

City Council Proceedings

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Counties of Scott & Le Sueur
City of New Prague

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Special City Council Meeting
Tuesday, January 5, 2021

Conducted via GoToMeeting due to the COVID-19 Pandemic which is preventing attendance at the regular meeting location.

Mayor Duane Jirik called his first online meeting to order at approximately 6:00 p.m. with the following members present: Jirik, Bass, Ryan, Seiler, and Wolf.

Staff Present Online: Mike Johnson, Ken Ondich, Jim Gareis, Bruce Reimers, Matt Rynda, Glen Sticha, and Barb Ulschmid

Others Present Online: City Engineer Chris Cavett, City Attorney Scott Riggs, Business Owner - Steve Duban, Golf Board President Tom Mach, and Kurt Ruehling - Golf Professional Enterprises (GPE)

Mayor Jirik amended the Agenda by adding Item 10C - a MN Lawful Gambling LG215 Application to Lease for Lawful Gambling Activity for New Prague Chamber of Commerce beginning on Thursday, January 14, 2021 through Thursday, March 25, 2021 at the New Prague Golf Club, 400 Lexington Avenue South.

Motion by Seiler, seconded by Bass to approve the amended Agenda. By roll call vote, all voted in favor. Motion carried (5-0).

City Administrator Mike Johnson administered the Oath of Office to the newly elected Mayor Duane Jirik and Councilmembers Shawn Ryan and Bruce Wolf on Monday, January 4, 2021 at the New Prague City Hall. A ceremonial swearing in for Mayor Jirik and Councilmembers Bruce Wolf and Shawn Ryan took place during the New Prague City Council's online meeting on Tuesday, January 5, 2021. All three individuals were elected at the November 3, 2020 Regular City Election. Mr. Jirik was elected as Mayor and is to serve a two-year term for 2021-2022. Shawn Ryan and Bruce Wolf were re-elected as Councilmembers to serve four-year terms for 2021-2024. The Oath of Office was previously administered by City Administrator Johnson to the three newly elected officials face to face on January 4, 2021 at the City Hall.

The following 2021 Appointments were presented for approval as follows:

A proposal was received from Scott J. Riggs of Kennedy & Graven to continue as City Attorney for 2021. Mr. Riggs has been the City Attorney since April of 2003. His hourly rate for general civil matters is now \$174/hour.

After discussion, motion by Ryan, seconded by Seiler to approve Scott Riggs with Kennedy & Graven as City Attorney for 2021. By roll call vote, all voted in favor. Motion carried (5-0).

Mayor Jirik made the following Council nominations for appointments to serve on the various City Boards and Commissions:

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1. Utility Commission - Bruce Wolf
2. Park Board - Maggie Bass
3. Planning Commission - Shawn Ryan
4. Joint Powers (City/School District)- Maggie Bass and Rik Seiler
5. Golf Board - Shawn Ryan
6. EDA (Mayor and 1 Council Member) - Duane Jirik/Bruce Wolf
7. Cedar Lake Sanitary District - Rik Seiler
8. Ambulance Advisory Committee - Duane Jirik
9. New Prague Area Community Center Board - Rik Seiler
10. Joint Planning Commission with Helena Township - Shawn Ryan

Motion by Bass, seconded by Ryan to approve Boards and Commissions for 2021. By roll call vote, all voted in favor. Motion carried (5-0).

In accordance with City Charter Section 2.06, the Council shall choose from its members a Vice President. The Vice President shall serve as President in the Mayor's absence and as the Mayor in case of disability or absence from the City. Former Councilmember Maggie Bass previously served as the Council's Vice President. It was moved by Seiler and seconded by Ryan to nominate Councilmember Bruce Wolf as the 2021 Council Vice President. By roll call vote, all voted in favor, Wolf abstained from the vote. Motion carried (4-0).

In accordance with City Charter Section 3.05, Appointments, the Council needs to approve staff appointments for 2021.

Personnel Appointments recommended include:

- City Administrator - Michael J. Johnson
- Police Chief/Emergency Management Director - James Gareis
- Planning/Community Development Director - Ken Ondich
- Public Works Director - Glen Sticha
- Utilities General Manager - Bruce Reimers
- Finance Director - Patty Solheid

After discussion, motion by Seiler, seconded by Bass to approve Personnel Appointments for 2021. By roll call vote, all voted in favor. Motion carried (5-0).

