

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JULY 14 7:00 P.M.**

1. Call to Order - Roll Call

Mayor Thom Walker called the meeting to order at 7:00pm.

Council members present were Vicki Hallin and Jeff Reynolds.

Others present: Administrator Michele McPherson, Community Development Director Heather Brooks, Technology Services Manager Ed Yost, Liquor Store Manager Dylan Donner, Clerk Shawna Jenkins, Attorney Damien Toven and PUC Manager Keith Butcher.

Absent was Councilor Jenny Gerold, Public Works Director Bob Gerold, Waste Water Treatment Plant Manager Chris Klinghagen, Police Chief Todd Frederick, and Fire Chief Ron Lawrence

Councilor Jules Zimmer attended online.

2. Pledge of Allegiance

3. Agenda Additions / Deletions

It was noted that the discussion on the Lodging Tax would be discussed when Councilor Gerold was in attendance.

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

4. Consent Agenda

- 4.1. City Council Meeting Minutes from June 23, 2022
- 4.2. Solicitors Permit for Oskar Orglaan from Southwestern Advantage to Sell Books and Apps 7/19 - 7/23
- 4.3. Temporary Intoxicating Liquor License; Mille Lacs County Agricultural Society for August 10-14, 2022
- 4.4. Northern Elements Cheer Booster Club Gambling Permit for Raffle at Princeton Speedway
- 4.5. Accept Splash Park Attendant Resignation of Lily Wyluda
- 4.6. Accept Resignation of Community Development Manager Heather Brooks
- 4.7. Resolution 22-30 - State of MN Joint Powers Agreement
- 4.8. Resolution 22-31 Rescinding Resolution Establishing TIF District 8-3, Aero Business Park
- 4.9. Resolution 22-32 Rescinding Resolution Establishing TIF District 8-4, Aero Business Park
- 4.10. Resolution 22-33 Decertifying TIF District 8-1 Kwik Trip
- 4.11. Resolution 22-34 Decertifying TIF District 8-2 Casey's
- 4.12. Resolution 22-35 Decertifying TIF District 9-1 Industrial Park
- 4.13. Resolution 22-36 - Appoint 2022 Election Judges
- 4.14. 19th Ave Street Extension Project Pay Voucher 3
- 4.15. Planning Commission Meeting Minutes of June 20, 2022
- 4.16. Park Board Meeting Minutes of May 23, 2022
- 4.17. Park Board Meeting Minutes of June 27, 2022

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

5. Open Forum

6. Old Business

7. New Business

7.1. Resolution 22-37 - Accept donation from Immanuel Lutheran Church for a Free Splash Park Day

Brooks advised that Immanuel Lutheran donated \$200 to sponsor a free day at the Splash Park on August 7th.

HALLIN MOVED TO APPROVE RESOLUTION 22-37. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.2. Accept and Sign AARP Community Challenge MOU

Brooks stated the City applied for the AARP Community Challenge Grant multiple times in the past without receiving dollars. On June 21st, staff received a call from AARP MN's Associate State Director of Community Engagement Jay Haapala that Princeton had been chosen to participate in the AARP Community Challenge.

The City has the opportunity to receive \$7,344 to purchase a hybrid bicycle and start a program to increase biking and transportation access within the City. AARP Community Challenge is a very generous and well-known opportunity. This would not only allow Princeton to start a program focused on increasing physical activity, socialization opportunities, and transportation access, but also allow the city to receive more marketing opportunities through AARP for our age-friendly work.

Staff recommends the Council to vote in favor of approving the AARP Community Challenge grant with AARP and signing the MOU.

Walker asked if those using the bike will be provided some training. Brooks said they would be given some training.

Walker questioned where it would be stored. Brooks replied that Sterling Point has some storage area and they are willing to store it.

McPherson added that they do need to spend the dollars by the end of the year. Intern Johaneson is taking this on for now, and staff is working on the logistics. If the bike is received prior to Public Safety Day, staff is planning on having it on display, but it will likely be next year before it is put to use.

