

# City Council Proceedings

1213

State of Minnesota  
Counties of Scott & Le Sueur  
City of New Prague

} City Council Meeting  
Monday, October 7, 2019

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

Staff Present: Mike Johnson, Ken Ondich, Jim Gareis, Bruce Reimers, Patty Solheid, and Barb Ulschmid

Others Present: Corey Boyer, PMA Financial Network, LLC

It was moved by Ryan, seconded by Bass to approve the Agenda. All voted in favor, motion carried. (5-0)

In Fire Chief Jeremy Tikalsky's absence, City Administrator Mike Johnson recommended the appointment of Matt Ambroz and Tom Ewert as New Prague Volunteer Firefighters effective October 8, 2019. With these appointments, the number of New Prague Firemen would now be at the authorized staffing level of 30 volunteers.

It was moved by Seiler and seconded by Nickolay to approve the appointment of Matt Ambroz and Tom Ewert as New Prague Volunteer Firefighters effective October 8, 2019. All voted in favor, motion carried. (5-0)

Planning/Community Development Director Ken Ondich presented the City Council with Resolutions approving the Certification of Unpaid Service Charges for Mowing and Property Maintenance Nuisance Violations on occupied and unoccupied homes and past due Municipal Utility bills to the Property Tax Roll.

The amounts being certified for collection to the two counties (Le Sueur and Scott) per state law are required to be certified to the County Auditors by October 15, 2019. These amounts collected are from September 15, 2018 to September 14, 2019.

Currently, the amount to be certified for mowing and property maintenance is \$2,444.09 (includes 3 outstanding mowing charges plus administrative fees). After discussion, it was moved by Ryan and seconded by Bass to approve *RESOLUTION #19-10-07-01 APPROVING CERTIFICATION OF MOWING AND PROPERTY MAINTENANCE CHARGES TO PROPERTY TAX ROLL*. All voted in favor, motion carried. (5-0)

The amount to be certified for unpaid delinquent municipal utility bills is \$9,338.72 (includes 9 outstanding utility charges plus administrative fees). One bill for \$6,468.82 was related to a private water service line replacement which has remained unpaid. It was moved by Seiler and seconded by Ryan to approve *RESOLUTION #19-10-07-02 APPROVING CERTIFICATION OF MUNICIPAL UTILITY BILLING CHARGES TO PROPERTY TAX ROLL*. All voted in favor, motion carried. (5-0)

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Finance Director Patty Solheid presented a proposal from Abdo, Eick and Meyers, LLP to conduct the City's Audit for 2019, 2020, and 2021. Abdo, Eick & Meyers, LLP has been conducting the City's audit since 2006. The City audit encompasses the General Fund, Capital Projects, Debt Service, Special Revenue, Sanitary Sewer, Storm Sewer, Ambulance, Golf and EDA. In addition to conducting the City-wide audit, Abdo Eick and Meyers has also prepared the New Prague Utilities audit since 1999. The fees for the next three years show a zero (0%) increase in 2019; approximately a two (2%) increase in both 2020 (\$925); and 2021 (\$1,025) which is all-inclusive and includes answering questions and accounting issues that staff may have throughout the year.

Through-out the years, staff has developed a successful working relationship with Abdo, Eick and Meyers and have been very satisfied with their work and the relationships that have been built. Nickolay and Wolf both questioned why there wasn't a Request for Proposal (RFP). Staff explained it's not required to be bid out as they are considered professional services. The City is very happy with the service received from Abdo, Eick and Meyers and the familiarity they have working with the City of New Prague for so many years.

After discussion, it was moved by Nickolay, seconded by Seiler to approve the 3-Year (2019-2021) Audit Proposal with Abdo, Eick & Meyers, LLP. All voted in favor of the motion, motion carried. (5-0)

Finance Director Patty Solheid recommended the approval of two Agreements for Consulting Services with Hildi Inc. that include:

- A. Volunteer Fire Relief Association (VFRA) - GASB 67 & 68 Actuarial Valuation for the Fire Relief Association Pension Plan
- B. Postemployment Benefit Plans Other than Pensions (OPEB) - GASB Statement 75.