Under Minnesota State Statute 118A.02, the governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions.

The following Financial Institutions are the 2021 Official City Depositories for City funds:

- Roundbank of New Prague
- First Bank & Trust of New Prague
- U S Bank of New Prague
- Wells Fargo Bank N.A. of New Prague
- Wells Fargo Advisors of New Prague
- Minnesota Municipal Money Market Fund (the 4M Fund)

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Motion by Bass, seconded by Ryan to approve *RESOLUTION #21-01-05-01 APPOINTING OFFICIAL DEPOSITORIES FOR CITY FUNDS FOR 2021*. By roll call vote, all voted in favor. Motion carried (5-0).

In accordance with Minnesota State Statute 412.831, the Council is required to designate a legal newspaper of general circulation in the City as its official newspaper, in which shall be published such ordinances and other matters as are required by law to be so published and such other matters as the Council may deem it advisable and in the public interest to have published in this manner. The New Prague Times is designated as the City's official newspaper for 2021.

Motion by Seiler, seconded by Wolf to approve the New Prague Times as the City's Official Newspaper for 2021. By roll call vote, all voted in favor. Motion carried (5-0).

The City of New Prague uses various outside professional consulting firms to provide technical engineering services, financial advisory and bonding services, and specialized legal bonding services.

Since May 2009, the firm of Short Elliott Hendrickson (SEH) and Chris Cavett, PE have been appointed as City Engineer and Municipal State Aid Street (MSAS) Engineer. Both of these appointments are covered under separate existing contracts with the City. However, in order to ensure that these positions continue to be recognized by all of the appropriate external agencies, these appointments should be reconfirmed for 2021.

The City Council also is considering reappointing Ms. Terri Heuton of Baker Tilly as the City's Financial Advisor and Ms. Sofia E. Lykke of Kennedy & Graven as Bond Counsel. Both of these individuals and firms assist the City annually in the issuance of general obligation bonds for capital improvement projects and in any special financial analysis or projects that may become necessary.

After discussion, motion by Ryan, seconded by Wolf to approve for 2021: Mr. Chris Cavett with SEH as City Engineer, Ms. Terri Heuton with Baker Tilly Municipal Advisors, LLC as City Financial Advisor and Ms. Sofia E. Lykke with Kennedy & Graven, Inc. as City Bond Counsel. By roll call vote, all voted in favor. Motion carried (5-0).

Following are the proposed appointment recommendations from the New Prague Volunteer Fire Department as voted on by the Department in December 2020:

Chief 1 - Steve Rynda
Chief 2 - Curt Novotny

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Chief 3 - Greg Pint
Captain 1 - Brad Novak
Captain 2 - Brandon Busch
Captain 3 - Mark Novak
Lieutenant 1 - Bob Connelly
Lieutenant 2 - Ryan Kubes
Training Officer - Jake Kartak
Secretary - Brad Novak
President - Nick Smith
Fire Chaplain - Father George Grafsky

Fire Chief 2-year term (2021-2022) and Officers 1-year term (2021).

Motion by Bass, seconded by Ryan to approve Fire Department Officers for 2021 and Fire Chief for 2021-2022 (two-year appointment). By roll call vote, all voted in favor. Motion carried (5-0).

City Administrator Johnson presented a Resolution appointing members of the City Council to the City's Housing and Redevelopment Authority (HRA). The terms of appointment to the HRA will coincide with their terms of elected office. It is now necessary to appoint Duane Jirik, Shawn Ryan and Bruce Wolf to the City's HRA. Mr. Johnson explained that the Oath of Office will be administered separately at another time being this meeting is taking place electronically.

It was moved by Seiler and seconded by Bass to approve RESOLUTION #21-01-05-02 APPROVING THE APPOINTMENT OF COMMISSIONERS TO THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF NEW PRAGUE. By roll call vote, all voted in favor. Motion carried (5-0).