HALLIN MOVED TO ACCEPT AND SIGN THE AARP COMMUNITY CHALLENGE MEMORANDUM OF UNDERSTANDING. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.3. Approve Sale of City-Owned Hangar to Larry Doose

The City Council authorized staff to solicit sealed offers for the sale of the city-owned hangar. The sale was advertised in the Town & Country Shopper, on Facebook and was distributed by email to those on the Airport Advisory Board agenda distribution list.

The conditions of the sale are:

1. The purchaser is responsible for the cost and arrangement of the move;
2. The hangar must be removed by November 1, 2022; and
3. Possession and relocation occurs after the City is paid in full.

One offer was received from Larry Doose for \$4,100.

Staff recommends that the City Council authorize sale of the hangar to Larry Doose for \$4,100.

HALLIN MOVED TO APPROVE THE SALE OF THE CITY-OWNED HANGER TO LARRY DOOSE FOR \$4100. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.4. Bill List

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$710,743.21 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 85054 TO 85160 FOR A TOTAL OF \$780,170.31. SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.5. Rate Zero Presentation by Liquor Store Manager Donner

Donner reported that the Liquor Store is looking at a new Point of Sale and inventory system. It will save the city approximately \$100,000 per year in credit card processing fees. It also appears to be much easier to use than the current system. In addition, the company representative is local if there are any issues. They provide the equipment for free, and instead of the city paying for the credit card fee, that will be passed along to the customer, which is starting to be common.

7.6. City Administrator Bi-Weekly Report

McPherson had the following observations and information to share from the last update:

Airport

There was no July Airport Advisory Board meeting.

The final walk-through for the taxiway project was conducted on July 7; and staff expects that the final payment and closeout documents will be submitted soon.

Development

The site survey work has been completed on the Butch Drews parcel on West Branch Street. Staff anticipates a plat application to be submitted soon.

Finance

Audit

Staff will be reviewing the results of the audit with Bergan KDV on July 14; a verbal update will be provided at the meeting. McPherson noted that the City received a clean audit, but that in future years, the audits will no longer be clean if the inactive special funds are not closed and the funds that have deficit balances are not corrected.

Finance

Staff is waiting on a proposal from Abdo to provide intermittent financial support. They were extremely helpful during the audit and answered several non-audit questions while they were here.

The software conversion occurs at the end of this week with training to start on Tuesday, July 19.

Tax Increment Financing

The necessary resolutions to rescind or decertify districts were placed on the agenda. The next step will be to complete the necessary forms to send to the respective counties and the State Auditor. On the July bill list expect to see a check or two to return the collected increment to the counties for redistribution. My goal is to have everything complete prior to the distribution of second half taxes.

Insurance

At the end of June, we paid the premium for General Liability insurance; approximately \$130,000. On this bill list is the premium for Worker's Compensation Insurance. The premium increased approximately \$20,000 from 2021 to 2022 to approximately \$170,000. The loss analysis shows how it was adjusted and how expected losses compare over the last three years. The Police disability claim was the primary cause of the increase.

Paws Up 4 You

It appears that Ms. Struck has found a potential buyer for the former liquor store site. She contacted staff in late June to request a payoff amount and indicated that a closing would be scheduled in late July.

Grants

We are still waiting on the results from our grant application to the Federal EDA for the Business Park infrastructure.

We have had correspondence with staff from DEED regarding the Small Cities Grant; staff requested additional information regarding our application. WSB has indicated that this is a good sign that they are reviewing the application in detail – hopefully this will lead to an award.

Personnel

The Community Development Manager position has been posted to the LMC website with a closing date of August 5, 2022. Staff is meeting with the three summer interns Wednesday to identify additional projects and responsibilities for each of them. They have all expressed an interest in picking up more hours and we will review the budget and FSLA rules to accommodate them without running into problems. They have been a great group to work with.

