

# City Council Proceedings

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State of Minnesota

Counties of Scott & Le Sueur

City of New Prague

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City Council Meeting

Monday, June 6, 2022

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

Staff Present at Meeting: Josh Tetzlaff, Ken Ondich, Robin Pikal, Jim Gareis, Matt Rynda, Steve Rynda, and Barb Ulschmid

Others Present: Doug Green - Baker Tilly

Others Present Online: Sofia Lykke - Kennedy Graven,

Mayor Jirik called the meeting to order at 6:00 p.m. and asked if there were any additions/updates to the Council Agenda, there being none, motion by Ryan, seconded by Seiler to approve the Agenda. All voted in favor. Motion carried (5-0).

Mayor Jirik asked if there were any comments on the Consent Agenda. Ryan had a question regarding the Property and Casualty Insurance line item within Accounts Payable, Finance Director Robin Pikal addressed. After discussion, motion by Bass and seconded by Ryan.

#### CONSENT AGENDA as follows:

- A. May 9, 2022 Special City Council Meeting Minutes and May 16, 2022 Regular Council Meeting Minutes
  - B. Claims for Payment: \$269,328.82 (June 6, 2022)
  - C. Approve Giesenbräu Bier Co. Temporary On-Sale 1-Day Liquor License for Ribfest Event at Holy Trinity Lutheran Church on 08-05-2022.
  - D. Approving DNR Grant Contract Agreement for the "Protect Community Forests by Managing Ash for EAB Grant"
  - E. Release of Deferred Assessment for PID #24.016.0200
- All voted in favor. Motion carried (5-0).

#### COLUMBUS AVENUE NORTH (CSAH 15) 2022 CIP PROJECT:

- A. Nothing new to report on this project.

Continuation of the Public Hearing Meeting regarding the Rosemount and Praha Village Project - Proposal for Host Approval of Issuance of Conduit Revenue Bonds. Host approval for issuance of conduit revenue bonds was originally presented to Council on May 16, 2022. Per Council's request, City Administration was asked to reach out to the legal team at Kennedy & Graven for additional guidance and input. City Administrator Tetzlaff introduced Sofia Lykke with Kennedy Graven and she provided an overview on how this whole process works. The City of New Prague is being asked to hold a public hearing as the host jurisdiction and needs to give consent to Hampton and Landfall Village to issue bonds for a project located in New Prague. Under the specific law under which the bonds will be issued (Minn. Stat. Ch. 462C), bonds that are proposed to finance a project outside of the boundaries of the issuing municipality must be issued under a joint powers agreement. Under federal tax law, the host city must conduct a public hearing and adopt a resolution consenting to the issuance of bonds by the issuer.

Under the proposed Joint Powers Agreement, the City of New Prague and the City of Rosemount (the host cities) will consent to the issuance of bonds by City of Hampton and the City of Landfall Village (the Issuers) to finance the Project, and the Issuers will agree to issue the Obligations to finance the project. The bonds to be issued by the Issuers will be special, limited obligations of the City of Hampton and the City of

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Landfall Village and will be payable solely from revenues and other amounts pledged by the conduit borrower. Neither the Issuers, nor the host cities, will have any liability whatsoever with respect to the bonds and will not constitute an indebtedness of City.

At 6:19 p.m. the Mayor asked for further questions within the public hearing. There being none, motion by Seiler, seconded by Wolf to close the public hearing. All voted in favor. Motion carried (5-0). Motion by Seiler, seconded by Bass to go back into the regular meeting. All voted in favor. Motion carried (5-0).

After discussion, motion by Wolf, seconded by Bass to approve *RESOLUTION #22-06-06-01 GIVING HOST APPROVAL TO THE ISSUANCE OF THE CITY OF HAMPTON, MN SENIOR HOUSING AND HEALTHCARE REVENUE BONDS (THE RESEMOUNT AND PRAHA VILAGE PROJECT), SERIES 2022A, AND THE CITY OF LANDFALL VILLAGE, MN SUBORDINATE SENIOR HOUSING AND HEALTHCARE REVENUE NOTE (THE ROSEMOUNT AND PRAHA VILLAGE PROJECT), SERIES 2022B, AND APPROVING A JOINT POWERS AGREEMENT.* All voted in favor. Motion carried (5-0).