The City hired the firm Hildi Inc to prepare an actuarial valuation of the New Prague Volunteer Firemen's Relief Association as of January 1, 2015 and again in 2017. In 2017, the City Council also entered into an agreement with Hildi, Inc. to prepare GASB Statement 75. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions.

In 2015, GASB pronouncements 67 & 68 were issued that had an impact on Volunteer Fire Relief Association (VFRA) and Cities financial reporting. GASB 67 applies to the financial reporting prepared for the Relief Association plan itself, where GASB 68 applies to employers (an/or legal sponsors) of the pension plan. Because the City is financially responsible to the VFRA pension plan under Minnesota Statute 424A, the VFRA plan must be recognized in City financial statements in order to be in compliance with GASB 68. GASB 68 reporting must be based on an actuarial valuation that is less than 24 months old. Thus, GASB reporting is on a two-year cycle. After year 2, another full valuation is required and the cycle starts over.

The estimated cost for FY 2019 GASB 67 & 68 Actuarial Valuation is \$2,350 in FY2019 and \$1.050 for FY2020.

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City Administrator Johnson mentioned that for GASB Statement 75 - other Postemployment Benefit Plans (OPEB) other than Pensions. These benefits principally involve health care benefits, but also include life insurance, disability, legal and other services.

In the City's case, the only benefit that is involved in the calculation of the OPEB liability is the health care benefit. This benefit is made available to employees upon retirement, with the employee bearing the entire cost of the health insurance premium.

The estimated cost for GASB 75 is \$2,000 for FY 2019 and \$500 for FY 2020.

It is the recommendation of the Staff to accept the two (2) proposals from Hildi, Inc. for the Volunteer Fire Relief Association GASB Statements 67 & 68 Actuarial Valuation Report and the other Postemployment Benefit Plans Other than Pensions Report - GASB Statement 75.

It was moved by Nickolay, seconded by Bass to approve both Agreements for Consulting Services with Hildi, Inc. Actuaries and Consultants for GASB 67 & 68 and GASB 75. All voted in favor, motion carried. (5-0)

Finance Director Solheid and Mr. Corey Boyer, Municipal Advisor with PMA Financial Network, LLC presented to the Council an introduction of the 4M Fund program and took the Council thru various short and long-term investment options available to the City in this program.

The 4M Fund is a customized cash management and investment program sponsored and governed by the League of MN Cities for public funds. It is designed to address the daily and long term investment needs of Minnesota cities and other municipal entities.

Currently, the City has been utilizing the M/M account at the First Bank and Trust which is currently earning 1% interest. For comparison, as of 10/1/19, the 4M Money Market Funds is paying 1.73%-1.79%. These rates change on a daily basis, but based on the current spread between our current M/M account and the 4M Money Market rates, the City could realize significant increased interest revenues by moving funds into the 4M Fund program.

Finance Director Solheid recommended the approval of two Resolutions:

- A. First resolution is to enter into the 4M Fund with the League of MN Cities which will allow the City another avenue for investments.
- B. Second resolution is to Amend Resolution #19-01-08-01 (Appointing Official Depositories for City Funds for 2019) to add the Minnesota Municipal Money Market Fund (4M).

After discussion, it was moved by Seiler, seconded by Bass to approve *RESOLUTION #19-10-07-03 AUTHORIZING MEMBERSHIP IN THE 4M FUND*. All voted in favor, motion carried. (5-0)

It was moved by Nickolay, seconded by Seiler to approve *RESOLUTION #19-10-07-04 AMENDING AND APPOINTING OFFICIAL DEPOSITORIES FOR CITY FUNDS FOR 2019*. All voted in favor, motion carried. (5-0)

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It was moved by Nickolay, seconded by Ryan to approve the following consent agenda items:

