

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON  
SEPTEMBER 28, 2023, 7:00 P.M.**

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**1. Call to Order - Roll Call**

Mayor Thom Walker called the meeting to order and led the Pledge of Allegiance to the Flag. Councilors present were Vicki Hallin, Jenny Gerold, Jack Edmonds and Jeff Reynolds. Others present: City Administrator Michele McPherson, Clerk Shawna Jenkins, Community Developer Planner Stacy Marquardt, Public Works Director Bob Gerold, Police Chief Todd Frederick, Wastewater Plant Manager Chris Klinghagen, Fire Chief Ron Lawrence, Technology Services Manager Ed Yost, Liquor Store Manager Dylan Donner, Attorney Damien Toven and Public Utility Manager Keith Butcher.

**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 of September 14, 2023
- 4.2. Approve Intoxicating Liquor License for Adelitas Taqueria
- 4.3. Resolution 23-71 Gambling Premise Permit for Mystic Riders at Pizza Pub
- 4.4. Resolution 23-72 Approving Memorandum of Agreement with LELS to Implement Revised 2023 Base Pay Scale
- 4.5. Authorize Cost-Share to Remove Hydrant, 3rd Street PID 24-080-0030
- 4.6. Authorize Execution of Streetlight MOU with PPU
- 4.7. Airport Advisory Board Minutes of July 6, 2023
- 4.8. Fire Advisory Board Minutes of July 12, 2023
- 4.9. Park Board Minutes of August 28, 2023
- 4.10. Splash Park Recap for 2023 Season
- 4.11. Fridley Lion's Gambling permit for Raffle at Sunken Ship Brewery

HALLIN MOVED TO APPROVE THE CONSENT AGENDA. J GEROLD 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.***

Julie Staycoff at 3055 82<sup>nd</sup> Ave is wondering about the road project and why the neighborhood was not notified. McPherson responded that the school is building a parking lot. Parking lots are an allowed use for this property in the City's zoning ordinance, so notices were not required.

Staycoff asked if an environmental study was done and what is being done for the drainage. McPherson responded that state statute does not require an environmental study for this size of project. She directed her questions regarding drainage to the School District.

**6. Old Business**

**6.1. South Parking Lot a Sealed Bid Results**

Marquardt reviewed the history on this parking lot. During the first round of sealed bids the North Parking Lot and South Parking Lot B had valid bids. The original bid that was submitted for South Parking Lot A was rescinded. At a previous meeting the Council accepted the submitted bids to purchase the North Parking Lot (West Half to the School District and East Half to Trinity Church) and the bid for the South Parking Lot B (Homestead Rentals, LLC). Staff stated they would put the South Parking Lot A back out for bid and notify the adjacent properties again, as well as put it on the City website to open it up to the public. The deadline for bid submittal for South Parking Lot A was September 21, 2023, at 11:00 am. The sealed bids received for South Parking Lot A were opened and one bid was received.

Pettibone Nursery and Landscape	South Parking Lot A	\$3501.00
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The City would be selling this parking lot with a deed restriction placed on said parcel stating the lot can only be used as a parking lot in the future. Also, the City will place utility easements where necessary and an ingress/egress easement for the adjacent properties to access their parking areas. The city will cover all costs associated with closing.

Staff recommend that the City Council authorize:

- 1) Sale of South Parking Lot A to Pettibone Nursery and Landscape for \$3501.00 with the condition that a deed restriction is placed on the property restricting it to remain a parking lot in the future. The City will place utility easements where necessary and an ingress/egress easement over the property to allow adjacent property owners to access their parking areas.

EDMONDS MOVED TO ACCEPT THE BID ON SOUTH PARKING LOT A FROM PETTIBONE NURSERY. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

## 7. New Business

### 7.1. Resolution 23-70 Authorizing the Sale of South Parking Lot B

HALLIN MOVED TO APPROVE RESOLUTION 23-70 AUTHORIZING THE SALE OF SOUTH PARKING LOT B TO HOMESTEAD RENTALS, LLC WITH THE DEED RESTRICTION, UTILITY AND INGRESS/EGRESS EASEMENTS. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

### 7.2. RFP for Building Official and Inspection Services

Marquardt advised that on July 17, 2023, the City distributed a letter soliciting proposals from qualified businesses, firms and organizations to provide Certified Building Official and Inspection Services for the City. Five (5) RFP responses were received. At the August 24th City Council meeting each submittal was presented to the Council for review. The Council then directed staff to schedule interviews with four (4) of the responders for their September 7th Study Session.

