

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

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 Victoria Hallin, Jenny Gerold, Jules Zimmer and Jeff Reynolds. Others present: Administrator Michele McPherson, Public Works Director Bob Gerold, Wastewater Plant Manager Chris Klinghagen, Technology Services Manager Ed Yost, Fire Chief Ron Lawrence, Liquor Store Manager Dylan Donner, Clerk Shawna Jenkins and PUC Manager Keith Butcher. Absent was Attorney Damien Toven.

Community Development Director Heather Brooks attended online.

2. Pledge of Allegiance

3. Agenda Additions / Deletions

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

4. Consent Agenda

- 4.1. City Council Meeting Minutes of May 26, 2022
- 4.2. City Council Meeting Minutes of June 7, 2022
- 4.3. Knights of Columbus Temporary Intoxicating License for event August 6th, 2022 at the Mille Lacs Co. Fairgrounds
- 4.4. Christ Our Light Temporary Intoxicating for event September 18, 2022
- 4.5. PUC Meeting agenda for June 22, 2022 Meeting
- 4.6. EDA Meeting Minutes of May 16, 2022
- 4.7. Variance for 1701 8th Ave N - FYI
- 4.8. WWTP Paul Parsons Step Increase effective June 26, 2022
- 4.9. Splash Park Season Update
- 4.10. Approve Public Safety Firewall Purchase

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

5. Open Forum

6. Old Business

6.1. 2022 Federal Recreational Trail Program Grant Denial

Brooks reported that staff applied for grant dollars to purchase a ski-trail groomer to utilize for the Pioneer Park Ski Trail System in early 2022. Daniel Golner with the state of MN DNR has let staff know that the City of Princeton has not been awarded grant dollars to purchase a ski-trail groomer. There will be opportunities to reapply in upcoming years.

6.2. Princeton Marketing Campaign Update

Brooks advised that the City of Princeton Council had approved \$20,000 for a marketing campaign. The majority of these dollars were to be utilized in collaboration with CEL Marketing, a company from the Minneapolis area that specializes in school and government marketing campaigns. Due to an inability to meet deadlines, staff has made the decision to terminate the contract with CEL Marketing.

In order to continue the marketing campaign, a group of stakeholders has been meeting weekly to push out a campaign designed as "This is Princeton". The group has included City Staff, ISD 477 staff, the Princeton Area Chamber of Commerce, Kitzman Creations, and Innovative Communication Strategies. By bringing the campaign in-house and focusing on hiring local businesses to assist in marketing, staff feels that Princeton will be captured in the best possible light. This group includes a mixture of individuals that work and/or reside within Princeton School District.

City of Princeton Staff, ISD 477, and the Princeton Area Chamber of Commerce have agreed to hold true to the original agreement and are each financially supporting this campaign. Kitzman Creations is a local company that specializes in photography and videography services. Kitzman Creations has been hired as part of this campaign to capture quality images and videos. Innovative Communication Strategies is owned another local individual specializing in marketing strategies and campaign management. Both bring creativity and a strong vision for Princeton. A budget has been established in order to ensure both companies can provide quality work with the remaining funds available for this campaign.

The campaign will center around a "Live here, Work here" theme. The campaign kicked off during the Princeton Parade, leveraging marketing dollars from the Explore MN Grant. There will be 12 taglines to highlight specific organizations and businesses. These taglines include: Work Here, Learn Here, Shop Here, Network Here, Dine Here, Explore Here, Worship Here, Play Here, Be Healthy Here, Be Safe Here, Retire Here, and Serve Here. The overall message is "This is Princeton MN. Live Here, Work Here, Tell Your Story Here."

With the assistance of the City's summer interns, we have created a tab on the City website to include this messaging, as well as an Instagram page. City Intern Paige Johaneson has created a strategic marketing plan. Innovative Communication Strategies has also created a logo example that can be used in this campaign.

7. New Business

7.1. Remembering our Fallen Project Update – Randy Hatch

Randy Hatch updated the Council on the Remembering Our Fallen event that is coming to Princeton over the July 4th weekend. The Truck is stopping in Zimmerman where the Legion Riders will escort the truck up to Princeton. It will tour the City and go by the Sponsors who helped bring this display here. They hope to close the block of 2nd Street North where the VFW is to have an open house. Many volunteers will be setting up the display Friday July 1st. Sponsors are invited for a private viewing until 4pm Friday July 1st. It will then be open to the Public 10am to 10pm each day for the weekend.

