

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
DECEMBER 10, 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

J Gerold stated she would like to table the City Administrator’s Review until the next meeting, so the council has more time to do their review. She also asked that the Supervisors be provided a form to fill out as well. Edmonds agreed that the Supervisors should be allowed to fill one out if they wanted to.

J Gerold said she would also like Barbian to include a list of his accomplishments since being with the City of Princeton

Schumacher wanted to add a brief discussion with Todd Olin from Landform regarding the proposed development which would include the annexation of property into the City.

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

CONSIDERATION OF MINUTES

- A. Regular Meeting minutes of November 24, 2020
- B. Study Session Meeting minutes of December 3, 2020

J Gerold had a correction to the minutes of November 24, 2020. On the discussion on approving the PUC to move to a 5-person board, the 2nd motion was incorrect. The minutes showing Edmond seconding the motion, but it was Zimmer. Jenkins stated that it was hard to hear at that meeting, and will make that correction.

J GEROLD MOVED TO APPROVE THE NOVEMBER 24, 2020 REGULAR MEETING MINUTES WITH A CORRECTION AS STATED TO THE MOTION AND DECEMBER 3, 2020 STUDY SESSION MINUTES. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

CONSENT AGENDA

- A. Permits and Licenses
- B. Personnel
 - 1. Public Works GMII Kyle Fawkes Step Increase effective 12-28-20

EDMONDS MOVED TO APPROVE THE STEP INCREASE FOR KYLE FAWKES EFFECTIVE 12-28-20. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

- C. Donations and Designations
 - 1. Resolution 20-75– accept donations for Light Up Princeton
 - 2. Resolution 20-76 – accept donation from Walmart for Shop with a Cop

Frederick reported that on 12/07/20 the Princeton Police Department received a donation in the amount of \$1000.00 for our 7th Annual Shop with a Cop. The generous donation is from the Princeton Walmart. The \$1000.00 will assist in purchasing gifts for children who reside in our Princeton community. Shop with a cop this year will be modified to assist with Covid-19 guidelines.

J GEROLD MOVED TO APPROVE DONATION RESOLUTIONS 20-75 AND 20-76. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

**** added ** - Todd Olin with Landform**

Todd Olin with Landform showed a concept plan for the proposed expansion of Sherburne Village, and a 55+ site that will include a club house with activities, a soccer field, playground. He has submitted an annexation application.

Barbian asked if he wanted staff to process the annexation petition or wait until some of the utilities are figured out. Olin said to go ahead and process that annexation petition, as he feels they will come to an agreement with the details. Barbian said if he wants to come back to another meeting soon to work out those details, we may want to wait on the annexation. Olin replied that he is working out the engineering and details, and will contact staff.

Edmonds asked Reynolds if the Planning Commission has seen this current plan, as the Planning Commission should review those first. Reynolds responded that the Planning Commission has not seen these newer plans, just the concept plan looked at a few years ago. Schumacher added that these are just ideas, this is really just an annexation request. He suggested Olin work with the department heads on some of the details, then the annexation process can begin.

OPEN FORUM

Tim Hennagir had questions regarding the closed meeting that was held that should have been held in an open meeting. Sent via email:

The Union-Times has a number of questions and concerns after reviewing meeting materials and the Zoom and Facebook recordings from last week's Princeton City Council meeting. The newspaper intends to make an online request to address these issues during open forum at the council's Dec. 10 meeting.

Specifically, these questions deal with using a closed meeting to discuss development issues that rightfully belong in an open meeting. I have provided various attachments to address these points.

These concerns are based upon how agendas for this meeting were distributed to staff and council members versus what was presented to the public.

Additionally, there are additional concerns with the language and rationale used to close the meeting on Thursday, Dec. 3 after returning from a recess.

Please provide answers to the following questions via return email. Please be prepared to revisit this topic verbally and during the council's regularly scheduled meeting this Thursday, Dec. 10.

1) The revised agenda distributed to the city council and staff via the OnBoard Board Management System prior to the meeting and the agenda shown online and made available to the public on the city's website are different. The OnBoard version of the revised agenda shows revised item 10.1 as ****CLOSED SESSION**** Sherburne Village. The public version currently found on the city's

website shows this item as “Development Proposal.” Additionally, note the time stamps on the attached OnBoard documents. Please explain this difference; why wasn’t Sherburne Village clearly identified as the closed session topic in an agenda that is accessible by the public? Additionally, why is there a difference between the 12:24 p.m. document and the 12:40 p.m. document? Who authorized and approved this agenda change?