RESOLUTION AWARDDING THE SALE OF \$1,215,000 GENERAL OBLIGATION BONDS, SERIES 2022A for the Columbus Avenue project. Finance Director Pikal explained that the bids were received around 10 a.m. this morning. Doug Green, Municipal Advisor with Baker Tilly was present and provided an overview of the bonds being sold with the proceeds being used to finance the Series 2022a (\$1,215,000) G.O. Bonds: \$980,000 - Columbus Avenue North Project (street and utility replacement); and \$235,000 - Equipment Certificates (acquisition of equipment for the City Golf Course). Baker Tilly took bids on behalf of the City. Bids were received from three bidders, with the low bid proposal coming from Robert W. Baird & Co. Inc. with a true interest cost of 2.6413844%, (10-year bond) to purchase the bonds at a price of \$1,194,982.39 (par amount of \$1,095,000.00, plus original issue premium of \$110,699.20, less an underwriter's discount of \$10,716.81), plus accrued interest, if any, to date of delivery for Bonds bearing interest. Also included was a copy of the Bond Rating Report from Standard & Poors (S&P) global Ratings. This report reaffirms the City's current Bond Rating of "AA" and views the outlook for the rating as stable.

After discussion, motion by Bass, seconded by Ryan to approve *RESOLUTION #22-06-06-02 AWARDDING THE SALE OF GENERAL OBLIGATION BONDS, SERIES 2022A IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,095,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT* and authorized the Mayor to accept the low bid from Robert W. Baird & Co. Inc at 2.6413844%. All voted in favor. Motion carried (5-0).

## GENERAL BUSINESS:

A. Fire Chief Steve Rynda explained that due to the recent retirement of Bob Connelly he recommended Michael Barth be appointed as his replacement as a New Prague fire fighter. Mr. Barth was a Paramedic for 4 years and a member of a volunteer/full-time fire department for 8 years. With this background and experience Mr. Barth will be an asset to the New Prague Fire Department. Motion by Ryan, seconded by Seiler on the *APPOINTMENT OF MICHAEL BARTH TO THE NEW PRAGUE FIRE DEPARTMENT.* All voted in favor. Motion carried (5-0).

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B. City Administrator Tetzlaff presented a Facilities RFP Recommendation and explained with the posting of an RFP for the Facilities Assessment, a Facilities Committee was created that consisted of a cross section of employees. This committee reviewed the eleven proposals that were submitted and narrowed those down to three firms which included: Wold Architects \$13,000; ICS \$13,212; and BKV \$23,500. After interviewing the three firms the Facilities Committee recommended proceeding with Wold Architects as the firm to perform the facilities assessment due to their low bid and the timeframe it would take to get the job done which would hopefully be by the end of the year. Some discussion took place on how Wold Architects would incorporate the Council into this process. Motion by Ryan, seconded by Bass to *ACCEPT THE RFP AND INSTRUCT THE CITY ADMINISTRATOR TO MOVE FORWARD WITH WOLD ARCHITECTS TO PERFORM THE FACILITIES ASSESSMENT*. All voted in favor. Motion carried (5-0).

C. City Administrator Tetzlaff explained that at the May 16, 2022 City Council meeting, staff presented a new IT Consulting Agreement with CTS. After discussion, the Council asked Staff to go back to CTS to look at a two-year contract with a set rate. This contrasted with the open-ended contract that had a 60-day termination policy, but also had the ability for CTS to change their pricing with 30-day notice. The revised contract has two parts. First part, (the part that is indefinite with a 60-day termination notice and 30-day price change notice) is their boiler plate contract that is used for hourly rate work. According to CTS, the only time this first part of the contract would be used is when service is required outside of regular business hour such as if CTS provided service over the weekend.

The second part of the contract is where the vast majority of the service is within (98% of the work), which states the set monthly price as \$10,426.75 (12-month contract). This is service that occurs within regular business hours. CTS understood the dilemma with the 60-day termination notice and the 30-day notice for increases in hourly rates, and agreed to make both amounts 60 days. Because CTS has worked with the City on their questions and have been performing good work, staff recommended the approval of the contract with CTS.

Motion by Jirik, seconded by Seiler to *APPROVE THE IT CONSULTING SERVICES AGREEMENT WITH COMPUTER TECHNOLOGY SOLUTIONS (CTS)*. All voted in favor. Motion carried (5-0).

D. City Administrator Tetzlaff explained that at the previous City Council meeting Staff had presented the Council with City Hall remodel options which would include the addition of two office spaces in what is currently the staff lunchroom and convert the former kitchen into the new employee lunchroom. Two estimates were initially provided that would cost either \$10,000 or \$20,000. After the May 16<sup>th</sup> City Council meeting and further discussion with Staff, Public Works Director Rynda suggested using the talent of their staff with Construction/Trade Skills to do the remodel work and eliminate the labor expenses. The updated demolition total would now be \$5,750 and the remaining \$4,250 would go towards office furniture for the two, new offices. Funds for this project would come from a general/surplus fund.

