

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
AUGUST 13, 2020 7:00 P.M.**

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, Wastewater Plant Manager Chris Klinghagen and Attorney Damien Toven.

AGENDA ADDITIONS/DELETIONS

Schumacher stated that there is an addition to the original agenda that was sent out Tuesday. Under the bill list, Real estate taxes for land purchase.

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

PROMOTION OF PFRD PROBATIONARY FIREFIGHTERS

Lawrence announced the promotion of our newest Firefighters from Probationary Status to Regular Firefighter Status.

The five new regular Firefighters are:

- Shawn Aaseby
- Brandon Bedbury
- Joe Kiel
- Dan Stoltenberg
- Justin Suckut

They were sworn in by Administrator Barbian.

CONSIDERATION OF MINUTES

A. Regular meeting Minutes of July 23, 2020

J GEROLD MOVED TO APPROVE THE JULY 23, 2020, MINUTES. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

CONSENT AGENDA

- A. Permits and Licenses
- B. Personnel
- C. Donations and Designations
 - 1. Resolution 20-46 – accept donation from Fairview Health Services for Rockn on the Rum

ZIMMER MOTIONED TO APPROVE THE CONSENT AGENDA. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Zimmer thanked Hillesheim for the hard work she has done on this program.

OPEN FORUM

Kevin Gerrard asked if there was any progress on his previous concern regarding the dealership near his home. Toven responded that he is aware of his concerns, staff has reviewed the conditional use permits and the site, and have not found any violations. He will be sending a letter out to Gerrard regarding his concerns.

Tim Hennagir asked for clarification on the affidavits of candidacy. He could not read them very well, so asked for their addresses to make sure he has them correct.

PUBLIC HEARINGS - None

PRESENTATIONS / SPEAKERS - None

FYI – REPORTS, ANNOUNCEMENTS, CORRESPONDENCE AND BOARDS / COMMITTEES

- A. Planning Commission Minutes of July 20, 2020
- B. Airport Board Minutes of July 6, 2020
- C. Park Board Minutes of June 22, 2020

Hennagir asked for some clarification on the Park Board minutes when the Park Project and Grant was discussed.

Zimmer said there was a lengthy discussion regarding the ideas on funding. The Park board was concerned that the original estimates were low, and questioned why the City did not know where their share was going to come from before applying for the grant. They asked if there should be some type of Policy in place for these types of situations. He stated he has been satisfied with how staff and the Council has handled the projects and grants. The Council does not approve things blindly, there is always a means of getting where we want to go. He gave a hats off to Finance Director Jackson, as he always gets a straight answer and great ideas.

PETITIONS, REQUESTS, AND COMMUNICATIONS - NONE

ORDINANCES AND RESOLUTIONS

- A. Ord 797 - providing use of slaughterhouse activities in the B3 & N-1– FIRST READING

Dewitt's memo advised that Carla Mertz approached the City in regards to wanting to bring a slaughterhouse business in the City. Currently, the City of Princeton does not have a Slaughterhouse Ordinance where it is an allowable use. Mertz explained to the Planning Commission at their May 18th meeting her experience in the slaughterhouse business and with this pandemic has mad awareness of the need for slaughterhouses. She had a site she was interested in that was located in the B-3 district and then a second choice of hers is in the process of being annexed into the City and zoned MN-1 Industrial.

The Planning Commission Board directed staff to draft an Ordinance that was received at their June 15th meeting, and they moved to hold a public hearing on July 20th. The Ordinance reads that

a Slaughterhouse would be permitted with a Conditional Use Permit in the B-3 General Commercial District and the MN-1 Industrial District. The City council received a copy of the draft at their July 9th meeting.

AMENDMENT REVIEW STANDARDS

1. The proposed action has been considered in relation to the specific policies and provisions 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 can be accommodated with existing public services and will not overburden the City's service capacity.
4. Traffic generation by the proposed use is within capabilities of streets serving the property.