2) Sherburne Village is a mobile home park located at [County Road 2] 104 Cherokee St., Princeton, MN 55371. This information can be obtained via a standard Google or other online search. The background of this park is interesting to say the least. See attached Union-Times newspaper story “Sherburne Country Mobile Home Park has new owners, upgrade plan,” which states the city of Princeton had once looked at possibly annexing and hooking the park into the city wastewater system. The mobile home park sits along Sherburne County Road 2 in Baldwin Township, about a mile south of Princeton city limits. City Attorney Damien Toven, in the required open session summary of the closed meeting, stated the following: “With respect to the development, very preliminary conversation [occurred regarding] a development on the south end of town, looking at making some significant changes, but those conversations just began, and hopefully, in the forthcoming weeks and months, we will be able to report some further progress. That’s about it.” Question: Is the city of Princeton looking to annex Sherburne Village? If so, annexation discussions should be part of an open meeting.

3) Mayor Schumacher’s pre-meeting closure statement, which is a requirement of Minnesota Open Meeting Law, stated the meeting would be closed pursuant to Minnesota Open Meeting Law under labor negotiations and attorney-client privilege. With regards to any open meeting law review conducted as part of its regular city council meeting coverage, the Union-Times operates under a set of guidelines provided by the Minnesota Newspaper Association. These guidelines are attached to this email. With regards to Sherburne Village, there is a concern with reasons No. 1 and No. 5 on the list of 13 reasons a public meeting may be closed. Reason No. 4 is not being disputed [Union Contracts]. Based upon use of this document and its set of operating principles, if attorney client privilege is the reason cited for closing the meeting (as stated by Mayor Brad Schumacher), with regards to the development proposal, then reason No. 1 must be in effect – Pending Litigation. This type of litigation can’t be threatened. Please answer these questions: Is litigation pending regarding a development proposal associated with Sherburne Village? Is the city of Princeton considering a purchase of the Sherburne Village property?

4) After the council voted 5-0 to close the meeting at 6:32 p.m. Mayor Schumacher made the following statement: “Only the officials and consultants of the council who are reasonably required access to data may be in attendance at any portion of the meeting for this agenda item. The minutes of this portion of the meeting should only reflect that a meeting was held with its date, time, and I will now ask Mr. Barbian to begin discussion on these matters. Those who are watching, I thank you for watching the city council meeting.” Please answer this question: Did a city-hired consultant attend the closed session? If so, please identify the person by first and last name, company, and company title. If the city will not identify this person, please cite specific portions of Minnesota’s Open Meeting Law in your response.

These issues, as presented and observed by the Union-Times, create open meeting and transparency concerns from a journalistic standpoint.

Hennagir asked for clarification on the points made which is being shared with the Union-Times’ newspaper attorney and APG of East Central Minnesota’s director of news as well as Mayor-Elect Thom Walker and Counselor-Elect Victoria Hallin.

Schumacher responded that he felt the discussion with the developer needed a lot of discussion regarding the proposed project prior to annexation discussion. Any improper wording in the closing statement was not intentional in any way.

PUBLIC HEARINGS –

PRESENTATIONS / SPEAKERS

- A. Truth in Taxation – Resolution 20-73

Jackson presented the City’s 2021 budget and Tax Levy.

REYNOLDS MOVED TO OPEN THE HEARING AT 8:10PM. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

No public comments

REYNOLDS MOVED TO CLOSE THE HEARING AT 8:14PM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

ZIMMER MOVED TO APPROVE RESOLUTION 20-73. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

FYI – REPORTS, ANNOUNCEMENTS, CORRESPONDENCE AND BOARDS / COMMITTEES

- A. EDA Meeting minutes of November 19, 2020
B. Airport Board and Commission meeting Minutes of November 2, 2020

PETITIONS, REQUESTS, AND COMMUNICATIONS - NONE

ORDINANCES AND RESOLUTIONS

- A. Ordinance 800 – Fee Schedule Amendment – FIRST READING

Barbian stated that the council should decide what the lease rate should be, and if they want to increase that rate for just the leases being renewed, or for everyone.

J Gerold said we have not increased the airport lease rates have not been increased for a very long time. She would like to suggest a .10 cents per square foot increase. Whether it is done at once, or over 2 years. While it is a significant increase as it would probably only be about \$200 per year, and our cost goes up every year.