HALLIN MOVED TO APPROVE THE CLOSURE OF 2ND STREET ADJACENT TO THE VFW FROM FROM 5PM TO 12AM ON JUNE 30. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

7.2. Resolution 22-26 – Twice New Clothing Donation to Age Friendly

Brooks reported that Twice New Clothing has donated \$1000 to the Age Friendly program.

HALLIN MOVED TO APPROVE RESOLUTION 22-26. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

7.3. Resolution 22-27 – Eternity Church Donation for a Free Splash Park Day

Brooks reported that Eternity Church has donated \$200 to hold a Free Splash Park day. She explained that Non-Profits can sponsor a free day for \$200, and other for profit businesses can sponsor a day for \$300.

HALLIN MOVED TO APPROVE RESOLUTION 22-27. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

7.4. Resolution 22-28 – Crystal Cabinet Donation for a Free Spalsh Park Day

Brooks reported that Crystal Cabinets also donated funds to hold a free Splash Park Day.

HALLIN MOVED TO APPROVE. RESOLUTION 22-28. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

7.5. Princeton Wine and Spirits Grant Request for SOAR Conference

Sandy Voight from the Woman's Business Alliance gave a brief update on the SOAR conference. This year they are in the process of putting together a hybrid of an online and in person event. They submitted a request for \$1500. She thanked the Council for their Wine and Spirits Grant request that they received in 2019.

Hallin asked if she had any idea how many local women attended. Voight responded that there were 129 people that attended, with about 35 – 40 of them being local.

Hallin asked what the cost was to attend. Voight responded that the cost is \$69, which is the same as 2019.

J Gerold suggested a "Friend" contribution of \$500.

J Gerold asked what the contributions cover. Voight replied that it helps cover the costs of the speakers and other networking events.

Zimmer suggested the Civic Center for the event, then it would be more local. Voight responded that they thought the Civic Center may be a bit small for their expected group. She added that she is head of the GPS group and they are holding their annual meeting at the Civic Center this year.

Walker stated that he thinks it is an important event, and he understands the hesitance of approving a grant for an event that is not held in the City. Hallin agreed, and said she was not sure if it met the grant requirements of being local.

Brooks added that even though it is held just outside the city, it does bring people to the community.

Zimmer commented that he would feel more comfortable approving a grant in the future if the event was held at the Civic Center.

REYNOLDS MOVED TO APPROVE A GRANT REQUEST OF \$500 FOR THE SOAR CONFERENCE. WALKER SECONDED THE MOTION. VOTE 4:1, REYNOLDS, WALKER, ZIMMER AND J GEROLD IN FAVOR, HALLIN OPPOSED. THE MOTION CARRIED

7.6. Authorize Execution of Purchase Agreement with Glenn Metalcraft for 21 +/- acres, Princeton Business Park

McPherson reported that the City Council had a number of closed session discussions regarding the purchase of 21 +/- acres of land in the Princeton Business Park. The purchaser agreed to the following stipulations:

- Straight purchase of \$548,856.00 (\$0.60/square foot)
- Careful consideration of a request for Tax Increment Financing by the purchaser
- Council support of the purchaser's applications for state grant funding or other state assistance
- Phase I Environmental – Staff believes that one may have been completed in 2008 when the Aero Business Park and the north portion of 21st Avenue to the Public Safety Building was constructed; we have notations relating to tank removal and remediation. We will search for the information. However, if a Phase I is required, the City will not pay for it.
- Title Commitment – the City agrees to furnish with the understanding that it will be reimbursed.
- Survey – we performed survey work as part of the original platting process, we can provide an electronic copy to you when requested.
- Real estate taxes – as a government entity, we are exempt from property tax. 2022 is the last year of special assessments on the property, so they will be paid in full by the City prior to completion of the transaction.
- We agree to prepare/have prepared the purchase agreement.
- Payment of the stated deed tax will be the Buyer's responsibility.
- Payment of the real estate commissions will be the Buyer's responsibility.
- Payment of the brokerage commission will be the Buyer's responsibility.

The City Attorney prepared and the purchaser modified the purchase agreement. Staff agrees with the language contained within the agreement.

Staff recommends that the City Council authorize execution of the purchase agreement with Glenn Metalcraft doing business as Glen Properties LLC.

