

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL
HELD ON OCTOBER 14, 2021 7:00 P.M.**

Mayor Thom Walker called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Vicki Hallin, Jenny Gerold, Jules Zimmer, and Jeff Reynolds. Others present: Administrator Michele McPherson, Finance Director Tracy Peters, Community Development Manager Stephanie Hillesheim, Public Works Director Bob Gerold, Police Chief Todd Frederick, Fire Chief Ron Lawrence, Wastewater Plant Manager Chris Klinghagen, Clerk Shawna Jenkins and Attorney Damien Toven. Absent is Liquor Store Manager Nancy Campbell.

AGENDA ADDITIONS/DELETIONS

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

CONSENT AGENDA

- A. City Council Meeting Minutes of September 23, 2021
- B. City Council Study Session Minutes of October 7, 2021
- C. Authorize Execution of Service Contract for Legal Services, Damien F Toven & Associates, LLC
- D. *Authorize Execution of Service Contract for Classification & Compensation Study, Flaherty & Hood, PA – removed from consent, place under New Business*
- E. Planning Commission Minutes of September 20, 2021
- E. Seasonal Employees - end of seasonal employment
 - 1. Public Works - Angela Uhrich
 - 2. Public Works - Ethan Beltrand
 - 3. Public Works - Riley Leonard
 - 4. Splash Park Manager Rhonda Pierce
 - 5. Splash Park - Abigail Wyganowski
 - 6. Splash Park - Natalie Lawrence
 - 7. Splash Park - Hannah Otte
 - 8. Splash Park - Beck Wogen
 - 9. Splash Park - Charlotte Mattson
 - 10. Splash Park - Gabrielle LaBarre
 - 11. Splash Park - Adelea Polaski
- F. PFRD Donation Request Approval for Jaycee's and Mystic Riders Snowmobile Club
- G. Approval to hire Liquor Clerks:
 - 1. Shannon Hennen effective 10-15-21
 - 2. Paola Urza effective 10-16-21
 - 3. Britney Duetmeyer effective 10-17-21

J Gerold would like to remove item D, the execution of the Contract for the Classification and Compensation Study for discussion. Walker suggested we add it to new business after the Public Hearings.

J GEROLD MOVED TO APPROVE THE CONSENT AGENDA WITH THE REMOVAL OF THE COMPENSATION AND CLASSIFICATION STUDY. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

OPEN FORUM

OLD BUSINESS

- A. Ordinance 809 - Amendment to Allow Brewer Tap Room & other Styles of Brewers in B-1, B-2 & B-3 - FINAL READING

Hillesheim advised that in 2016, Ordinance amendment #733 was approved to allow Brewer, Brewpub, Microbrewery, Microdistillery, and Tap Room and allowance of Microbrewery as a home occupation in the R-1 and R-2 Residential Zoning Districts.

Currently, we have property owners that would like to open a Brewer Tap Room in the proposed B-3 General Commercial District and the closest permitted use to this would be a bar.

Definition for Bar: Establishments serving "on-sale" liquor with or without food

The proposed business would have on-sale consumption of malt liquor produced by the brewer for consumption on the premises of a brewery and includes the sales of malt liquor produced and packaged at the brewery for off-premises consumption as allowed by Minnesota Statutes.

Analysis:

The Planning Commission held a public hearing on September 20th, 2021 for Ordinance #809 to allow with a Conditional Use of Brewpub, Microbrewery, Micro Distillery, and Brewer Tap Room in the B-1, B-2, and B-3 zoned districts. A summary of the Ordinance Amendment is as follows:

- * A Conditional Use Permit will be required
- * Minnesota Statute § 340A.301 subdiv. 6 (c), (i), or U) along with Alcohol and Tobacco Tax Trade Bureau Title 27, Chapter 1, Subchapter A, Article 25 Beer are to be obeyed
- * Brewpub, Microbrewery, Micro Distillery, and Brewer Tap Room will be followed in accordance with conditions outlined in Zoning Ordinance #538

Amendment Review Standards:

The Zoning Ordinance does not outline specific factors upon which a proposed amendment should be considered; therefore, staff is providing the following factors, which are common review standards from other ordinances:

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

Recommendations/Conclusion:

The Planning Commission held a public hearing on September 20th, 2021, and moved to recommend the City Council hold a first reading to introduce Ordinance #809.