Zimmer feels it should be done at one time, and for everyone.

Edmonds does understand why there is a time line of 5 or 10 years for a lease, if a hanger is built it is permanent.

J GEROLD MOVED TO INTRODUCE ORDINANCE 800, AMENDING THE FEE SCHEDULE. EDMONDS SECONDED THE MOTION.

Schumacher suggested a friendly amendment to change the Lease to “Hanger Lease Rate” and not have a 5 year or 10-year difference in cost.

J Gerold and Edmonds accepted that friendly amendment.

THE MOTION CARRIED UNANIMOUSLY.

B. Resolution 20-74 – Amendment to Resolution 20-16 for DEED BDPI Application

Hillesheim advised that in February, the City of Princeton applied for funding from the Greater MN Business Development Infrastructure program through DEED in support of Sylva Corporation expanding their business on the adjacent lot they purchased the parcel currently has no road frontage and is currently regarded as an out lot which cannot be improved. It is necessary to extend city infrastructure (road and sewer) to the lot to move forward with platting the parcel to qualify the site as buildable. The application was approved for \$310,000, with an additional investment required from the city of \$333,000.

In conjunction with this application, the City submitted an EDA application requesting for funding to complete the connection and improve the land being purchased to the west of the Aero Business Park. This application was not approved.

Analysis:

Upon further assessment of the potential to move forward with multiple likely prospects within the planned industrial/business park, City staff have discussed the need to apply for a second grant from the BDPI program with DEED staff. The City has been directed to move forward with an amended application of the already approved Sylva sponsored BDPI grant. The new application with a total budget of \$1,100,000, with the City's portion of the total project being approximately \$575,000 and a total request from DEED of \$525,000.

This project would be made possible through a sponsorship by a prospect, who has agreed to move forward with their project on the corner of 21st Ave and 1st Street upon approval of the grant. The council has identified the connection of 21st avenue a priority and this application would allow the City to accomplish this goal upon receipt of the funds.

Recommendation:

City staff requests the Council's approval of amending Resolution 20-16 to permit staff to move forward with the application for BDPI funding as they see appropriate.

EDMONDS MOVED TO APPROVE RESOLUTION 20-74. SCHUMACHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

C. Ordinance 801 – Continuation of Local Emergency

Lawrence stated that the Emergency Management team suggests the local emergency be extended for another month.

ZIMMER MOVED TO APPROVE ORDINANCE 801 CONTINUING THE LOCAL EMERGENCY. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

D. Resolution 20-77 – purchase of property, legal description correction from Res 20-70

Barbian advised that this previous resolution 20-70 included an incorrect legal description. Attorney Paul Dove has corrected that and is asking for the Council to approve Resolution 20-77.

EDMONDS MOVED TO APPROVE RESOLUTION 20-77. SCHUMACHER SECONDED THE

MOTION. THE MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

A. Request to allow 45 firefighters on the Fire and Rescue Department

Lawrence advised that in 2023, he is expecting a large retirement from the Fire Dept. In order to prepare for this large retirement, he is proposing to hire eight new firefighters in the next two years. He would like to hire four new firefighters and four more in 2022. This would give time for the new firefighters to acquire the necessary training and exposure to the fire dept and learn the methods and procedures of the fire dept. It takes just over a year to get a recruit on the department and through the required firefighter training.

The Department is allotted 40 firefighters. The Department are currently at 37 well trained firefighters. He is am asking for council approval to go over the 40-firefighter limit to at least 45 firefighters. In 2023, we would at some point drop below the 40-firefighter limit with the retirements that are planned. He said he believes that being proactive will help to prevent any disruption in the service to the community that we serve.

J GEROLD MOVED TO APPROVE THE REQUEST TO ALLOW THE DEPARTMENT TO HAVE 45 FIREFIGHTERS. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. Airport Leases

Barbian stated that the City Council has been discussing Airport operations; land leases, new investments and how to balance the interests of the City and the Airport. As such there have been ongoing discussions at the Council and updates at the Advisory Board in September, November and again planned for December.

The issues that have come forth for the Airport as an enterprise fund for the City requires periodic capital investments, such as the Runway reconstruction in 2020 and a Taxiway reconstruction application advancing in 2020 with construction anticipated for 2020 or 2021. In addition, the airport operating costs do not break even after balancing all costs and revenues generated from fees and grants.

