

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
JUNE 22, 2023, 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 Vicki Hallin, Councilor Jenny Gerold, Jack Edmonds, and Jeff Reynolds. Others present: City Administrator Michele McPherson, Community Developer Planner Stacy Marquardt, Clerk Shawna Jenkins, Public Works Director Bob Gerold, Police Chief Todd Frederick, Technology Services Manager Ed Yost, Liquor Store Manager Dylan Donner, Attorney Damien Toven and Public Utility Manager Keith Butcher. Absent was Wastewater Plant Manager Chris Klinghagen and Fire Chief Ron Lawrence.

2. Pledge of Allegiance

3. Agenda Additions / Deletions

EDMONDS MOVED TO APPROVE THE AGENDA AS PRESENTED. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

4. Consent Agenda

- 4.1. Approval of City Council Minutes
 - 4.1.1. Regular Meeting of May 25, 2023
 - 4.1.2. Regular Meeting of June 6, 2023
- 4.2. Park Board Meeting Minutes of May 22, 2023
- 4.3. WWTP Paul Parsons Step Increase effective 6-26-23.
- 4.4. Approve Step Increase for Liquor Clerk Shannon Hennen
- 4.5. Approve Liquor Clerk Britney Deutmeyer resignation effective 6/8/23.
- 4.6. Approve Solicitors Permit for Alzbeta Potockova with Southwest Advantage
- 4.7. Approve Gambling Permit for American Legion Bingo at the County Fair
- 4.8. Approve Knights of Columbus Temporary Liquor License for August 5th, 2023, Car Show
- 4.9. Applications by the Mille Lacs Count Agricultural Society for Temporary On-Sale Liquor Licenses
 - 4.9.1. July 4, 2023
 - 4.9.2. August 9, August 10-13, 2023 (two applications)
 - 4.9.3. October 13-14, 2023 (Truckerfest)
- 4.10. Application by the Mille Lacs County Agricultural Society to Conduct Excluded Bingo July 4, 2023
- 4.11. Resolution 23-46 Authorizing Execution of MNDOT Airport Maintenance and Operation Grant Contract
- 4.12. Authorize Mayor's Signature on Letter of Support for City of Milaca's Grant Application to Expand Mountain Bike Trail System
- 4.13. Approve Princeton Fire and Rescue Department Executive Officer Appointment Process
- 4.14. Authorize Mayor's Signature on Letter to FAA and MNDOT re: AWOS Siting Options
- 4.15. Resolution 23-48 - call for Public Hearing for vacation of Road Right of Way and Alley in Murrays Addition

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

5. Open Forum; *public comment on items not on the agenda. Each speaker is limited to three (3) minutes. The Council will not discuss legal matters.*

6. Old Business

7. New Business

- 7.1. Annual Insurance Presentation - Jim Burroughs, Princeton Insurance Agency

Burroughs reported that the majority of the increase is due to property rate increase and inflation guard. The Liquor Liability is up due to increased sales, and Cyber Liability is up as well.

Workers Comp is down \$288, even with the payroll increase as the experience mod went from .97 down to .80.

The City Council will need to determine if they want to waive the per person statutory liability limit of \$500,000. In previous years, the Council has always chosen to not waive the monetary limits.

J GEROLD MOVED TO NOT WAIVE THE STATUATORY LIABILITY LIMIT OF \$500,000. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.2. Wine & Spirits Grant Request - M Health Fairview for the Scrubby Bear Golf Tournament

Jenkins stated that this request was received via mail. The Council has sponsored a hole at the Scrubby Bear Golf Tournament for several years.

J Gerold added that it is a lot of fun and a worthy cause.

HALLIN MOVED TO SPONSOR A HOLE FOR \$150 AT THE SCRUBBY BEAR GOLF TOURNAMENT. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.3. Resolution 23-47 - Accepting Donations for Free Splash Park Days

Marquardt advised that staff has worked really hard and been able to get a lot of donations to hold free days at the Splash Park. The first free day donation was approved at the last meeting, and there are still some coming in.

