

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
MAY 14, 2020 7:00 P.M. VIA ZOOM**

Mayor Brad Schumacher called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were, Jenny Gerold, Jack Edmonds, 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

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

CONSIDERATION OF MINUTES

A. Regular Meeting minutes of April 23, 2020

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

CONSENT AGENDA

A. Permits and Licenses

1. Mobile Food vender for Brain Freeze Ice Cream – pending background check

J GEROLD MOVED TO APPROVE THE MOBILE FOOD VENDOR PERMIT FOR BRAIN FREEZE ICE CREAM, PENDING BACKGROUND CHECK. EDMONDS SECONDED THE MOTION.

FRIENDLY AMENDMENT SUGGESTED TO INCLUDE DISTANCE VERBAGE IN ORDINANCE. J GEROLD AND EDMONDS ACCEPTED THE FRIENDLY AMENDMENT

THE MOTION CARRIED UNANIMOUSLY

B. Personnel

1. Approval to hire Seasonal Public Works Ty Kitzman
2. Approval to hire Seasonal Public Works Jared Stimmler

C. Donations

ZIMMER MOVED TO APPROVE THE HIRING OF SEASONAL PUBLIC WORKS TY KITZMAN AND JARED STIMMLER. SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

OPEN FORUM

Jennifer Englund stated that she has requested to participate in the meeting tonight in regard to the cemetery rules and regulations amendment.

PUBLIC HEARINGS

A. Public hearing to vacate a portion of Golf Club Road – Resolution 20-37

Mary Lou DeWitt's memo stated that Amanda and James Berglund have requested a portion of Golf Club Road (Judicial Road) to be vacated. **Legal Description:** All that part of Golf Club

Road (Judicial Road in Ross-Mere Addition to the Village of Princeton) lying southerly of and adjoining Outlot 4, Goulding's Addition To Princeton and lying southerly of and adjoining Outlot

8, Outlots in Auditors Subdivision and lying northerly of and adjoining Outlot 11, Outlots In Auditors

Subdivision, all in Mille Lacs County, lying and being east of a line that is 245 feet east of and parallel to the east line of 4th Ave South and lying and being west of a line that is 686.61 feet east of and parallel to said east line of 4th Ave South, City of Princeton, Mille Lacs County, Minnesota.

ANALYSIS

The Berglund's have been in the Preliminary and Final Plat process to develop a Restaurant & Brewery on the north lot adjoining their Golf Course Club House. With the platting process, it was found that in May, 1995 by Resolution 95-28, the Judicial Road was vacated to the east to an area in the river and this vacation will clean up that vacation by clearing up 45 feet from the west. This vacation of right-of-way will include a statement for the City to reserve an easement for drainage and utility purposes, under, across and above the vacated right-of-way. There is an existing storm drain that is from 4th Avenue to Golf Club Road and the drainage ditch easement will stay in place.

The Planning Commission held a public hearing on April 20, 2020 and moved to recommend approval of the partial vacation of Golf Club Road (Judicial Road) to the City Council with the condition of the final plat approval. State Statue 412.851 has the City Council hold the public hearing with final approval or denial. Public hearing notices have been sent out to neighboring properties 350 feet from the site for both meetings.

CONCLUSION/RECOMMENDATION

Staff recommends approval of Resolution #20-37, approving the vacation of a portion of Golf Club Road (Judicial Road) based on the findings that there is no present or prospective use for this portion of the road, and will cause no problems to the surrounding neighborhood.

Condition of approval:

1. The Final Plat approval by the City Council with all required easements noted prior to recording of Resolution #20-37.

J GEROLD MOVED TO OPEN THE PUBLIC HEARING AT 7:17PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Pete Moreau provided an overview of the proposed project.

Barbian stated he heard today that Princeton Public Utilities is still waiting for some information

from Moreau and an easement still needs to be finalized. Schumacher said he doesn't understand why we are holding out on this for the easement. Barbian said they are all interconnected with the plat.

Edmonds agreed, we are acting on a resolution vacating a road, we are acting on a resolution to vacate a road.

EDMONDS MOVED TO CLOSE THE PUBLIC HEARING AT 7:26PM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

EDMONDS MOVED TO APPROVE RESOLUTION 20-37. SCHUMACHER SECONDED THE MOTION.

Reynolds would like to table this until we have additional information and to allow some more time for negotiations, so he will be voting no.

