

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL  
HELD ON MAY 27, 2021 7:00 P.M.**

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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, Public Works Director Bob Gerold, Police Chief Todd Frederick, Community Development Manager Stephanie Hillesheim, Liquor Store Manager Nancy Campbell, Fire Chief Ron Lawrence, Wastewater Plant Manager Chris Klinghagen, Clerk Shawna Jenkins, and Attorney Damien Toven

**AGENDA ADDITIONS/DELETIONS**

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

**CONSENT AGENDA**

- A. City Council Minutes of May 13, 2021
- B. Application to conduct excluded Bingo, Mille Lacs County Agricultural Society.
- C. PUC Meeting Packet for 5-25-21
  - 1. Approved / Corrected PUC Minutes
- D. Resolution 21-30 – Authorizing City of Princeton as Sponsor to Mighty Ducks Grant App
- E. Resolution 21-31 – Authorizing Grant Agreement Execution for Federal Airport Expenses Reimbursement
- F. Ordinance 806, FIRST READING- Vacating an Alley in Dunham’s Addition
- G. TIF 7-1 Tax Revenue Note
- H. Approval to Hire Ethan Beltrand for PT Seasonal Public Works
- I. Bill List

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

**OPEN FORUM**

**OLD BUSINESS**

- A. Resolution 21-29 – Call for Public Hearing on Titcomb Annexation Request

McPherson advised that Toven had looked into the concerns that some residents brought up at the Public Hearing

At the May 13, 2021 regular city council meeting, a public hearing was had regarding an annexation petition submitted for property known as “Sherburne Village”, which is located within Baldwin Township.

During the public hearing, objection to the annexation was made by Baldwin Township, and numerous individuals spoke in opposition to the annexation.

During the course of the public hearing a number of specific issues were raised with respect to the propriety of the annexation matter, and the City Council requested guidance as to the issues raised.

We have researched the applicable laws in this matter, and we have consulted

with representatives of the Office of Administrative Hearings, Municipal Boundary Adjustment Unit (the "MBA"). The following are our determinations as to the issues raised.

The first issue raised was the assertion that the petition for annexation could not proceed because the property to be annexed did not "abut" any City of Princeton property because a public roadway divides the City of Princeton property and Baldwin Township property. Minnesota Statute Section 414.001 Subd 6 defines "abut, abuts and abutting" as follows: "The term "abut," "abuts," and "abutting" refer to areas whose boundaries at least touch one another at a single point, including areas whose boundaries would touch but for an intervening roadway, railroad, waterway or parcel of publicly owned land". Based on the above statutory definition, the fact that a public roadway intervenes between the City of Princeton property and Baldwin Township property, is not a barrier to annexation.

The second issue raised was the assertion that the petition for annexation could not proceed because not all owners of the property have joined in the petition. The property that is the subject of the annexation petition is owned by the applicants and their parent company. They are the "Property Owners" as defined in Minnesota State Statute Section 414.011 Subd. 5. The property interest of those that reside in mobile homes on the numerous lots on the property, is that of a landlord/tenant relationship. The individuals own the mobile homes, but they rent the lots on which they stand. As such, these individuals are not property owners who would need to join in this petition for annexation, and, therefore, this issue is not a barrier to annexation.

The third issue raised was the assertion that, because Baldwin Township has objected to the annexation, the City of Princeton is precluded from any further action, and the matter must now be referred to the MBA for further determination.

The petition for annexation that has been presented to the City of Princeton is governed by Minnesota Statute Section 414.033 Subd. 2 (3) which indicates a municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if the land abuts the municipality and the area to be annexed is 120 acres or less, and the area to be annexed is not presently served by public wastewater facilities or public wastewater facilities are not otherwise available, and the municipality receives a petition for annexation from all the property owners of the land. Except as provided for by an orderly annexation agreement, this clause may not be used to annex any property contiguous to any property either simultaneously proposed to be or previously annexed under this clause within the preceding 12 months if the property is or has been owned at any point during that period by the same owners and annexation would cumulatively exceed 120 acres. The property in question appears to meet all criteria for annexation by ordinance under this provision, and under this process, there is no "right" on the part of the Township to object and have the matter referred to the MBA for determination.

The provision for which objection by a Township and referral to the MBA for de-

termination is found in Minnesota Statutes Section 414.033 Subd. 5, which is a completely separate petition and procedure than what has been presented to the City of Princeton. Therefore, this issue is not a barrier to annexation.

The fourth issue raised was the assertion that notice of the public hearing was not provided to all required property owners, and, as such, the annexation process could not move forward. The notice requirement for a public hearing on an annexation of this nature are found in Minnesota Statute Section 414.033 Subd. 2b, which states “before a municipality may adopt an ordinance under subdivision 2 (*Conditions for annexation by ordinance*), clause (2), (3)(*the annexation petition submitted to the City of Princeton*), or (4), a municipality must hold a public hearing and give 30 days' written notice by certified mail to the town or towns affected by the proposed ordinance and to all landowners within and contiguous to the area to be annexed.”