HALLIN MOVED TO APPROVE RESOLUTION 23-47 ACCEPTING DOATNIIONS FOR FREE SPLASH PARK DAYS. EDMONDS SECONDED THE MOTION. THE MOTION CARRIES UNANIMOUSLY.

7.4. Sale Of City Owned Parking Lots - Sealed Bids

Marquardt advised that the City Council directed Staff to contact property owners adjacent to the two City owned parking lots that the Council determined they would like to sell. All adjacent property owners were notified of the sale with maps to show the location of each parking lot. Staff met with several interested parties and went over the sealed bid process. It was communicated that it would be on the City Council agenda on June 22, 2023, at 7:00 pm.

A sealed bid package was made and sent out to all interested parties. The sealed bids received for the two parking lots were opened on June 15th at 11:00 am in the City Council Chambers. The City received 8 bids, some by the same entity, which are summarized in the table below.

<u>Bidder Name</u>	<u>Parking Lot(s) Bidding on</u>	<u>Bid Amount</u>	<u>Comments</u>
Homestead Rentals LLC/Jason & Tressa Cramer	South Parking Lot A & B	\$1500	
Homestead Rentals LLC/Jason & Tressa Cramer	South Parking Lot A	\$500	
Homestead Rentals LLC/Jason & Tressa Cramer	South Parking Lot B	\$1000	Escalation clause of \$1000 over highest bid for Lot B only
Princeton School District	West 30 spaces of North Parking Lot	\$1.00	West half only

Dylan Howard/Howard Homes (Offer #3)	South portion of North Parking Lot that Abuts Howard Homes	\$1.00	This offer is incorrect. Dylan confirmed it was supposed to be for the south part of the North Parking Lot only that abuts his business, and it was for \$1.00 just for that area.
Dylan Howard/Howard Homes (Offer #2)	North Parking Lot (entire lot) with conditions	\$10,000	In exchange the city will supply free sewer hookup to allow us to build a residential or commercial structure on the lot.
Dylan Howard/Howard Homes (Offer #1)	North Parking Lot (entire lot) with conditions	\$1.00	Will work with church and school to split parcel so adequate parking for other businesses. Howard Homes would retain the southern portion of the lot. See notes in bid.
Trinity Church	East Half of North Parking Lot only	\$1,000	East part of parking lot only.

The City would be selling the parking lots with a deed restriction placed on each parcel stating the lot can only be used as a parking lot in the future. Also, the city will place utility easements where necessary.

Staff recommends that the City Council authorize:

- 1) Sale of South Parking Lot A & B to Homestead Rentals LLC for \$1500.
- 2) Sale of North Parking Lot to Dylan Howard/Howard Homes for \$1.00 per Offer #1 with conditions as laid out in Offer #1's bid.

Walker commented that the council's intent to sell the lots was not to have to deal with the maintenance and expense, but they would remain as parking lots.

B Gerold put some estimates together for the maintenance of these lots.

In the event of a four-inch snowfall, to initially plow, then a full plow and cleanup totals \$1600 for the south lot, and \$2000 for the north lot.

Sealcoating is done every 4 years. Using the 2023 sealcoating price, the north lot would be \$6425 with \$1600 to re-stripe, and the south lot \$3000 for sealcoating and \$650 for striping.

Both lots are also swept twice a year, with the north lot costing about \$350 and the south \$300.

When the lots need to be plowed, they must post it 24 hours prior. Still, Public Works and the Police Department spend considerable time trying to contact owners to move their vehicles instead of towing.

Walker questioned if the City owned the lots and did not keep them maintained as they currently are, what would the liability exposure be. Toven responded that the City could be sued.

Walker asked about the legal description on the south lot, as the aerial shows that there really is not any parking attached to the building. McPherson said the aerial is skewed slightly; the actual property line is about halfway through the parking spaces.

McPherson confirmed that the OLD Art Co-op property does own part of the parking spaces adjacent to the building. B Gerold added that when he took over as Public Work Director, it was understood that they were given the first 2 spaces in exchange for the others to be open for public use. However, he does not know if there was ever a written agreement.

Reynolds added that if it was not owned by the city, the police would not have to be involved if vehicles needed to be towed.

Edmonds stated that every apartment building should be required to provide parking.