HALLIN MOVED TO APPROVE ORDINANCE 809, ALLOWING BREWER TAP ROOM AND OTHER STYLES OF BREWERS IN B-1, B-2 AND B-3 DISTRICTS. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. Resolution 21-53 & Ordinance 810 - Rezoning for "Sunken Ship" property located at 32273 124th - FINAL READING

Hillesheim reported that Jeff Smith, Jon Smith, and Teresa Smith (Stout Storage, LLC) have applied for annexation into the city limits and the City Council is holding the second reading September 23, 2021 and with approval will forward the annexation to the State for final approval.

This property site that was previous known as Shipwreck is a corner lot located on the east side of 124th Street Northwest and south of 323rd Avenue Northwest. The Dairy Queen and Coborn's sites are north across 323rd Avenue Northwest and adjoining the property is a township based commercial business east of the site and another south of the site.

Rezoning Application Review:

This site was used for commercial and has been vacant for a few years. The new owners would like to continue the commercial use for a Brewer Taproom. The surrounding properties inside city limits (Dairy Queen, Coborn's and across Rum River Drive South are Caribou, McDonalds, Kwik Trip, and Mike's Discount Foods) all are B-3 General Commercial District.

The intent of the B-3 General Business District is to create an area to serve the commercial and service needs of the general population. The objective is to provide services to both pedestrian and vehicular traffic and to accommodate those businesses which require large areas for off-street parking or generate substantial traffic originating from outside the community.

Future Land Use Plan (Comprehensive Plan)

The Comprehensive Plan and Future Land Use Plan designates this area as commercial use. The request to rezone this property would not affect the integrity of the neighborhood. If the Planning Commission and City Council approve the zoning change to B-3 District, staff will amend the Zoning Map.

Conclusion / Recommendation for Rezoning:

The Planning Commission held a public hearing on September 20, 2021 and recommended approval to the City Council of the rezoning. If the Council sees fit, a motion to introduce Ordinance 810 would be in order. The property site is located at 32273 124th Street Northwest, PID #01-004-1320, and the following conditions should be in place by the final reading on October 14, 2021:

1. The State approval of the annexation for this property site.
2. City Council approval of Ordinance #809 to allow the proposed use of Brewer Taproom.

J GEROLD MOVED TO APPROVE ORDINANCE 810, REZONING THE SUNKEN SHIPWRECK SITE TO B-3. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

HALLIN MOVED TO APPROVE RESOLUTION 21-53. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

C. Resolution 21-54 & Ordinance 811 - Amending the Zoning Map for New Plat Named Princeton Business Park to MN-1 Industrial District - FINAL READING

Hillesheim stated that this ordinance will rezone the Business Park from B-3 to MN-1. This is the final reading. Under New business, there is a public hearing to vacate the easements that are in

Aero Business Park, so it can be combined into the Princeton Business Park.

HALLIN MOVED TO APPROVE ORDINANCE 811, AMENDING THE ZONINGMAP FOR THE NEW PLAT NAMED PRINCETON BUSINESS PARK TO MN-1 INDUSTRIAL DISTRICT. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

HALLIN MOVED TO APPROVE RESOLUTION 21-54. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

D. Resolution 21-63 Extending the Term of the TIF Note of TIF 9-2

Hillesheim reported that Rum River Residential Suites has started construction on 2–49-unit apartment buildings in Princeton. Due to increased costs of construction caused by supply chain, workforce and other increasing costs; the developers are requesting an extension of the duration of the TIF note from 16 years to 26 years, as allowed by the Tax Increment Financing District 9-2, created and modified for this project.

Analysis:

Patrick Briggs, developer of the project, has made a request to amend the development agreement to include the modification described in the attachment. Amendments were discussed during a previous council study session and met with no objection.