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Motion by Wolf, seconded by Bass to *APPROVE THE CITY HALL REMODEL INCLUDING THE ADDITION OF TWO OFFICES AND STAFF LUNCHROOM FOR \$10,000*. All voted in favor. Motion carried (5-0).

E. Administrator Tetzlaff presented the details of proceeding with the EDA buildout of 6<sup>th</sup> Avenue NW and 8<sup>th</sup> Avenue NW in Industrial Park and install the planned trail through the area. These are portions of the project that were not completed when the area was platted. If a developer had been building the area, these are portions of the project the City would have required to be done immediately. Initially, when the staff started working with Chris Cavett and SEH, two different proposals were shared which involved one project taking place in fall of 2022 and the second project taking place in spring of 2023. Being estimates for the work continue to rise Mr. Cavett suggested combining both projects and estimated the work to be around \$850,000 vs \$950,000. At the May EDA meeting, the EDA discussed the need to complete these streets to make the corner lots more marketable as well as to complete the work before costs go up more. Currently, the EDA fund has \$404,980 and the EDA Industrial Park fund has \$154,085, for a total available of \$559,065. This buildout would complete the City's infrastructure obligations but would run the EDA Industrial Park fund in the negative until it is able to sell a couple more lots. Some discussion took place on this project depleting the EDA funds and Administrator Tetzlaff reassured the Council that EDA has approved, and the Council did agree this has to be done especially with the rapidly growing inflation that is occurring and not getting better in the near future. This will allow the City to begin working with SEH in creating plans and will bring these bids and plans to the Council at a later time.

Motion by Seiler, seconded by Wolf on the *APPROVAL TO MOVE FORWARD WITH SEH ON THE EDA STREET EXTENSION OF 6<sup>TH</sup> AVENUE NW AND 8<sup>TH</sup> AVENUE NW IN INDUSTRIAL PARK*. All voted in favor. Motion carried (5-0).

F. Finance Director Pikal provided additional details on the Coronavirus Aid, Relief, and Economic Security (CARES) Funding and American Rescue Plan Act (ARPA) and how the City of New Prague allocated those funds. This agenda item was initially brought to the May 16<sup>th</sup> City Council meeting and the Council asked for additional details. The CARES Act was signed into law on March 27, 2020. The City of New Prague was allocated \$606,941 in CARES funding. The covered period for incurred costs was March 1, 2020-November 15, 2020. The City was able to utilize the full allocation during the covered period which alleviated expenditures from the general fund and allowed room for additional expenditures. Once the additional expenditures are/were completed, any remaining funds become part of the general fund. Qualifying expenses were considered if they were: necessary expenditures unaccounted for expenses and incurred during the covered period. Eligible use of funds include: medical expenses; public health; payroll; public health measures; and economic support.

ARPA distributed funds to Governments, Cities, and Counties. The City of New Prague received their first payment of \$427,183 in July 2021 with an additional \$14,316.54 received in November 2021. The second half of the money or \$451,500.54 will be received in 2022 for a grand total of \$902,999.08. Because the City was able to claim the entire \$902,999.08 as lost revenue, there is flexibility in how the funds are spent. Expenditure requirements are that it must be spent for a government purpose, must be

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spent by December 31, 2024, and follow any reporting requirements. Discussion took place between Staff and Council, mainly on additional detail needed for how funds were used and or their intended use in the future.

G. Planning/Community Development Director Ken Ondich provided a Rental Dwelling Inspection Ordinance Update. At the 12-20-21 City Council meeting, an update regarding the City's past efforts towards establishing a rental dwelling inspection ordinance was given. Discussion ended with staff noting they would provide an update to the City Council following the New Year and to set up a couple of meetings with the Task Force Committee (which has not yet been appointed). Ondich explained this process was delayed due to the resignation of Building Official Chad Lunder who was heavily involved in this whole process and the drafting of the ordinance. Now that a new Building Official (Scott Sasse), has been established, staff believes discussion on this topic can move forward again.

A draft ordinance was provided, and Staff recommended that the City Council direct staff to reach back out to the applicants of the Task Force to see if they are still interested in serving and appoint the Task Force at the June 20, 2022 City Council meeting. Director Ondich confirmed this ordinance would be for Residential Rental units, and only if used as dwelling unit within Commercial Rental units. Mayor did inquire as to why this didn't pertain to Commercial Rental units as well. Director Ondich mentioned a Property Maintenance Code that was talked about a while back and could be an added component about property maintenance and conditions of a building. After discussion, Council approved for Staff to reach back out to the Task Force applicants to see if still interested in serving and appoint the Task Force at the June 20, 2022 City Council Meeting.