Barbian stated there will be separate documents for storm water and the recreational trail. There is no stormwater maintenance access. The memo was anticipating that the easements would be accepted.

Zimmer is with Reynolds on this, he understands we want to keep the recreational easement and we want the stormwater easement.

J Gerold said if there are easement issues it would be best to wait on this approval. Maybe it will push the applicant to resolve the issues.

Barbian said it is on the applicant to resolve the issue.

VOTE: 1:4 SCHUMACHER IN FAVOR, EDMONDS, J GEROLD, ZIMMER AND REYNOLDS OPPOSED. THE MOTION FAILED.

Schumacher asked if this will be on the next meeting. Barbian said that depends on the applicant. Toven said if they want to table the Resolution to the next meeting, they will want to make a motion to that affect

ZIMMER MOVED TO TABLE RESOLUTION 20-37 TO THE NEXT MEETING. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

FYI – REPORTS, ANNOUNCEMENTS, CORRESPONDENCE AND BOARDS / COMMITTEES

- A. Planning Commission Minutes of April 20, 2020

PETITIONS, REQUESTS, AND COMMUNICATIONS

ORDINANCES AND RESOLUTIONS

- A. Resolution 20-38 – issuance of Bonds, Series 2020A

Eilertson reported that we have received financing bids. Series 2020A is for the Fire Truck, with

an agreement with Blue Hill township and Spencer Brook Township.

Series 2020B is for the acquisition of land for an addition to the industrial park.

There was only one bid received, which was from Bremer Bank. However, the interest rate was very good and both were lower than they had estimated.

REYNOLDS MOVED TO APPROVE RESOLUTION 20-38. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. Resolution 20-39 – issuance of Bonds, Series 2020B

J GEROLD MOVED TO APPROVE RESOLUTION 20-39. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

A. Oak Knoll Cemetery rule and regulations amendment recommendations

City Staff understands that it is difficult to lose a loved one, and people grieve in many different ways. One of which is putting items on and decorating their loved one's gravesite. While there are many graves that include a lot of items, "Babyland" area of Oak Knoll gets very busy with toys, decorations and other items. These items sometimes blow to other parts of the cemetery and become unsightly from being outside. The city has received a few complaints about the excessive items.

This can sometimes create a hardship in the maintenance of the cemetery, and many times are against the current regulations set in the Oak Knoll's Rules and Regulations that was approved by the City Council in 1993, and most recently revised in November 2018.

Jenkins sent an email out to the Clerk / Administrators Listserve to see how others handle their cemeteries and various items that are left at gravesites. Unfortunately, only two cities responded. Greenwood Cemetery in Warren MN had some wording that staff liked, so we incorporated those into our current rules to make things clearer and easier to understand. Please review these recommendations and approve if you agree with these recommended changes.

Jennifer Englund stated that she visits the grave of her daughter every day, and having the toys and items there on her grave are an important part of her grieving process.

J Gerold asked if Ms. Englund could make a plant stand and pot work to keep some of her toys and special items there, but still meet the cemetery rules. She added that these rules have been in place for many years, but in an attempt to be extra sensitive to this area, they have not been removing and cleaning up the area like they should.

Englund brought up winter, and if the rules could be relaxed a little at that time since they are not mowing and trimming the cemetery at that time. She actually keeps a path shoveled from the road to the gravesites. She feels it is important for her and other parents to leave their items there. One family put up a small Christmas tree over the holidays. She volunteered to do the mowing and trimming in that area as she knows where each toy or decoration goes, and is out

there every day.

Edmonds asked about the cemetery board, and if it would be an option for Ms. Englund to be part of that.

Schumacher said tonight is to just talk about the rules and regulation amendment.

Edmonds said Englund made a good point that in the winter, they do not mow and wondered if they

B Gerold advised that in terms of the Christmas tree that is still there, they had hoped the family was going to come back and remove it. If a family puts out a tree in December, they are not going to remove it. During Spring Clean-up, they have to look at the items and they are set aside for a while so family members still have a change to collect any important items and bring them home.

B Gerold stated that what J Gerold said earlier, they have tended to turn a little bit of a blind eye to that area in the past due to the extra sensitivity in that area.

Edmonds suggested that maybe there be some leeway in the winter to allow some decorations to stay until a spring date, for example April 1st.

Zimmer said agrees that it is a very sensitive issue and he agrees that the area there has been let to slide a bit. However, these rules have been in place for some time, so people need to understand that things will need to be cleaned up. They are trying to keep everyone in the cemetery happy by keeping things neat.