J Gerold said this is a huge cost to the taxpayers. There is over 5000 people in Princeton, and probably only 100 people use those lots. We have to look for ways to reduce our costs to protect the taxpayers.

Edmonds commented that when the parking lots were created, the downtown was much busier, so a lot of parking was needed. The current downtown businesses are lower volume businesses, so the street and mall parking should be sufficient.

McPherson added that when staff met with people regarding the sale of these lots, everyone was informed that the lots would be required to stay as parking lots. That requirement was also noted in the bid documents.

Gary Anderson, 1261 100th Avenue is attending for Trinity church. The city promised them public parking forever. He was on the building committee when the church was built, and the site was chosen because of the public parking lot. They are very concerned that the city will sell that lot, and something would be built there. The church needs that parking.

Keven Fox, Pastor of Freshwaters Methodist Church. They are not adjacent to the lot but wanted to voice their concern. They did receive a letter regarding the possible sale of the lot, and it would have been nice if the Council and affected property owners could have worked together to determine some options. He figured the maintenance cost was the concern. They did put together a petition for the council to reconsider the sale, and he respects the Council's position and thoughts.

Pete Bom is with First Congregational Church at 610 First Street. They are an adjacent property owner but did not receive any notification of this. In 2005, City Council wanted to draw up a legal document to lease the parking lot for \$1 and the tenants shall be required to maintain. Along with Trinity, they have several petitions signed.

Charlotte Kramersmeier, 1105 18th St N, Trinity Church Council President spoke with people at their community dinner, and she has 15 pages of signatures of concerned citizens. The lots are used by many people. She would have liked city staff and church representatives to meet and work out a solution.

Dylan Howard, Howard Homes, 602 and 604 First Street would like to see it stay as a parking lot.

Janice Wittnebel, 28642 119th street is involved with Trinity Church as well. There are currently handicap spaces along the south side of their building. She asked if the lot were to be sold, would they be able to access those handicap spaces. Walker responded that it is stated in the documents that it would need to stay a parking lot.

Walker said he understands the need for the lots, but the problem is other churches have and maintain their own parking lots, and we need to be fair to everyone.

Kevin Fox with Freshwaters added that he appreciates that. The pandemic really hit the smaller churches hard, and they don't have the budget to buy and maintain parking lots.

Gene Stoeckel involved with the churches in town and these lots are needed. Also, he does not feel it is a good idea to sell the south lot that is the primary parking area for the new restaurant that is about to open, and the Pantry is also reliant on that parking lot.

Pastor Bob Hasinfelt from the Pantry stated 34 families so far this week have used the parking lot while visiting the Pantry. He is confident the council will make a good decision.

Mary Berry 3835 124th St is a Chiropractor in town. People really care about Princeton and there has not been anything posted as to what the Council's intent for the lots were.

Ken Herdering 21372 Ct Rd 5, Big Lake is concerned that he would need to raise apartment rental fees if the lot turned into contract parking.

Walker sees that a lot of people are upset with the direction the Council has chosen. They do not want the maintenance expense to continue to fall on the City. He asked if there was a way to at least share the cost with the properties that use the lot. He asked those present if they would be willing to share in those costs.

Ralph Egbert 34188 Puma St NW is a member of Trinity Church's Council. He said he understands the concerns of the City Council and they are understandable. He thinks there are some discussions that could happen, and some solutions found. He does not know if Trinity would be able to purchase the lot, but they would likely be able to participate in the maintenance.

Walker asked how we get everyone in the same place for this discussion. Pastor Bob Hasinfelt said he would take that on. Walker said if we are going to do this, it needs to be done for both parking lots. If we put off the sale of these lots, there will need to be a good faith effort to share in some of these costs. J Gerold reminded everyone that getting cars moved in the winter is also something that needs to be considered.

Frederick added that the City also has to deal with the calls when cars need to be towed. There are a few bad apples making it a problem. Some simply don't care when they find the owners and ask them to move their vehicles. We want the downtown to be a popular area and full of people, but the problem is no one here is aware of what the Police Department does at two in the morning trying to find owners of cars to get them moved. We need to find a solution to this, as well as the cost.