After the interviews some questions arose from the Council and Department Heads. Staff was asked to reach back out to the four (4) companies with the following questions:

1. Can you provide up to five contractor references that you have worked with on projects.
2. Can you cite a contentious discussion you have had and cite a reference for that situation; and
3. How would you handle a public health nuisance? The responses were provided to the Council.

It was also asked if we continued with Metro West for services if the City could request a different inspector to be assigned to our jurisdiction.

Reference recap:

1. Metro West – Four contractor references were called and two responded. Both have been working with Metro West since Loren owned the company and both stated they were very impressed with Todd. They said they are prompt in returning calls and keep great communication going, which was pointed out that is not the norm in this industry. They have good and experienced people working for them which is not always easy to find. They give a schedule for projects, and they keep to it. They don't change the rules after you start a project like some inspectors do. They always know their stance on

things because they abide by the building code. They are always up front about their expectations and bring things to the customer when they may become controversial. High recommendations for the company and the people that work there.

2. Rum River Consultants – Two references were called, and two contractor references responded. Both said they were an excellent company to work with. They had them on some larger projects with several different inspections and they were very good to work with through the entire project. They met with them every day regarding the project until its completion. Andy is good to work with and is great working with builders.
3. Mid MN Inspections – Three contractor references were called and three responded. Both references could not say enough about Tad. He is the best to work with and have worked with him for 23 years. He has worked in the field with contractors and works well with them. He is very knowledgeable and is flexible to make inspections work when needed. He is very knowledgeable about the code and will investigate various codes if questions come up where there may be a dispute to ensure the proper code is followed.
4. MNSPECT – Four contractor references were called, and one responded. They have worked with MNSPECT on a couple of different jobs and they were overall very good to work with. They plan ahead with the contractors on projects to make sure things stay on track. The office staff was prompt in getting back to them. They know what they doing, they know code well, and they know what to look for which makes them not “easy” but also not “lax” as some companies are. Inspectors in the field were great with work with.

Metro West is, from a fiscal standpoint, the wisest choice. However, cost is not the only factor to consider when choosing a service provider. Metro West has been providing services for City residents for many years and has had an opportunity to build relationships with residents and contractors alike; all the references were very favorable. Mr. Geske indicated that a change in inspectors would be granted if requested.

On the other hand, as discussed, sometimes it costs more to get what you are looking for. One reference stood out to Staff when they said the inspectors are not “easy” because they know what they are doing and know code well. They do not let things slide because of this mentality but then you always know the job is done correctly and to code which is ultimately the goal.

J Gerold stated all the applicants did well with the interviews, and these are good options to pick from. Now that the interviews are concluded and looking at the quoted prices, she feels the city should stay with Metro West due to the possible high levy that we are looking at. She said she would like to make sure an RFP for inspection services should be done every few years.

Walker added that Princeton has had a good relationship with Metro West for a long time, so it is expected to see a few bumps every now and then. He added that the financial part is a big factor as well, with them being a great deal less than the other quotes.

**HALLIN MOVED TO APPOINT METRO WEST INSPECTIONS AS THE CITY’S BUILDING INSPECTOR WITH THE REQUEST TO CHANGE INSPECTORS. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.**

McPherson stated that staff will work on drafting a contract with Metro West and bring it back for the Council to review and approve.

### **7.3. Special Event Permit for Trunk or Treat Event**

Andrea Gerrard said she spoke to the businesses in the old Radio Shack building, and she thought Truck and Treat would be a good addition to their event on October 28<sup>th</sup>. She is asking

for permission to block off a section of the parking lot for Trunk or Treat from noon to 5pm.

Frederick stated that he has spoken with Gerrard about the event and he does not have any concerns.

HALLIN MOVED TO APPROVE THE TRUNK OR TREAT SPECIAL EVENT FOR OCTOBER 28, 2023 IN THE SOUTH MALL PARKING LOT. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

#### **7.4. Resolution 23-73 Setting the Preliminary Levy for Taxes Payable 2024**

McPherson reported that to assist the City Council with what is changing for 2024 over 2023, she provided the following information.

##### **General Notes**

The preliminary levy increase is 23%. One way to reduce this to a number that may be more palatable, would be to hold off on the proposed payout of excess sick leave, annual leave and vacation balances as we attempt to move to a paid time off system.