Reynolds wondered if there could be a point person to contact for the city, so items could be picked up for maintenance.

Zimmer thanked Ms. Englund for wanting to volunteer and help with this matter and knows she has good intentions. However, in the past he has seen many projects or groups start something and then something happens and they don't keep up with it.

Englund added that she lives in Princeton and will never move because her daughter is buried there, she visits the cemetery daily and would like to volunteer to maintain the area.

Edmonds said he understands that her and other parents would like to keep their many toys and decorations on the sites, but he also supports the rules and regulations. He did suggest some variations to rules in the winter so they could maybe have some additional items when the cemetery is not being mowed.

EDMONDS MOVED TO APPROVE THE AMENDMENT TO THE CEMETERY RULES AND REGULATIONS. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. PUC Payment in Lieu of Taxes

Princeton Public Utilities has stopped paying the Payment in Lieu of Taxes (PILOT) to the City. The last payment was received in February. The PILOT payments for the balance of the year would have been 43,750.00 generating a budget short fall to revenues. To elevate matters, next year's budget discussion anticipated an increase not a decrease from the 52,500.00.

The City received a Payment "in Lieu of" Tax from the Princeton Utilities to offset the taxes that a private electric company, such as Excel would pay if they provided electric service to a City. A private company like Excel Energy, Center Point Energy and Coops like Connexus, East Central Energy and Great River Energy pay taxes based upon the value of the electric infrastructure necessary to operate the businesses as well. In the case of the Princeton Utilities an amount agreed to in 1997 was 4,375/ month or 52,500/per year. Previously the Princeton Utilities paid 10% of revenues to the City as a PILOT. As a point of reference Center Point Energy is a City of Princeton top 10 tax payer.

To clarify a related argument cited by the General Manager. The City Franchise fee is a completely separate fee, not paid by the Princeton Utilities or connected to a tax associated with the value of equipment owned and operated by the Princeton utility. It is not a "TAX" to the rate payers, as has been stated, and is not really different than the multiple "FEES" that they charge their customers (i.e.; Customer Charge, Electric Service Line Repair Fee and street light fee.) The Franchise fee is a small fee set in place by the City for City Park & Trail improvements. The Great Northern Trail is one of the projects that is funded by the City Franchise Fee. Other Park projects in the works are improvements at the Riverside Park, Civic Center and Riebe Park. These projects are funded by the City Franchise Fee and do not substitute Princeton Utility payment for the value of the equipment Princeton Utilities would pay should they be a privately owned investor company or publicly owned Coop.

Given Princeton Utilities has stopped paying the PILOT and these are uncertain budget times with COVID-19 the supervisors have assembled a few areas where steps to decrease spending are identified. The cuts fall into operational areas and capital areas. It should be noted the capital items are needed but delays could occur if necessary. Staff is delaying Capital items to later in the year if possible, should steps be necessary.

Operational areas where partial saving may be obtained:

- Splash Pad closing or limiting operations, saving approximately 10 to 15K

- Canoe & Kayak Recreational Program closing or limiting program, 6,500.

- Emergency Management Training delay, 5K

- Raise Camping rates at Riverside.

- Trim stipend for Legion field maintenance, 1,600.

- Reduce water offset for Solheim Field, 1K

Capital areas that could be considered to be delayed:

- Emergency Management sirens

- Corridor Study connecting 21st Avenue to 19th

- Emergency Command Center (ECO) improvements 10K

- Park Playground Equipment planned for 2020

- Building Security & Office Police Dept. approximately 13K 8,500. & 4,500.

- City Hall & Office Security approximately 25K

Analysis:

These are potential areas where steps to cut spending could occur although at this time most of the expenses will likely only be postponed. Further it is not believed that these steps need be implemented but only considered should situations elevate or the PILOT not be reinitiated at some time in the near future.

Recommendation:

The most important element is for the City Council to reach out to the Princeton Public Utilities Board and discuss possible changes to the PILOT in an effort to come up with a plan that would work for both parties. The City would still like to work with the Princeton Utilities to establish what is fair and fair and best for the Citizens of the City of Princeton to keep taxes and fees as

low as possible.