Recommendation:

If Council deems appropriate, staff recommends the authorization of Resolution 21-63 to extend the term of the TIF note.

Pat Briggs, was not planning on being part of the project, but was asked to come back in as a partner to bring some capital into the project. He has been working on this project for 13 years and he really wanted to see it get done. Therefore, he accepted the offer.

With the prices of everything, it really isn't financially feasible to do the project, but said they would. The TIF moved out to 26 years allows them to go ahead with the project. They went ahead and started on phase 2 as well. Walker commented that their investment to Princeton is wonderful.

Walker stated that he would prefer the TIF was not for 26 years, but the City does need more housing options.

REYNOLDS MOVED TO APPROVE RESOLUTION 21-63. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

A. Public Hearing on Request by RW Builders to Vacate an Alley in Sharco Estates

Hillesheim advised that RW Properties has requested to vacate an alley in Sharco Estates. Notices were sent to all abutting properties.

HALLIN MOVED TO OPEN THE PUBLIC HEARING AT 7:28PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

McPherson said RW Builders does have a sketch drawn up for the development of the site, but it has not yet been submitted. PUC stated they no longer have any utilities in the alley that is proposed to be vacated.

J Gerold stated that there is a typo in the ordinance so that will need to be corrected.

Charles Snustead, 1407 1st street said several years ago when they were replacing the utilities and put them in the front of their property Attorney Toven said they could then have 7 feet in the rear of their property. He has a trailer back there that he will not be able to get out of there is the alley is vacated.

Toven said he does not recall the situation, and it what Snustead said is not something that is done with easements. He said normally alley's that are vacated are split down to the middle with half going to each adjacent property owners.

McPherson said it will depend on how that alley was created and when Sharco was Estates was platted. Staff will look into that prior to the next meeting.

J GEROLD MOVED TO CLOSE THE PUBLIC HEARING AT 7:46PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

1. Ordinance 812 - Vacating the Alley- FIRST READING

The ordinance will be corrected and be brought to the next Council meeting on October 28th.

J GEROLD MOVED TO TABLE ORDINANCE 812 TO THE OCTOBER 28, 2021 MEETING. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. Public Hearing on Request by City of Princeton to Vacate the Easements in Aero Business/Princeton Business Park

HALLIN MOVED TO OPEN THE PUBLIC HEARING AT 7:48PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Hillesheim reported that staff is looking to vacate the easements that are located on the ack of the current Aero Business Park lots. Those will be combined with the new land purchased and platted as Princeton Business Park.

HALLIN MOVED TO CLOSE THE PUBLIC HEARING AT 7:51PM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

1. Ordinance 813 - Vacating the Easement - FIRST READING

HALLIN MOVED INTRODUCE ORDINANCE 813. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

C. Classification and Compensation Study – moved from Consent Agenda

McPherson stated that the Council approved this previously. This request is to sign the contract.

J Gerold said she was surprised that there is an additional fee to interview the employees. She doesn't understand how they can do a thorough review without doing that.

Peters said the next lowest bid also did not include interviewing the employees, and it was a significant amount over the low bid

C. Request by Deborah Pope Burg to Forgive the Sewer Bill at 404 14th Avenue South

McPherson stated that Ms. Pope Burg submitted an email regarding the sewer bill left by former renters. She also provided additional documents that were in reference to the court documents relating to the eviction process.

Analysis:

Ms. Pope Burg also requested that the PUC relieve her of paying the water bill. The Commission voted to assess the amount due to the property.

Recommendation:

Staff recommends that the Council follow the PUC's action and assess the amount of the outstanding sewer bill to the property.

Walker said he believes there are some funds available to assist those who could not evict problem renters during the pandemic. J Gerold and Zimmer both stated that they do not feel the city's taxpayers should be responsible to cover another properties bill.

Walker asked if we did not approve it what would happen if the Council did not approve this request. McPherson responded that the bill be assessed to the property taxes. Past Due utility bills are certified to the County each fall.