In communication with staff, it appears that none of the persons who asserted lack of notice are “contiguous” property owners entitled to statutory notice of the public hearing. However, it has been determined that there is one “contiguous” property owner that was not notified of the public hearing. This property owner was contacted by staff and the property owner indicated they had no objection to the annexation petition. However, in speaking with staff at the MBA, it has been recommended, in the interests of strict compliance with notice requirements, that the City set a new public hearing date, and ensure that each “contiguous” property owner is notified within the statutory timeframe. While this will delay the process a bit, it is not a barrier to the annexation (after notice and a new public hearing).

One other issue that was raised by someone in attendance related to a lawsuit that (they asserted) involved the parent company for the petitioners. Attached hereto you will find correspondence from the attorneys for the petitioners. This correspondence states that the petitioners and the parent company are, in no way, related to the litigation that was referenced, and we are not aware of any evidence to the contrary. While this is not something that is legally relevant to the petition for annexation, it is important that the council have accurate information.

McPherson stated that one property owner was missed in the public hearing letter that was mailed. Even though he was called on the phone, it was suggested to hold another public hearing. Resolution 21-29 is calling for that second public hearing to be held on July 8<sup>th</sup>.

HALLIN MOVED TO APPROVE THE RESOLUTION 21-29. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. Wine and Spirits Grant Request from Mille Lacs County Relay for Life

McPherson advised that the Mille Lacs County Relay for Life submitted a grant request for \$1,000. The item was tabled at the May 13 meeting and additional information regarding past

levels of donation.

For the years 2017, 2018, and 2019, the amount donated was \$500 per year.

**Recommendation:**

Staff has no recommendation regarding this request. The approved donations for 2021 year to date total \$17,400 of the \$20,000 set aside.

Zimmer asked where the \$20,000 limit per year came from. Peters replied that previous Finance Director Jackson had tried to keep it under that amount each year, and would let the Council know if amounts granted were getting close to that amount.

J Gerold stated she would be willing to approve \$500 as the Council has done in the past.

HALLIN MOVED TO APPROVE A \$500 WINE AND SPIRITS GRANT REQUEST FOR MILLE LACS COUNTY RELAY FOR LIFE. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

C. Wine and Spirits Grant Request form Princeton Ambassador Program

McPherson advised that the Princeton Ambassadors submitted a grant request for \$2,500. The item was tabled at the May 13 meet for additional information regarding past levels of donation.

Research revealed that a separate donation for the Princeton Ambassador program was not ever made. In the past, it appears that a portion of the general donation to the Princeton Chamber of Commerce was used for this program. J Gerold confirmed that in the past, the Ambassador's usually received grant funds from the Chamber's \$10,000 they get every year.

J GEROLD MOVED TO DENY THE AMBASSADOR'S WINE AND SPIRITS GRANT REQUEST DUE TO THEM RECEIVING A PORTION OF THE CHAMBER'S GRANT. SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

**NEW BUSINESS**

A. Resolution 21-28 – Accept Donation from Fairview Health Services for the Canoe and Kayak Program

HALLIN MOVED TO APPROVE RESOLUTION 21-28 ACCEPTING THE DONATION FROM FAIRVIEW HEALTH SERVICES FOR THE CANOE AND KAYAK PROGRAM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. Resolution 21-32 – Accept Donation from Princeton Jaycees for July 4<sup>th</sup> Fireworks

J GEROLD MOVED TO APPROVE RESOLUTION 21-32 ACCEPTING THE DONATION FROM PRINCETON JAYCEES FOR THE JULY 4<sup>TH</sup> FIREWORKS. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

C. Special Event Permit request – Chamber of Commerce Rum River Festival 5k for June 12

Frederick advised that this is the same route that they have done in the past. Staff has reviewed it and are in approval of this event.

J GEROLD MOVED TO APPROVE THE CHAMBER OF COMMERCE RUM RIVER FESTIVALS 5K RACE FOR JUNE 12TH. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

C. Oak Knoll Cemetery Rules and Regulations Amendment Request

B Gerold said this is just some clean up of the rules. Staff is recommending that language be added to only allow above ground monuments can be on full size graves.

HALLIN MOVED TO APPROVE THE OAK KNOLL CEMETERY RULES AND REGULATIONS AMENDMENT REGARDING ABOVE GROUND STONES ONLY BEING ALLOW ON FULL SIZE GRAVES. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

D. Neighbors Bar and Grill 2am License / Permit Renewal

Jenkins advised that Neighbors Bar and Grill are requesting a renewal of their 2am liquor license.

J Gerold asked if there were lot of problems between that 1 and 2 am, with them being the only one open until.