City Administrator Johnson provided an overview to the Council on a recommendation from the Golf Board to consider a proposed golf management agreement with the City for 2021. A recommendation on the continuation of the second year with Mr. Kurt Ruehling of Golf Professional Enterprises, LLC (GPE). The first contract in 2020 was an 11-month contract (paid out over 12 months) based on an annual agreement amount of \$80,000. The proposed Agreement amount for 2021 is proposed at \$85,000 (up \$5,000 or 6.25%) which was included in the proposed 2021 Golf Budget and adopted by the Council on December 21, 2020.

Golf Board President Tom Mach explained that after reviewing and discussing the merits of the agreement with GPE, the Golf Board voted 6-0 on December 22, 2020 to recommend approval of entering into the 2021 Agreement for year two (2) with GPE for a full 12 months. The proposed effective date of the Agreement is January 1, 2021 to December 31, 2021. "It was a great year within a very tough environment that Kurt and his staff adapted very well to." Net positive change of about \$216,000 to Golf Operations as of November 2020.

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The councilmembers and staff had significant discussion on the 2021 GPE compensation saying 6.25% is a bit high. It was a great year, but will that continue into 2021? Trying to justify the 6.25% raise when most barely got a raise if anything at all. Mr. Ruehling was also present online and shared that he and his staff accommodated 11,000 more people in 2020 amongst all the special accommodations that were needed because of COVID. Increased their membership and clocked over 22,000 hours, all of which has had a positive impact against the budget. Mr. Ruehling is a contracted worker, not an employee of the City. The Council asked that the 2022 agreement be brought forward earlier in the fall to allow more time to review and discuss. Per previous contract amounts and Councilmember Ryan being on the board this helped some Councilmembers to approve the 2021 agreement.

Motion by Seiler, seconded by Ryan to approve the Golf Board's recommendation and approve the *2021 GOLF COURSE CONSULTANT AGREEMENT BETWEEN THE CITY OF NEW PRAGUE AND GOLF PROFESSIONAL ENTERPRISES, LLC, KURT RUEHLING*. By roll call vote, all voted in favor. Motion carried (5-0).

City Administrator Johnson provided a general overview of the Residential Lease Agreement for the Rental Property located at 208 Central Avenue North, owned by the City of New Prague. The first time something like this has ever been presented to the Council. The residential property was originally purchased by the City on August 2, 1997 or about 23+ years ago. The current renter in the house was also renting the house at the time the City purchased the property. There never was a formal rental agreement between the City and the renter, but the City purchased the property "subject to the present lease" supposedly.

City Staff has worked with the City Attorney's Office to develop a Lease Agreement that would be provided to the tenant following the Council's approval of the lease. The rent under the lease has been \$200.00/month or \$2,400.00 annually and has not changed during my tenure in New Prague (since July 2008), nor to anyone else's knowledge as well.

Several years ago, City Staff had asked the Council whether they wanted to adjust the rent on the property, and the Council determined that they did not want to amend the lease rental amount. The estimated Market Value of the property for Pay 2021 is about \$122,000 and the current Pay 2020 property taxes are \$1,471.00. In simple terms, the City is collecting sufficient funds to cover property taxes and insurance on the property. However, there are not significant funds being collected to undertake any major household equipment improvements or repairs.

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City Attorney Scott Riggs office has prepared the enclosed Lease document and has indicated that it is ready for the Council's review and approval. The lease is set up on a month to month rental. If there is a desire by the Council to change the lease rental amount, it should be undertaken at this time.

Ms. Bass mentioned and Mr. Seiler noted within Section 3A, a possible rent \$ amount error? Mr. Wolf asked to put a dollar amount on the maintenance the City would cover, and the rest would be the tenant's responsibility. Encouraged open communication with the tenant. Ryan appreciates that this agreement is being set up considering nothing like this was set up prior.

After much discussion, motion by Bass, seconded by Seiler to move forward with the revisions to *RESIDENTIAL AGREEMENT FOR 208 CENTRAL AVENUE NORTH* and bring the final document back for Council approval. By roll call vote, all voted in favor. Motion carried (5-0).

City Engineer Chris Cavett reviewed with the Council the SEH proposal for Municipal State Aid Street (MSAS) Engineering Services for 2021.