J GEROLD MOVED TO EXECUTE THE PURCHASE AGREEMENT WITH GLEN PROPERTIES, LLC. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

7.7. 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 \$151,714.34 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 84988 TO 85047 FOR A TOTAL OF \$419,648.00. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.8. City Administrator Bi-Weekly Report

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

Airport

Fuel prices continue to rise; Public Works Director Gerold monitors the purchase price closely so that the price at the pump can be adjusted accordingly. The price was increased to \$6.40 per gallon June 21; the price typically reflects roughly \$.25 more per gallon than what the City cost is.

She said she is attempting to make changes to our Federal SAM registration so that our airport grants can be released.

The July Airport Advisory Board meeting was canceled; staff will still prepare monthly reports that will be distributed electronically.

Development

There is still one outstanding purchase agreement that City Attorney Toven needs to review that was returned from the purchaser's attorney. If all goes well, staff will have it for the Council's consideration at the July 14 meeting.

Finance

Audit

The auditors were in the office June 9 and the week of June 13 doing their work. Due to the delay, they will not meet the June 30 deadline. A request for an extension has been made to the State Auditor's Office; extensions are typically granted.

Tax Increment Financing (TIF)

Tammy Omdal of Northland Public Finance provided the attached Transmittal Letter as part of the information prepared for the required Annual Reporting to the State Auditor. Staff would like to bring to the Council's attention the following:

1. Recommendation to close the fund for District 1-1. This will require the City to return the balance of the fund (\$33,003) to the County; a portion of these dollars will then be redistributed to the City and placed in the General Fund.
2. Repayment of \$14,271 to the County for redistribution to the other taxing districts for District 1-2. In addition, as the developer received increment after the TIF note matured, the City will need to collect \$6,568 from the developer.
3. In addition to the fund for District 1-1, staff will be closing the funds for Districts 1-2, 3-1, 3-2, 3-3, 3-5, and 3-6.
4. A correction to the TIF modification for District 7-1 needs to be made and then the note prepared for issuance. Payments to the Developer will begin October 1, 2022.
5. After discussion with Ms. Omdal and Public Works Director Gerold, Districts 8-1 (Kwik Trip), 8-2 (Casey's/never constructed) and 9-1 (Erdman/Princeton Industrial Park) will be decertified and their full value brought back online for 2023. These were all economic development districts with a 9-year duration intended to generate funding for infrastructure improvements. Given their small area and short duration, decertifying better serves the General Fund budget.
6. Districts 8-3 and 8-4, both in the old Aero Business Park were never certified and now the boundaries have changed due to replatting. In order to "close the loop", staff will prepare a resolution for the July 14 meeting to acknowledge that the districts were never completed and implemented.

The necessary documentation and action will be scheduled as soon as possible to return parcels fully to the tax rolls for the 2023 budget. In addition, closing the funds will aid in the software conversion and please the auditors.

Grants

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

The Small Cities Grant Award is likely to be announced in September based on recent DEED communications

Technology

Security Cameras

The security camera project is moving forward. So far, City Hall and Public Safety are complete. Wastewater will be completed this week, the Civic Center will be completed next week (internet is being run this week).

Other

Technology Services Manager (TSM) Yost, with assistance from Finance Intern Suiter, have completed an inventory of all technological devices and are working to prepare a five-year capital plan.

TSM Yost is also looking at the City Hall and Police Department copiers in anticipation of the budget cycle. Also being analyzed is the phone system; the license agreement for the Police Department expires in 2023 and the City Hall system needs a software upgrade.

Upcoming Meeting/Event Reminders

- Remembering our Fallen Memorial July 1 – 5, Mille Lacs County Fairgrounds
- July 4 – Community Event/Fireworks, Mille Lacs County Fairgrounds
- July 7 – Study Session CANCELED
- CGMC Summer Conference – July 27 to 29, Red Wing
- CGMC Fall Conference – November 17 to 18, Alexandria

J Gerold asked what the reason is for these TIF updates. She asked if it was due to the change over in staff, things not being done, or what the issues were. McPherson responded that she is not sure why some of the things were done. The newer TIF's were confusing as they do not seem to make sense how they were set up. The districts were not big enough to benefit the city. However, decertifying them will be beneficial.

8. Committee Reports

PUC Manager Butcher provided an update on the PUC meeting.

Hallin reported that the next East Central Cable Commission meeting is June 29th.

Walker advised that the EDA is in the middle of a Strategic Plan update.

9. Adjournment

HALLIN MOVED TO ADJOURN THE MEETING AT 8:14PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Thom Walker
Mayor