HALLIN MOVED TO DENY THE REQUEST TO FORGIVE THE SEWER BILL FROM POPE BERGS RENTAL PROPERTY. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

D. Reconsideration of Donation Request by Princeton Ambassadors

The City Council previously denied the donation request by the Princeton Ambassador Program. In response to the letter sent to them, they returned a letter (attached) explaining their status and the lack of funds from the Chamber of Commerce.

Recommendation:

The Council is asked to receive the information and reconsider if this is an appropriate request to fund.

J Gerold did reach out to the Chamber to ask for an explanation on why they did not donate any of the \$10,000 Wine and Grant Request that they received. She asked the Ambassadors where else do they request funds.

A few Ambassadors spoke about their program and various fundraisers that they do throughout the year. They do get some additional sponsorships as well, but they are not guaranteed.

Peters stated that the City has just over \$2000 in the Wine and Spirits Grant fund left to spend for the year. Hillesheim added that as someone who is out in the community a lot, and these girls are out a lot and they work really hard. Peters suggested they also ask the Townships for donations as well.

McPherson suggested the Ambassadors attend the Township's do their budgets in March at the Annual Meeting and ask for donations at that time.

Reynolds said it is a great program, and sees them at a lot of events. They are the face of Princeton.

WALKER MOVED TO APPROVE A \$2000 WINE AND SPIRITS GRANT REQUEST FOR THE PRINCETON AMBASSADORS. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Zimmer added that we will likely see this request yearly, along with the Chamber, so it may be something we want to add to the liquor fund Budget.

E. Special Event Permit Request for "Trunk or Treat"

Andrea Gerrard submitted an event permit request for Trunk or Treat for the north mall parking lot. Frederick stated that there will be barricades to block both entrances and he let Gerrard know that they will need to notify the neighboring businesses.

HALLIN MOVED TO APPROVE THE TRUNK OR TREAT EVENT. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

F. Special Event Permit Request by Crystal Cabinet Works

Hillesheim reported that Crystal Cabinets has a national cabinet makers event. Staff has approved the permit, with the change of only closing half of the parking lot, and the few spots in front of the training center downtown so busses can drop people off.

HALLIN MOVED TO APPROVE CRYSTAL CABINETS SPECIAL EVENT. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

G. Resolution 21-62 - accept donation from JS Concrete for Riverside-Riebe Park

HALLIN MOVED TO APPROVE RESOLUTION 21-62 ACCEPTING A DONATION FROM JS CONCRETE FOR RIVERSIDE-REIBE PARK. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

H. Review 2022 Capital Improvement Plan Requests

McPherson went through the Capital Improvement Plan.

J Gerold stated she would like to see the Franchise fee used for something other than parks, as the city has spent a lot of money in parks in the last couple of years. She suggests maybe using them for streets and sewers.

Zimmer responded that the franchise fee was put in place specifically for the Great Northern Trail. When the franchise fee was put in place a few years ago, it was determined that the Council would revisit the franchise fee 5 years. Residents commented that they were sure it would be in place forever. The Council had discussed that it could be stopped, continued on with parks, or changed to a different need.

J Gerold stated she thought the Splash Park Shades could be removed, since the regular table umbrellas sat unused in a pile all summer.

Hillesheim added that things may change a bit if the school referendum goes through.

Zimmer said he thinks residents understand more if taxes need to be raised to pay for streets and sewer, but raising them to pay for walking trails and parks would be a hard sell to the taxpayers.

I. ~~Review 2022 Liquor Store Budget~~ Moved to next meeting

J. 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 \$272,504.47 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 83671 TO 83768 FOR A TOTAL OF \$522,568.51. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

K. City Administrator Bi-Weekly Report

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

Airport

Work is progressing on the taxiway reconstruction project. Staff is participating in the weekly project status meetings with KLJ & Knife River. The contractor has requested the ability to shut down the airport for two weeks starting October 14 to complete the paving this fall yet.

Budgeting

We continue to work on budgeting. The negotiations surrounding health insurance went well with LELS and we will be meeting with AFSCME on October 14 to negotiate the same.