The new proposal from SEH provides State Aid services from January 1, 2021 through December 31, 2021 in the amount of \$6,100 for routine services (\$800 decrease from the 2020 contract due to \$550 carry-over credit from 2020 and an additional reduction in the proposed fee for 2021). Additionally, shown on the proposal is an estimated \$3,000 fee for turnback discussion for CSAH 15 (Columbus Avenue N.) with Scott County.

The 2021 budget for engineering, including the specific MSA related work is \$15,000. It should also be noted that the City's annual allotment of State Aid Maintenance Funds (estimated at \$87,387 in 2021) covers the entire cost of the engineering services required by the state aid program, so gas tax dollars pay for the engineering services, not the City's general tax dollars.

Motion was made by Seiler, seconded by Wolf to approve the 2021 *MUNICIPAL STATE AID STREET ENGINEERING SERVICES AGREEMENT* WITH SEH. By roll call vote, all voted in favor. Motion carried (5-0).

City Administrator Mike Johnson received a notice on November 23, 2020 from Glen Sticha, Public Works Director indicating that he would be retiring from the City effective February 25, 2021. In accordance with the City's Personnel Policy, the vacancy was posted internally for 5 business days in an effort to recruit from within the City's organization. The posting was made in all of the City Departments.

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Only one (1) City employee submitted an application for the position in accordance with the City's normal application process. The application materials received were evaluated and an interview was scheduled with City Staff. Following the interview, Mr. Johnson concluded that Matt Rynda (Public Works Supervisor - Streets) met the qualifying criteria for the Public Works Director position and is recommending that he be promoted to the Public Works Director position.

Matt Rynda has been an employee in the City Street Department for 19+ years (since August 2001) and has been the Public Works Supervisor for the past 7+ years (since April 2013). Matt's extensive knowledge of City maintenance practices in the Public Works operations of the City; his positive working relationships with other City Departments and consultants; his planning and follow through on special projects or construction projects have been extensive; his positive interactions and handling of public works related complaints; and finally his extensive knowledge of the City make this selection an easy recommendation to the City Council.

After much discussion about the "process", a motion was made by Seiler, seconded by Wolf to approve the *PROMOTION OF MATT M. RYNDA TO PUBLIC WORKS DIRECTOR EFFECTIVE FEBRUARY 26, 2021 WITH THE CONDITIONS RECOMMENDED BY THE CITY ADMINISTRATOR*. By roll call vote, all voted in favor. Motion carried (5-0).

City Administrator Johnson explained there won't be any action on the promotion of Robert Brezina to the Wastewater Operator II position because he was offered Keith Barta's Generation Operator position (who left for a FT position with the military). Utilities General Manager Bruce Reimers explained that the Generation Operator position was advertised internally, three candidates were interviewed, and Mr. Brezina was offered the position. Therefore, the Wastewater Operator II promotion is no longer necessary.

City Administrator Mike shared that at the December 21, 2020 City Council meeting, the Council received an inquiry from a liquor licensee about whether there could be any kind of price reduction in the upcoming liquor license fees for 2021-2022 due to the COVID-19 Pandemic business closures and shutdowns. The Council asked City Staff to have this matter placed on the January Council agenda for discussion to determine if any changes should be made to any of the license fees. A listing of the City's Liquor License Fees by Type of License and a summary sheet of the various liquor license fees that are paid by our local liquor establishments was provided for the Council's review.

The City has budgeted for \$34,100 in liquor license revenues in the General Fund Budget for 2021. Of that total, \$27,000 or 79% is

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collected from 10 businesses having an On-Sale Intoxicating Liquor License (\$2,700 per license). Additionally, \$1,800 or 5.3% is collected from 9 businesses having a Sunday Liquor License (\$200 per license). Combined, these two licenses generate about \$28,800 annually or about 84.5% of the Liquor Revenues.

Because City Staff will be mailing out the 2021-2022 Liquor License Renewal Information the week of January 11, 2021, it was imperative that the Council have discussion and make any changes in the liquor license fees on Tuesday evening. If changes are to be made, it should be noted that they are for 2021-2022 only and should be included in the City's 2021 Official City Fee Schedule.