Flaherty-Hood is at the stage of evaluating the market to set the new pay scale. They proposed and McPherson countered with a selection of cities for benchmarking purposes. As this is nonpublic data, staff is unable to share the list.

Lodging Tax

Imposition of a lodging tax has been discussed by the City Council in past years. The MN House Research paper on lodging taxes was provided for review.

Mcpherson asked Intern Suiter to contact the local lodging establishments for room rates and average occupancies and calculate the potential revenue based on 1, 2 and 3 percent tax amount.

The Rum River Motel will have a Lodging Tax Revenue of:

1% -> \$1861.50/YR

2% -> \$3,723/YR

3% -> \$5,584.50/YR

The AmericInn Hotel will have a lodging Tax Revenue of:

1% -> \$11,826/YR

2% -> \$23,652/YR

3% -> \$35,378/YR

Five (5) percent of the proceeds may be used for administration (collection), but the remaining percentage must be used to "fund a local convention or visitor's bureau for tourism and convention center promotion". As noted in a previous memo to the City Council from 2020, the Chamber of Commerce would qualify as a visitor's bureau, which could eliminate the annual contribution from the Wine & Spirits grant fund. If the Council is interested in imposing the lodging tax, discussions should occur with the Chamber regarding their interest and to develop a program for promotion using the funding.

McPherson said with J Gerold and V Hallin are not present, staff will put this on a future agenda for discussion. The tax may be adopted by ordinance.

Upcoming Meeting/Event Reminders

- July 20 – Chamber of Commerce Golf Tournament; Councilor Gerold, Public Works Director Gerold, Chief Frederick and I are a foursome which should make for good comedy on my part as I have not played in over 20 years.
- July 27 – Public Utilities Commission Meeting
- August 4 – Study Session, joint meeting with the PUC; agenda will be a presentation from DGR on the completed rate study. The discussion will hopefully include rate structures and philosophies over the next 10 years as they relate to the PUC's Capital Plan (from General Manager Butcher).
- CGMC Summer Conference – July 27 to 29, Red Wing
- CGMC Fall Conference – November 17 to 18, Alexandria

7.7. Closed Session to Discuss Potential Development of Real Estate

Walker stated that the purpose for closing this portion of the meeting is to discuss and consider terms of an offer to purchase or sell real estate.

This portion of the properly noticed meeting of the Princeton City Council will be closed pursuant to Minnesota Statutes under the real estate sales or purchase exception to the Minnesota Open Meeting Law, pursuant to Minnesota Statute Section 13D.05 Subd 3(a)(3).

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

Confidentiality is necessary to protect the City's negotiating strength and interests as to real estate negotiations.

- The purpose of the closed meeting is not to make a decision behind closed-doors, but instead is to determine what actions are appropriate with respect to the real estate negotiations.
- The only business to be discussed in this portion of the meeting are the real estate negotiations, and what action, if any, should be taken.

HALLIN MOVED TO CLOSE THE MEETING AT 7:34PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

The Council will now go into a closed session. The time is 7:34PM.

Only the officials and consultants of the Council who reasonably require access to this data may be in attendance at any portion of the meeting for this agenda item.

The minutes of this portion of the meeting should reflect only that a meeting was held with its date, time and location; who was present at the meeting; and the purpose of the meeting.

HALLIN MOVED TO ADJOURN INTO OPEN SESSION AT 7:50PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Toven reported that the Council had a conversation with a developer in regard to land that the city owns. There will be additional conversations with staff, who will report back to the Council with any updates.

8. Committee Reports

Hallin said she attended the East Central Cable Commission meeting and they are looking at updating the Franchise Agreement in 2023.

Walker reported that Pat Briggs invited the City Council for a tour of some of the new apartments when they are finished. He suggested maybe doing it prior to a council meeting, and suggested August 11th at 6pm may be a good option.

9. Adjournment

HALLIN MOVED TO ADJOURN THE MEETING AT 7:54PM. REYNOLDS SECONDED THE MOTION.
THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Thom Walker
Mayor