The Planning Commission held a public hearing on July 20th and moved to recommend approval to the City Council.

ZIMMER MOVED TO APPROVE ORDINANCE 797. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. Res 20-45 – Approve Hazard Mitigation Plan

ZIMMER MOVED APPROVE RESOLUTION 20-45 APPROVING A HAZARD MITIGATION PLAN. REYNOLDS SECONDED THE MOTION.

J Gerold had some questions regarding some of the language regarding the financing. Lawrence said he would need to get some numbers. Items will need to be added to the CIP, and they can see what grants may be available.

J Gerold asked about the River level gauges. B Gerold said he believes those will be installed soon.

Schumacher asked if the City will also be reviewing the Mille Lacs plan that was last done in 2012. Lawrence said he has spoken with their Emergency Manager and they will be reviewing and updating theirs as well.

THE MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

A. City – County Cooperation on Simulcast System discussion

Zimmer said he does not have any updates. Frederick said he spoken with Sheriff Lorge and he does not have an update at this time either. He believes the County is going forward with their resolution next week. A similar resolution would come to the City Council for approval.

Reynolds asked Frederick if he has received the grant information from Commissioner Reynolds

as of yet. Frederick responded that he has been in touch with her, and should have that soon.

NEW BUSINESS

A. Amended and restated power purchase agreement

PUC General Manager Keith Butcher's memo reported that in an effort to reduce administrative burdens, expand to include large customer-owned Distributed Energy Resource (DERs), and update the language in the Power Purchase agreement to align with the standard Municipal Minnesota Distributed Energy Resources Interconnection Process (M-MIP), Princeton Public Utilities requests that the Princeton City Council approve SMMPA's Amended and Restated Power Purchase Agreement Relating to Qualifying Facilities.

BACKGROUND INFORMATION

Princeton Public Utilities has been a member of Southern Minnesota Municipal Power Agency (SMMPA) for many decades. That relationship is defined under a Power Purchase Agreement and includes an Amendment to include Qualifying Facilities as defined under the federal Public Utility Regulatory Policies Act (PURPA) originally enacted in 1978.

The revisions to the existing SMMPA PURPA amendment, last updated in 2011, covers three main areas.

1. The existing contract lays out the agreement and process for the purchase of the output from customer-owned Distributed Energy Resources (DERs) of less than 40 kW. This required monthly reporting which, for such small facilities, has become administratively burdensome. The revised contract changes this to an annual basis with the purchases continuing at the members' average retail utility energy rate per state statute.
2. The existing contract does not address purchases from facilities 40 kW and larger. The revised contract lays out the agreement and process for the purchase of the output from customer-owned DERs of 40 kW and above. This is to be done on a monthly basis and the purchases made at SMMPA's seasonal estimated time-of-use marginal energy costs.
3. The contract language is also updated to align with the standard Municipal Minnesota Distributed Energy Resources Interconnection Process (M-MIP) which SMMPA and its membership worked through with the Minnesota Municipal Utilities Association (MMUA).

RECOMMENDATION

On July 29th, 2020, the Princeton Public Utilities Commission supported the adoption of the Amended and Restated Power Purchase Agreement Relating to Qualifying Facilities and requests approval by the City Council.

EDMONDS MOVED TO APPROVE THE ADOPTION OF THE AMENDED AND RESTATED POWER PURCHASE AGREEMENT. ZIMMER SECONDED THE MOTION. VOTE 3:2. EDMONDS, ZIMMER AND J GEROLD IN FAVOR, SCHUMACHER AND REYNOLDS OPPOSED, THE MOTION CARRIED.

B. Consider November 3rd Ballot Question to eliminate Princeton Public Utilities Commission – MN Statute 412.391

Schumacher stated he understands the employees of Princeton Public Utilities are hard workers,

but he has some concerns with the management. If this was to pass, the Commission would no longer exist and the City Council would oversee the utilities. Clerk Jenkins stated she confirmed with Mille Lacs County Commissioner Eric Bartusch that the question would need to be sent to him by Friday, August 21st at 4:30pm.