It should be noted that some of the restaurants with the Intoxicating Liquor Licenses are able to sell both beer and wine to go under the Governor's Executive Orders and that those with Off-Sale Liquor Licenses can sell products to be consumed off-premises.

After discussion, the Council decided to *REDUCE THE ON-SALE INTOXICATING LIQUOR FEE OF \$2,700 TO \$1,350 (50% REDUCTION) WITHIN THE 2021-2022 LIQUOR LICENSE FEES*. Motion by Ryan, seconded by Bass. By roll call vote, all voted in favor. Motion carried (5-0).

Planning/Community Development Director Ondich presented a resolution proposing the 2021 Official City Fee Schedule to the Council. The major changes included fee increases to: Release of Deferred Assessment Certificate; Custom GIS Maps; Road Service Deposit; Minor Subdivision Fee; Rezoning; Zoning Verification Letter; Baseball tournaments; Police Service Charges; Planning Survey/Site Plan Review; Electric-Industrial; Off-Peak Charges; 200 Amp Residential Underground Service; Service Conduit; Temporary Residential Service Connection Fee and Utility Line Labor Rate (after hours). Adding a fee for Erosion Control, Turf Establishment and Landscaping Escrow (Commercial); Adding a fee for Pool Fill Metered from Fire Hydrant.

It was moved by Bass and seconded by Ryan to approve *RESOLUTION #21-01-05-03 ADOPTING AN OFFICIAL 2021 FEE SCHEDULE*. By roll call vote, all voted in favor. Motion carried (5-0).

Motion by Seiler, seconded by Bass to approve the Consent Agenda with the addition of Item C (MN Lawful Gambling Application) as follows:

- A. December 21, 2020 Special City Council Meeting Minutes
- B. Claims for Payment
- C. Minnesota Lawful Gambling LG215 Application to Lease for Lawful Gambling Activity for New Prague Chamber of Commerce beginning on Thursday, January 14, 2021, through Thursday, March 25, 2021 at the New Prague Golf Club, 400 Lexington Avenue South.

By roll call vote, all voted in favor. Motion carried (5-0).

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Miscellaneous Items:

Maggie Bass - Asked to go back to saying the Pledge of the Allegiance before each meeting. The Council concurred.

Bruce Wolf - Congratulated Matt Rynda on his promotion. Also, mentioned how he likes to hear about Staff attending training and encourages Staff to do so if there is the opportunity. Mentioned the losses are greater than the budget at the Aquatic/Fitness Center and will need to keep an eye on that; Clarified Kurt Ruehling's comment about the \$216,000 revenue above expenses for the New Prague Golf Club. Mr. Johnson clarified that revenues were up \$100,000 and expenses were down \$116,000, combined that was the difference from a year ago. Financial Director Patty Solheid to provide additional details on this.

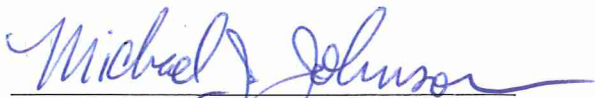
Glen Sticha - Commended Mayor Jirik on the successful completion of his first Council meeting as Mayor.

Duane Jirik - Congratulated Glen Sticha on his 40+ years with the City of New Prague and his upcoming retirement. Also congratulated Matt Rynda on his promotion and wished him well.

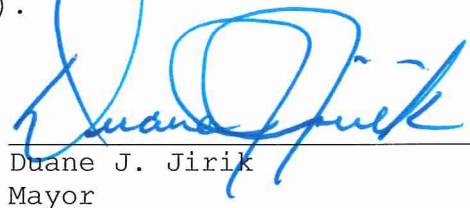
Jim Gareis - Per the Governor's Orders will see what updates are made and plan accordingly. For now, Police Staff and City Hall Staff all will go back to their regular schedules (no more teams) as of January 11th. Plan on opening the City Hall on January 19th. Holding off on allowing public meetings in the City Hall for the time being.

There being no additional business, motion by Seiler, seconded by Bass to adjourn the meeting at approximately 9:24 p.m. All voted in favor of the motion. Motion carried (5-0).

ATTEST:



Michael J. Johnson
City Administrator



Duane J. Jirik
Mayor