Wages were increased in excess of four (4) percent in order to accommodate an unknown percentage increase based on union negotiations. PERA and FICA are a percentage function of wages, so those numbers increased proportionally.

While we do know what our premiums from PEIP will be, we do not have information regarding any increases in dental or if other health care may come in lower. As a result, health care benefits are projected at a 10 percent increase over 2023.

Cell phone expenditures in multiple departments ended up in the old account code, they will be adjusted accordingly.

Solid waste collection costs increased significantly in order to absorb contract increases that were to have been applied in 2023. In addition, actual costs are being assigned to the specific departments instead of using a pro-rated formula.

There is money in the Unallocated budget to potentially pay out a portion of sick leave, annual leave, and vacation balances as we attempt to move to a Paid Time Off (PTO) system of time off. The total proposed payout is estimated at \$345,000; removing this would reduce the levy increase from 23% to 10.27%. It should be noted that these liabilities will only get larger as they are paid out at the current rate as an employee retires, not at the rate that they were earned at. The budget worksheets do not include capital items at this time. Staff are still working on obtaining numbers as close to accurate as possible.

##### **Mayor & City Council**

Under subscriptions, two of the items start in September and carry over to the subsequent year, making them a pre-paid asset. The journal entry for the 2022 audit created the budget overage.

##### **Administration**

Expert and Professional include charges for shredding records by an outside company.

Normally, these records would be destroyed in a house burn.

Other Charges is the refund of the liquor license approved earlier this year by the City Council.

##### **Elections**

There will be a Presidential Primary, Primary and General Election in 2024. Staff is recommending that the hourly rate for judges be increased from \$12 to \$15 per hour staying in the market as other surrounding communities.

**Finance**

As with Administration, cell phone charges were coded to the old Telephone/Postage account code and will be journaled into the correct code. Year to date postage is \$894 and as there is only one cell phone in Finance, the proposed budget is reduced by \$400.

Staff proposes to merge Contracted Labor and Other Expert and Professional into one line item. This is all for the Audit firm and financial consulting assistance from Abdo. In 2024, the Abdo contract will be modified to include audit prep training for Accountant Hoheisel. We have not received the contract proposal from Abdo, so this line items was increased. This will be adjusted downward once a final proposal has been received.

The overage in Maintenance and Repair and Memberships and Subscriptions is a mis-coded bill for the finance software maintenance.

**Technology**

There is revenue noted due to the staff-sharing MOU with PPU.

Memberships include all enterprise-wide licenses, phone system support, and other software that may be used across more than one department. The exception to this is the annual fee for OnBoard which is included in the City Council budget.

**Building Inspections**

Expenses currently reflect an increase in fees to a new (possible) service provider for building inspection services. Revenues remain estimated conservatively.

**Planning & Zoning**

Intern expenses are mis-coded and will be corrected.

**Police**

Officer Kuyper is retiring in 2024. Her salary is calculated at 1000 hours for the year, a June 1 end date plus three additional weeks in the event that there are unanticipated needs for her to remain past that date.

Personnel costs factor hiring a new officer to replace Officer Kuyper to start March 1, so there is planned overlap for field training.

There are a number of one-time expenses that are planned to be funded by 2023 Public Safety Aid. A memo will be distributed at the meeting detailing the proposed purchases.

**Unallocated**

Staff of the City and PPU is evaluating whether membership in MMUA (for the city) and their safety program is a valuable service. The safety program, specifically, is getting more expensive and staff questions the return on investment. Research is ongoing to determine if there is a more cost-effective vendor to provide the required safety training.

An adjustment to the Insurance and Bonds account will be made once the departmental insurance amounts have been accounted for.

**WWTP**

It is likely Operator Pierce will be retiring in June 2024. The budget reflects a staffing overlap to allow for training of the replacement staff person.

**Liquor**

Manager Donner has requested that Patty Warren be moved to a full-time position for days as a backup, but not in the position of Assistant Manager. There would then be a need to promote

one of the other clerks to a lead position.

There was discussion whether to split the Employee excess time into a couple payments, to allow the levy to be lowered a bit. Hallin would like to try and lower it to 16%.