MISCELLANEOUS:

1. Meeting Minutes - Informational only (Park and Utilities).
2. Matt Rynda - Shared that the City's rental house north of the City Hall needs its boiler replaced. Council agreed to the replacement of the boiler. Discussion on the content of the Lease Agreement took place as well. Tetzlaff to provide a copy of the lease to the Councilmembers.
3. Jim Gareis - A. Presented a request to hold fireworks sponsored by the American Legion Post 45 on Sunday, July 3, 2022 beginning at 7 p.m. on the east side of the Middle School with food vendors, music and a countdown to the display starting at 10:00 p.m. RES Specialty Pyrotechnics will be providing the fireworks. The necessary paperwork has been completed and the Fire Chief has approved. No road closures will take place. Motion by Jirik, seconded by Seiler to *ALLOW THE AMERICAN LEGION POST 45 TO SPONSOR THE 2022 FIREWORKS DISPLAY SCHEDULED FOR JULY 3, 2022*. All voted in favor. Motion carried (5-0).  
B. Request for approval from Giesenbräu Bier Co. regarding an Application for Small Brewer Off Sale - 128 ounce per day license. Police Chief Gareis explained this new license enables breweries to sell up to 128 ounces of beer for off sale per person/per visit. This law was added to allow breweries to sell more of their product and pertains to the sale of cans of beer (4 packs and 6 packs). This is a separate off-sale license at thistime. The City fee for the regular off-sale brewers license is \$100 and Chief Gareis is proposing this fee would be the same \$100 amount but prorated for 9 months (July-March).

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After discussion, motion by Ryan, seconded by Bass to APPROVE GIESENBRÄU'S NEW SMALL BREWER'S OFF-SALE LICENSE WHICH ALLOWS THE SALE OF 128 OUNCES OF BEER PER CUSTOMER PER DAY TO TAKE OFF-PREMISE FOR CONSUMPTION FOR AN ANNUAL FEE OF \$100 (PRORATED). All voted in favor. Motion carried (5-0).

- 4. Ken Ondich - Shared that many letters went out to affected property owners with long grass and weeds in their yard and the City's involvement in this process. Also wanted to note that the City of New Prague does NOT participate in "No Mow May".
- 5. Josh Tetzlaff - A. City Council is invited to the Mayor's Stakeholder Event at The Depot on Wednesday, June 8<sup>th</sup> beginning at 7:45 a.m. B. Provided an update on the security incident that began at the Utilities Building. Talked about the safety/security precautions the City is taking to prevent an occurrence like this from happening again. Working with the City Attorney on this. C. Community Center requested updates to their facility and was declined by Scott County Recorder because the City is the owner and the City had not signed off on this. City Attorney has been contacted and will work with the City and Community Center Committee as well. Discussion took place between Council and Staff and Staff will explore this issue and revisit at a future Council meeting.
- 6. Shawn Ryan - A. Brought up the green tubes sitting on the lot at the intersection of Lexington and 10<sup>th</sup> Avenue NE along with the long grass. Director Ondich will look into this.
- 7. Bruce Wolf - 1. Inquired about the IT Risk Assessment. Ondich shared that this is completed, and CTS will be presenting their findings at an upcoming Council meeting.
- 8. Rik Seiler - Mentioned the removal of a traffic counter. Director Ondich to present data results in the near future.

At 7:45 p.m., had a 5-minute recess prior to going into a Closed Meeting.

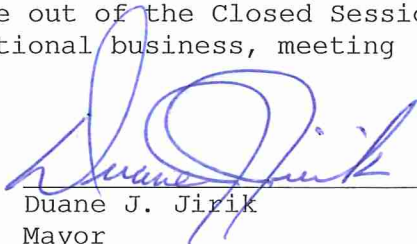
Closed Meeting Attendees: Mayor Jirik, Councilmembers: Bass, Ryan, Seiler, Wolf, and City Administrator Tetzlaff.

It was moved by Councilmember Seiler, seconded by Ryan to go into a Closed Meeting at approximately 7:50 p.m. pursuant to Minnesota Statutes Section 13.D.05, to hold a closed meeting to discuss the asking price for real or personal property to be sold by the government entity. All voted in favor. Motion carried (5-0).

Motion by Ryan, seconded by Seiler to come out of the Closed Session and reopened at 8:17 p.m. There being no additional business, meeting adjourned at approximately 8:17 p.m.

ATTEST:

  
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Joshua M. Tetzlaff  
City Administrator

  
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Duane J. Jirik  
Mayor