J Gerold asked if there were any recommendations from the liquor store or Waste Water plant. Klinghagen responded that they can continue using the old UV Bulbs, use one bay of lights and won't upgrade the doors. J Gerold said in terms of the liquor store, the costs could be increased slightly, but they would cause people to shop elsewhere. She is not in favor of reducing training or gear for public safety, and emergency management is very important, especially with everything going on recently. For her, the only area she could see being cut, is places that are not involving safety. She sees parks being a place to cut, as they are not a necessity. It is unfortunate that they have to talk about this.

Zimmer added he would also not be in favor of cutting Public Safety and agrees that cutting some from Parks make the most sense. One thing he would be in favor of postponing the playground improvement to the Civic Center park. Another comment is the Liquor Store needs to cut anything, but they are providing a huge revenue source to the City. Profits are up about \$70,000 which is not expected. But, there are going to be some additional expenses due to Covid-19. He questioned B Gerold if he felt the Splash Park would be opening this year. B Gerold responded that he just watched a webinar regarding pools. They can be open with some specific requirements. He does not know how property social distancing could be done at the Splash Park, so he anticipates that the Splash Park will not open this year.

Zimmer said we need to open the doors and have a discussion with the PUC. He has reached out and has had a few conversations with Mr. Butcher and the commissioners. He would like to be on a committee that will work on communication with the PUC and to resolve this issue. He has had an agenda with the PUC, and would like to be part of bridging the gap between the City and PUC. He would like to sit down with them and talk about how the cancellation of the Payment in Lieu of taxes is affecting the City's residents.

Reynolds agreed and said without everyone going on right now, we cannot cut the public safety budget.

Edmonds agrees with Zimmer. The PUC is also on board with working this out with the City. He is confident that this will not be an issue next year. We have already touched on a few expenditures that will likely not happen this year. He asked Jackson for confirmation that the budget is roughly about 4 million. Jackson confirmed. We are talking about a \$42,000 loss, which is a low percentage of the budget. We get money out of the liquor fund every year to lower our levy, he doesn't see why we cannot use those funds to fill this gap.

EDMONDS MOVED TO CREATE A COMMITTEE THAT WILL WORK WITH THE PUC ON A RESOLUTION. ZIMMER SECONDED THE MOTION.

Schumacher asked how this would start. Zimmer responded that it would start with a phone call tomorrow to set up a meeting to discuss the Payments in Lieu of taxes.

SCHUMACHER SUGGESTED A FRIENDLY AMENDMENT TO THE MOTION THAT ONLY THE PAYMENTS IN LIEU OF TAXES BE DISCUSSED. EDMONDS AND ZIMMER ACCEPTED THE FRIENDLY AMENDMENT.

Schumacher stated that the door to City Hall is always open for them. Zimmer said things have not been working and he would like to give this a try.

Schumacher suggested Jackson be on the committee as well, as he knows the financial aspect and knows the history as he has been with the city for a long time.

J Gerold said since she is the liaison, it would have been nice to have been included on the committee. However, if Zimmer feels he can help solve the issue, she is all in favor of that.

VOTE 3:2, ZIMMER, EDMONDS, AND J GEROLD IN FAVOR, SCHUMACHER AND REYNOLDS OPPOSED. THE MOTION CARRIED.

NEW BUSINESS

A. New City Logo and Branding proposal – Mary Patnode

Hillesheim advised that she, Jenkins and Mary Patnode met via Zoom a couple weeks ago to discuss the possibility of a new logo.

J Gerold said she was not aware that we were going to be rebranding. Hillesheim replied that with working towards a new website, it is a great time to change the logo and look at rebranding. Barbian added that with a lot of economic development going on, it will be good to refresh the marketing and literature. There are some funds available in the new website budget to cover these costs as well.

Council consensus was to add J Gerold to the committee with Hillesheim and Jenkins to work on this with Patnode, and then some final options will be brought back for Council approval.

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 \$108,170.52 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 81107 TO 81196 FOR A TOTAL OF \$409,955.45. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

MISCELLANEOUS

Barbian reported that the WWTP has received an award from the MPCA.

J GEROLD MOVED TO CLOSE THE SESSION AT 9:19PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

EDMONDS MOVED TO REOPEN THE SESSION AT 9:47PM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Toven provided a summary of the closed session. The City has been in discussions with the FAA regarding some land issues and concerns that the City is working on resolving.

ADJOURNMENT

There being no further business:

J GEROLD MOVED TO ADJOURN THE MEETING AT 9:49PM. EDMONDS SECONDED THE MOTION. **VOTE 4:1, SCHUMACHER OPPOSED**, THE MOTION CARRIED.

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Brad Schumacher, Mayor