We are also identifying where and how much money we are spending on technology services per the Council conversation during the Study Session.

Development Projects

The various residential projects are still in a holding pattern, although staff did meet with developers on two projects during the last two weeks. Staff provided fee and process information to one and received information from the other to being analyzing possible assistance with financing the infrastructure.

Infrastructure

Public Works Director Gerold and I met with Dillon Hayes, Mille Lacs County Coordinator and Kevin Schultz, Maintenance Supervisor to discuss snowplowing, County Road 4, and other county roads/intersections that we forecast to need traffic control changes in the future. We offered to provide assistance with snow removal in the form of our blower but the assistance was strongly declined. We agreed to meet in December to discuss the upgrade to the utilities under County Road 4 and how we could work collaboratively to accomplish City and County goals. They have engaged WSB to provide engineering assistance until such time they hire a County Engineer. Staff has met with WSB to define the scope of work for a Parks/Trails Development Plan, a Transportation Plan, and an Infrastructure Prioritization Plan. They will all work together as we develop and identify a means of funding infrastructure improvements. The city needs to identify where to start and how big the projects will be.

The preconstruction meeting with Douglas-Kerr Underground LLC and WSB for the 19th/21st Avenue project was held on September 28. It appears that the project will not start until the end of October while the contractor finishes up other projects. Administrator's Bi-Weekly Report October 12, 2021 Page 2

GPS 45:93 Annual Meeting

Hillesheim and I attended the GPS 45:93 Annual Meeting on September 24 in Hinkley. Attached is their operating plan for your information.

The highlight of the meeting was a presentation from Benjamin Winchester, a researcher from the University of Minnesota's Center for Community Vitality. His presentation was on rewriting the rural narrative and that growth in rural Minnesota IS happening. My biggest takeaway from his presentation was that words have impact and we are our own worst sales people. We should not be saying things like "there is nothing to do here" or "there are no good restaurants here". There are reasons we choose to live in rural Minnesota and we should positively point those reasons out.

Liquor Store Operations

Assistant Store Manager Donner is doing a good job of managing operations. Finance Director Peters and I have established a bi-weekly meeting schedule with him to check in and provide additional support as needed, including continuing to participate in interviews when needed. We have determined that a large portion of the store's inventory is wine which comprises only 10 percent of sales. In order to clear the inventory, Assistant Store Manager Donner has started to dis-count bottles and will be developing plans for bottle and case sales, focusing on Black Friday and Shop Local Saturday in November. He is conducting inventory checks on all product as he has time.

Plans are underway for cleaning and resealing the floors. This will require the store to be closed in early January for a couple of days; several of the beer vendors have offered to provide assistance in moving product off the floor when the time comes. The store will also be closed in January for a short time to allow the auditors to perform their inventory checks prior to the start of sales in the new year.

Workforce Discussions

Staff met with representatives from the School District, the Chamber, and several large employers to continue working on the issues around workforce supply (or lack thereof). A new marketing program is being developed: "This is Princeton" to attract commuters to consider working in the city instead of commuting for work elsewhere. There is money in the proposed 2022 EDA budget to pay for the program which is a collaboration with the School District.

Upcoming Meeting/Event Reminders

Manufacturing Month Events: o October 19 - Phillips Distilling Tours; 10 am, 11 am, 12 noon, limited to Chamber members and to 10 persons per tour. Register on the Chamber's website.

October 27 & 28 – Elemet Group/Glenn Metalcraft Tours; 9 am to 2 pm each day, open to the public

October 30 – Pumpkin Chuckin' 1 to 4 pm, Mille Lacs County Fairgrounds; this is a fundraiser for Kinship Mentoring of Princeton, \$1.00 per person entry fee

November 1 – Joint Meeting with the Airport Advisory Board to discuss the AWOS siting options and further discuss the CIP

ADJOURNMENT

There being no further business:

HALLIN MOVED TO ADJOURN THE MEETING AT 10:05PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Thom Walker,
Mayor