Commissioner Greg Hanson said it would be a large undertaking for the Council to take over the utilities. The City Council's responsibility is to the residents of the City. The Commission's is to serve the rate payers by providing good clean water and electric utilities, with the commissioners not worrying about getting elected.

Zimmer stated that the PILOT Ad Hock committee has met 3 times. The biggest thing accomplished so far is establishing some trust. They are moving forward to having a real partnership. Their next meeting is August 21st. He felt they were getting somewhere, and then this appeared on the agenda. He feels like they are being undermined. The PILOT program has not been cancelled, but just the payments have stopped due to financial issues.

J Gerold stated she has offered some suggestions, and non were looked at seriously. She suggested that they could transfer some extra from the water account, but they said it was not allowed. She heard elsewhere that it was allowed. Big projects could also be bonded for instead of paid for outright.

J Gerold added that there have been 5 months of no PILOT payments, but that fund has the same balance as it did in December. She asked if they had a plan in place. Hanson responded that at the next work study meeting, they are going to see if they can move some funds from the water fund, as the rules have recently changed that would allow them to do that.

J Gerold said she has mixed feelings on this whole thing, and is very conflicted in what to do. She feels that in the last year and a half the PUC has not been making decisions based on what is best for the community.

J Gerold suggested the Council hold a special meeting on Friday August 21st so the Council can determine the route to take on this.

Schumacher stated George Freichels was recently quoted in the paper as saying "if everything goes right, you don't hear a thing. If something goes wrong, you hear about it really fast". He feels that statement is very correct.

Edmonds said maybe it is time for a 5-person committee.

Schumacher stated that the commission could be eliminated, but the current staff would still operate Princeton Public Utilities. This would allow the residents to have a say with different leadership.

Edmonds added that you cannot compare a public utility to other utility companies, as they are tax exempt. Instead of property taxes, they have been paying Payment in Lieu of taxes.

Reynolds commented that the Council oversees several departments that there is not a commission for, and does not see this any differently. He has been asking for the Commission to be increased to 5 people since he has been on the Council.

Greg Hanson added that there is a difference between listening and doing. Yes, the Commission needs to listen, but they also need to do what is best for that business. The PILOT committee will be meeting again on August 21st.

Schumacher said taking the suggestion of J Gerold, he would like to have a special meeting on August 21st at 3pm. The agenda item for the special meeting at 3pm, will say "to consider the November 3rd ballot question to eliminate the PUC, citing statute. 412.391. He asked if he can call for the meeting as the Mayor. Toven replied that the Mayor can call a special meeting, or 2 council members.

Hennagir asked if the Council would be willing to make some type of trade, and agree to a 5-person commission instead. Schumacher responded that it is a legislative bill that needs to be done, and it is a pretty lengthy process.

J Gerold added she isn't sure what the city could have to trade. Zimmer said he is also not sure what we would trade, but would be okay with a 5-person commission. Reynolds stated he would like to see the City Council in control of Princeton Public Utilities.

BILL LIST

A. Real Estate tax payment for land purchase

Barbian advised that staff was looking for approval to pay the \$1,514.00 property taxes on the land that will be purchased for the public safety storage building.

REYNOLDS MOVED TO APPROVE THE TAXES OF APPROXIMATELY \$1514.00 BE PAID FOR THE LAND THAT WILL BE PURCHASED FOR THE PUBLIC SAFETY STORAGE BUILDING. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

ZIMMER MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$234,289.61 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 81554 TO 81637 FOR A TOTAL OF \$366,593.59. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

MISCELLANEOUS

ADJOURNMENT

There being no further business:

ZIMMER MOVED TO ADJOURN THE MEETING AT 8:37PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Brad Schumacher, Mayor