIN MOVED TO ADJOURN THE MEETING AT 8:26PM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Thom Walker,
Mayor