WALKER MOVED TO APPROVE RESOLUTION 23-73 SETTING THE PRELIMINARY LEVY AT 16.33% FOR TAXES PAYABLE 2024. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

#### **7.5. Bill List**

HALLIN MOVED TO APPROVE THE SEPTEMBER 18 AND 28, 2023 CHECK REGISTERS CONTAINING CHECKS 87175 TO 87228 IN THE AMOUNT OF \$575,275.58 AND THE PAYROLL ELECTRONIC PAYMENTS AS NOTED ON THE PAY PERIOD 19 TRANSMITTAL REGISTER IN THE AMOUNT OF \$81,904.33 AND PAY PERIOD 19 CHECK REGISTER IN THE AMOUNT OF \$196,006.56. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

#### **7.6. City Administrator Bi-Weekly Report**

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

##### **Airport**

McPherson shared the Council's concern regarding the addition of the apron/tie down area expansion with KLJ. It was not included in the proposed 2024 Airport CIP budget. We are still seeking applicants to fill the vacancy on the Airport Advisory Board.

##### **Cannabis Regulation**

On September 14, Sherburne County hosted a TEAMS meeting with various cities and township representatives to discuss where all the jurisdictions are at with their cannabis regulations. As with most issues, everyone seems to be at different stages and have different approaches. Some cities were waiting on the County to get its ordinances in place. There was significant discussion regarding who enforces which ordinance for County facilities in various cities. There didn't seem to be a clear answer.

##### **Infrastructure**

WSB, on behalf of Mille Lacs County, held a public open house September 12 for the proposed 2026 County Road 3 reconstruction project. There was not a large attendance, but there are also not a lot of property owners adjacent to the corridor either.

September 18 staff met with the County Engineer for a fall-check-in. The largest agenda items were a review of the CSAH 4/7th Avenue project, specifically the funding breakdown. The city will be applying for grant dollars to assist with the funding for the roundabout at 12th Street/7th Avenue. We have also reached out to the School District for possible participation as one "leg" of the intersection serves the schools. We hope to have the agreement between the City and County for funding approved in late October/early November. Other topics that were discussed included the roundabout at 21st Avenue/1st Street, the process of hiring a County Engineer, and the possibility of the city performing snow removal activities on Rum River Drive and 1st Street.

September 19 staff met with Superintendent Barton regarding the possibility of "flipping" the stop signs on 8th Street/6th Avenue South. Traffic has been backing up in the High School Parking lot (as it should) as students' queue to leave north on 8th Street. Changing the location of the stop signs would create unimpeded straight travel to 1st Street. The consensus was to revisit this topic after additional time has passed; it is likely that students will find that travel south to Tiger Boulevard is an option and some traffic equilibrium will be achieved.

**Finance - Annual Fire Billing**

It was brought to McPherson's attention by PFRD Captain Mellgren that when calculating the annual billing to the townships, staff used the full net tax capacity for Spencer Brook and Wyanett Townships. As a result, their portion was higher than in past years, which finally answers the question as to why they saw such a huge increase.

Staff recalculated the billing using the correct percentage of net tax capacity. The net result is that Blue Hill, Bogus Brook, Greenbush, Princeton Townships and the City of Princeton should be paying additional, and the two noted townships should receive a refund. McPherson is recommending that the city not collect any additional funds but that we do refund the overage as it is quite significant.

At the request of the PFRD Executive Board, McPherson also calculated the 2023 bill for 2022 services using the MAT contract components. The increases to the above townships and the city are even greater under this billing method. This has not been shared with the Fire Advisory Board representatives yet, but staff will do so.

**Mille Lacs County**

Staff discovered unpaid invoices from 2019 for snow removal services. They were sent to the County Administrator in the hopes of receiving payment and to possibly open the door for discussions regarding snow removal services by the city. To date, no response has been received.

Upcoming Meetings and Reminders:

- September 30 – Sherburne National Wildlife Refuge Wildlife Festival 10 am to 2 pm; this notice was sent previously by email.
- Week of October 16 – there will be short duration outages as PUC completes breaker tests at the plant. They are working with large users in their service territory to plan for these outages.

**8. Committee Reports**

Edmonds reported on the PUC meeting. The PPU Office Manager is challenging City Hall staff with a costume contest. PUC has approved a territory study to be completed, as well as the purchase of some GIS Field Equipment.

Hallin reported on the Chamber Meeting. There will be daytime Trick or Treating on October 31<sup>st</sup>, the Leadership trainings have been started and there is a Cornhole Tournament at the VFW coming up.

Hallin asked about the library and if repairs to the wall and roof will be completed soon. B Gerold responded that Insurance has been notified, bricks ordered and hopefully work will be started soon.

**9. Adjournment**

J GEROLD MOVED TO ADJOURN THE MEETING AT 8:14PM. 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