Toven added that there is no specific process, but if issues arise, it could come back to the Council every year to review and take action if there are any issues or concerns.

Frederick stated that he has had some discussions with Joe Holtz regarding some issues that they had. Holtz added that there was a bad stretch where they had a few patrons that were causing problems. He has a 3-strike policy for people now, and things have been going well. He will keep an open dialog with Frederick and will work together.

HALLIN MOVED TO APPROVE NEIGHBORS BAR AND GRILL'S 2AM LIQUOR LICENSE PERMIT. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

E. Exempt Salaried Calculation

Peters reported that the City has been breaking down the exempt salaried staff pay to an hourly rate for the processing of payroll. Some time ago, it was determined that this calculation should be an employee's annual salary divided by 2,087 hours. This was determined based on the need to account for the 27th pay period which would come around every 7-11 years. However, in doing so, employees would not make the full salary that they were promised in their offer letter.

Analysis: After multiple attempts to survey other cities with only three responses, the Govern-

ment Finance Officers Association sent out an article on “Twenty-Seven Pay Period Perspectives.”

Recommendation: Staff recommends stopping the practice of dividing exempt annual salaries by 2,087 to come up with the hourly rate and instead divide exempt annual salaries by 2080. Further, it is recommended to backdate this practice to January 1, 2021, as the city just had a 27th pay period year in 2020.

HALLIN MOVED TO STOP THE PRACTICE OF DIVIDING EXEMPT ANNUAL SALARIES BY 2080, AND TO RECOMMEND BACKDATING THE PRACTICE TO JANUARY 2021, AS THE CITY DID HAVE A 27<sup>TH</sup> PAY PERIOD IN 2020. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

#### F. City Administrator Bi-Weekly Report

**Airport:** Most of the airport related activities are occurring behind the scenes at this time. The taxiway project is out for bid and the award is scheduled for the June 24 Council meeting. We have had a number of inquiries regarding hangars. One looking for space to rent and two on constructing new hangars.

Public Works Director Gerold and I attended a virtual seminar on wildlife hazard control on May 18 for airport management. It was an all-day seminar that we feel could have been reduced to about three hours.

**Development Projects Industrial Park:** There has been little activity by staff on the industrial park as we are awaiting completion of the title work so that WSB can begin its work on the survey and plat. We are scheduled to meet this week with two more prospective tenants of the industrial park.

**Residential Development:** We continue to compile information and meet with the local residential developer. Of interest is determining the means to pay for infrastructure extensions. Staff also met to prepare a recommendation to the Park Board regarding calculating park dedication fees. The goal is to make the calculation simpler and based on the number of units being developed. The current formula is complicated and based on market value which tends to fluctuate, well, with the market.

**Finance:** Staff continues to monitor the offerings in the ARPA legislation. At this time, states are waiting for guidance from the Federal government on the various programs and direct payments. Staff attended the webinar provided by the League of MN Cities and Coalition of Greater MN Cities on May 18 regarding the ARPA legislation. Here is where the money can be spent: 1. Responding to the Public Health emergency 2. Addressing negative economic impacts (includes replacing lost revenue) 3. Serving the hardest hit, and improving access to infrastructure (limited to water & sewer, broadband) It looks like the funding will come in two parts, half in 2021 and the second half in 2022. Based on early estimates, the City should receive about \$540,000. The audit has been rescheduled to June 7 to 11 in order to grant staff more time to prepare the necessary information for the Auditors.

**Public Safety:** Staff met with Mille Lacs County representatives on May 19 to discuss the grant

for the simulcast equipment due July 1. Those present discussed funding source, including ARPA funds and bringing Sherburne County to the table to participate financially. We will be compiling sample agreements from other similar relationships in order to craft an agreement between the City and Mille Lacs County outlining the roles, responsibilities and financial commitments of both parties.

Upcoming Meeting/Event Reminders

- June 3 – Study Session, Annexation
- June 10 – Rum River Festival Parade
- July 1 – Study Session, Joint Meeting with the Airport Advisory Board

**COMMITTEE REPORTS**

J Gerold advised that the Chamber of Commerce is still looking for parade entries and 5K participants for Rum River Festival. There has also been quite a few ribbon cuttings and events recently.

Zimmer reported that the PILOT is being discussed and both points of view are being looked at. They are also looking at the properties owned, and the in-kind services that the City receives as well.

McPherson added that there she took some notes and those will be shared with the Council.

Hillesheim reported that both the Splash Park and Canoe/Kayak rentals are opening this weekend. She thanked Public Works for their work in getting things ready and the new tent sites ready to be used.

ADJOURNMENT

There being no further business:

REYNOLDS MOVED TO ADJOURN THE MEETING AT 7:42PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

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Shawna Jenkins Tadych  
City Clerk

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Thom Walker,  
Mayor