Charlotte Kramersmeier Trinity Church Council President asked if the Council could hold off selling the lots and set up a meeting.

Ramona Nage 1007 Fairway Drive suggested raising taxes \$5 per household to pay for the maintenance.

J Gerold again stated that there is a population of a bit over 5000, and likely there are only about 100 people that use those spots. If the City continued to own and maintain these 2 lots, the cost is approximately \$40,000 per year of taxpayer money.

McPherson advised that two letters were sent out to adjacent property owners. The first letter was to notify them on the intent to sell, and the second included the bid packet.

Based on the bids received, staff recommended to sale of portions of the south lot to Homestead Rentals.

On the North lot, staff suggests accepting Dylan Howard's offer of \$1, with the agreement that he would work with the school and churches on their needed parking.

Trinity church also offered to purchase the east half for \$1000.

Dylan Howard stated that he put the bid in as he knows that the school and churches meet less frequently, and he could work with them to figure it out later.

EDMONDS MOVED TO APPROVE THE STAFF RECOMMENDATION TO SELL THE SOUTH LOT TO HOMESTEAD RENTALS AND THE NORTH LOT TO DYLAN HOWARD. J GEROLD SECONDED THE MOTION. VOTE 2:3 EDMONDS AND J GEROLD IN FAVOR, HALLIN, WALKER AND REYNOLDS OPPOSED. THE MOTION FAILED.

Hallin would like to have some conversations with the adjacent property owners. Walker agreed and said he does not see an issue with waiting a bit on these lots, as he would like to find a solution.

Hallin added that things have change drastically through the years. Now, you cannot build something without adequate parking. She feels the city should not be responsible for providing parking.

Reynolds stated he would be in favor of moving on the south lot sale but would like to hear more about the possible ideas for the north lot.

WALKER MOVED TO TABLE THIS ITEM UNTIL THE SECOND MEETING IN AUGUST. HALLIN SECONDED THE MOTION. VOTE 3:2, WALKER, HALLIN AND REYNOLDS IN FAVOR, EDMONDS AND J GEROLD OPPOSED. THE MOTION CARRIED.

Walker suggested that staff and some representatives from each property meet and discuss the options for the parking lots.

7.5. Resolution 23-49 Approving 2023, 2024, 2025 Base Pay Structure and Implementation

McPherson stated that this Resolution is just for the non-union employees. LELS and AFSCME representatives are going to be meeting with the employees to go over the new pay scale. Staff hopes to see their approval prior to the next meeting.

HALLIN MOVED TO APPROVE RESOLUTION 23-49. REYNOLDS SECONDED THE MOTION. VOTE 4:0:1 HALLIN, REYNOLDS, WALKER AND EDMONDS IN FAVOR. J GEROLD ABSTAINED. THE MOTION CARRIED

7.6. Bill List

HALLIN MOVED TO APPROVE THE JUNE 13, 20 AND 22, 2023 CHECK REGISTERS CONTAINING CHECKS 86720 TO 86804 IN THE AMOUNT OF \$1,016,424.92, AND THE PAYROLL ELECTRONIC PAYMENTS AS NOTED ON THE PAY PERIOD 12 TRANSMITTAL REGISTER IN THE AMOUNT OF \$81,294.03 AND PAY PERIOD 12 CHECK REGISTER IN THE AMOUNT OF \$181,306.86 (EQUALS THE AMOUNT OF CHECK 86720). WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7.7. City Administrator Bi-Weekly Report

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

Airport

The July 6 Study Session will be a joint meeting with the Airport Advisory Board.

There is a vacancy on the Airport Advisory Board, so any assistance in recruitment would be fantastic.

Development

Staff continues to have conversations with Pat Briggs regarding Phases 3 and 4 of the apartment project on 1st Street. We anticipate applications for preliminary and final plat to be forthcoming. The Charlie-Bravo project is moving forward; it appears that there may be one lot sold in addition to the initial office building to be constructed for the Hages. Staff continues to ensure that communication between these two projects is open, and coordination of infrastructure is seamless.

A closing has been set on the sale of the residential lot to Dale Shelley for June 30 at 1pm at Home Security Abstract and Title, Princeton.