The City Council established a moratorium on new leases and renewals at the September meeting to review leases. The review was to concentrate on providing a stable environment for new investments as well as for updating terms in need of clarification or modifications. During this time a review of the lease occurred and is attached as a redline for consideration. The proposed terms as well as the following analysis are items that can bring greater support for the Princeton Airport and encourage continued investments at the Princeton Airport.

Analysis:

The Capital Investments at the Airport in 2020:

QT Pod fuel dispenser: total cost:~ 30K

City Share: 7,800.

Runway: total cost ~ 1,882K City Share: ~ 100K less 30K cares grant: 70K

Capital investments anticipated for 2021:

Taxiway reconstruction: ~ 1,980K

City Share 70K with 2nd cares 40K

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Airport operating costs, resulting in yearend transfers from the General Fund:
2019; \$14,200.00
2020; estimated to be ~13,400.00
2021; estimated to be ~13,400.00 with a 20% increase in land lease rates.

The Airport has two options to decrease transfers to the Airport enterprise fund, either cut expenses or raise fees. Fees at the airport are principally raised through fuel sales and lot land leases for hangers. The majority of leases are at 8 cents with a 5-year term and 3 leases are at 10 cents with 10-year terms.

The total square footage of hanger space available to be rented is ~153,664 square feet. The amount of [space currently leased is ~133,025 square feet](#). With the new investments in 2020 and anticipated in 2021 interest in the airport is fairly strong with 3 new hangers in the last two years, one new lease soon to be built on and another party considering renting to build a new hanger at the Princeton Airport.

According to a memo Ann Bien wrote in 2004 land lease rates have not been adjusted for what has now been 33 years. A survey of leases at other Airports indicates Princeton to be below the average at 8 cents with rates between 4 and 25 cents per square foot. The survey is limited.

In City Attorney Damien Toven' s review of the lease he has indicated that the City Council may adjust rates up or down on all leases regardless of a term upon justification that costs have changed going up or down. In the attached redline lease a number of lease modifications are being provided. Lease rates have been left for the City Council to determine.

It should be noted that airport hangar owners are subject to a payment of personnel property taxes. The amount of personnel property taxes has been gathered and are available upon request. The personnel property taxes paid in addition to a land lease rate range in the area of 125.00 to 400.00.

As previously covered, there are two areas of cost that can be utilized to consider an increase in land lease rates. They are 1. Bringing the airport to a breakeven point, and or 2. The recovery of capital costs which done by amortizing the investment. In considering the new investments the following scenario is provided:

70K over 5 years at 2% results in costs of \$1,227. / month or 14,724.
/yr. 40K over 5 years at 2% results in costs of \$701. / month or 8,412.
/yr.

For example, a 2-cent increase will result in an increase in revenue of 2,660.05 per year.

Recommendation:

Continue investment in the Airport to improve operations, keep a close eye on operating costs and consider revenue adjustments, the largest being a land lease rates.

Should the Council decide to advance a land lease rate adjustment they may wish to consider implementing over a period of years. For example, 3 cents per square foot per year.

J GEROLD MOVED TO APPROVE THE NEW AIRPORT LEASE AND FOR THIS TO BE USED FOR THE 2 HANGER OWNERS THAT ARE DUE FOR RENEWAL THIS YEAR. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

A. 2021 Licenses

B. State Lease for Trailer Storage

Lawrence advised that this is a lease for the Department of Human Services. They lease approximately 1260 square feet of storage in Bay 5 of the Fire Station. The lease term is for 5 years.

ZIMMER MOVED TO APPROVE THE STATE LEASE FOR TRAILER STORAGE. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

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 \$123,294.43 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 82192 TO 82276 FOR A TOTAL OF \$321,277.09. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

MISCELLANEOUS

Hillesheim reported that Light up Princeton is doing really well and so far, \$3300 has been raised for the Community. She has yet to see any negative comments.

J Gerold added that she is constantly seeing photos and comments on how everyone is loving it.

Reynolds stated that Deed still has \$440,000 to give out in 0 interest loans to small businesses.

***** CLOSED SESSIONS *****

A. ~~City Administrator Review~~

ADJOURNMENT

There being no further business:

J GEROLD MOVED TO ADJOURN THE MEETING AT 9:04PM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Brad Schumacher, Mayor