The owner of Anoco stopped by June 20 to discuss the industrial lots for sale. He felt the current asking price was too high and I suggested he submit an offer for consideration.

Finance

McPherson is waiting for the conclusion of the audit. Staff has provided all of the necessary information to the consultants. We are over budget on the Abdo expenses, but she added that she believes the Smith Schafer costs will be lower than budgeted. Accountant Hoheisel and McPherson will work with Abdo to determine what audit tasks can be completed by Accountant Hoheisel with oversight by Abdo next year in order to reduce future costs.

Fire

McPherson reported that she attended the Fire Relief and Membership Semi-Annual Business meeting on June 13 at the Public Safety Meeting. There is still an undercurrent of dissatisfaction on the part of at least one firefighter that Adam Cook received an additional year of service even though he was not living within the seven (7) mile radius required by the PFRD Handbook.

There was additional strain at the meeting; one firefighter who is also a Blue Hill Township Supervisor voted June 12 to cancel the contract with PFRD effective December 31, 2023, and receive services from Baldwin Fire.

Infrastructure

Public Works Director Gerold, Wastewater Treatment Plant Manager Klinghagen and McPherson met with MPCA representatives on June 8 to discuss the plant's permit. Of specific interest was the streambank project and the phosphorus limits. It appears that the plant is well under the limits now and likely in the future should the plant reach its full design capacity. There may be opportunity to sell phosphorus credits in the future. Staff indicated to the MPCA that the city will continue to manage its streambank projects into the foreseeable future but that the permit should include options for the city going forward. An additional discussion point was the limit on Total Suspended Solids and the chemicals (salt formulation) that needs to be added in the winter to meet the limit. Overall, it was a good meeting.

Personnel

Councilor Gerold, Accountant Hodges and McPherson are close to completing the review and compilation of the new personnel manual. We are hoping to complete the work by mid-July in order to give it to the Department Heads thereafter. It is a large document, so McPherson has generated a list of specific sections that require input from the Department Heads in order to assist them with the review. If all goes well, we hope to have it to the City Council in September.

We are fully staffed. McPherson wanted to acknowledge the Splash Park attendants – they have been very busy so far this year. Through June 16, sales total \$8,884.84 for the year. They have also provided input as to what the comments they hear from attendees to make improvements. Interns Benjamin (marketing) and Benson (Splash Park) have done a great job marketing for free days (up to 13 so far) and managing the attendants and stock.

Accountant Hodge and McPherson met with representatives from NFP, our benefits broker on June 13. They will issue RFPs for all of our coverages. This year we can break away from PEIP, so they

will be looking to get health insurance pricing from a multitude of service providers. When looking at options, we will need to balance price with choices for employees. McPherson did indicate that the city and its employees cannot afford another double-digit increase as in the past two years, especially given the salary increases that are being implemented in 2023 and future years.

Legislative Monitoring

LMC and CGMC have been conducting several webinars on the legislative session. Of particular interest has been the ones regarding changes in the labor laws. The laws were changed significantly in favor of unions/labor groups and disfavor employers. It should lead to an interesting negotiation session for the upcoming contract renewals.

Miscellaneous

The city has received the attached thank you for attending the Glenn Metalcraft/Elemet Group groundbreaking.

The East Central Regional Development Commission is holding a public hearing regarding their FY 2024 budget. Attached is the notice and their budget.

Mille Lacs County is adopting a subdivision plat review ordinance that requires the County Surveyor to review all plats within in the County. WSB always sends the city plats to the County for review as part of the normal operating procedures for plats.

Upcoming Meeting/Event Reminders

- June 30 – Closing at 1pm, sale of residential lot to Dale Shelley
- July 4 – Offices closed for the holiday, community celebration (4 to 9pm) and American Legion Fireworks Display, Mille Lacs County Fairgrounds
- July 6 – Study Session with the Airport Advisory Board to discuss the CIP projects and budget
- July 12 – Fire Advisory Board

8. Committee Reports

PPU Manager Keith Butcher provided a brief update that they are going out for bonding and have a great finance rating.

9. Adjournment

J GEROLD MOVED TO ADJOURN THE MEETING AT 8:51PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Thom Walker,
Mayor