- A. September 16, 2019 City Council Regular Meeting Minutes and Special Meeting Minutes
- B. Claims for Payment
- C. Approve LG240B MN Lawful Gambling Application to Conduct Excluded Bingo for the New Prague Area Lions Club on November 2, 2019 at New Prague KC Hall, 411 4<sup>th</sup> Avenue SW, New Prague.
- D. Approve LG220 MN Lawful Gambling Application for Exempt Permit to Conduct a Raffle for Ride 2 Remember on March 1, 2020 at the Felske Residence, 1100 Olivia Street SE.
- E. Approve LG220 MN Lawful Gambling Application for Exempt Permit to Conduct a Raffle for Scott LeSueur Waterfowlers Inc on November 21, 2019 at the Park Ballroom, 300 Lexington Avenue South.

All voted in favor, motion carried. (5-0)

## Miscellaneous Items:

Ken Ondich - 1. Will provide a presentation on 6 months of Rental Data Collection data at the next Council meeting.

Mike Johnson - 1. Friday, October 11<sup>th</sup> at 3:00 p.m. is the IT bid submittal deadline. 2. Budget workshops are scheduled for October 14, 28<sup>th</sup> and November 13<sup>th</sup> at 5:30 p.m. 3. Seven (7) Property Owners may have to go through the Condemnation process for Temporary Easements. Optimistic that 1-2 more may settle before the hearings on October 20 (Scott County), October 22 (Le Sueur County). 4. Will not be at the October 21<sup>st</sup> Council meeting and Public Hearing on 2019 CIP Special Assessments because he will be attending the International City Management Conference (out of state). Ken Ondich will take over in Mike's absence as the Staff Lead. Both the City Attorney and City Engineer will be present at the public hearing to assist the Council through the process. 5. Confirmed with the City Attorney that Churches do have to pay special assessments (they are not exempt). 6. Check out the new lighting along the new CR37 road project. Bruce Reimers and the Electric Staff worked hard to get the new lighting up and running. Has significantly improved visibility.

Shawn Ryan - 1. Street light out at Doherty and 4<sup>th</sup>. Do they cycle on and off? Bruce Reimers did confirm they do cycle on and off, especially as they get older (need to cool down). Mr. Reimer will double check this light.

Rik Seiler - 1. Rik Seiler has asked to replace Shawn Ryan on the Joint Powers Board (JPA). Johnson advised to take formal action on this. Nickolay recommended the appointment of Rik Seiler to replace Shawn Ryan on the JPA Board (voluntarily stepping down). It was moved by Wolf and seconded Ryan to accept the Mayor's recommended appointment. All voted in favor, motion carried. (5-0) 2. Shared his transportation concerns about Smart Link (inside the County) and Metro Mobility (outside the County) and how to find transportation out of New Prague for elderly and disabled. Currently, the transfer costs are quite high to transfer an individual from one bus to another bus. 3. Parking on both sides of the street by the tennis courts by the Middle School is a safety hazard during sporting events. Can this area be designated as a no parking zone on one side or the other? Staff will look into this.

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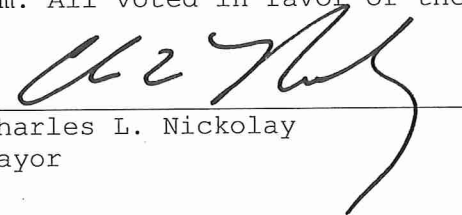
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Bruce Wolf - 1. Recommended increasing the Nuisance Violation fee vs taxpayers subsidizing the work. 2. 2020 Main Street Marketing Committee has been established and the first meeting will be in a couple weeks. 3. Regarding the New Prague Golf Club and Wade Brod/GME ending their contract term at the end of the year, what's going to happen? Golf Board has a meeting scheduled for October 15<sup>th</sup> to discuss options.

Following discussion, it was moved by Nickolay and seconded by Seiler to adjourn the meeting at approximately 7:40 p.m. All voted in favor of the motion. Motion passed. (5-0)

ATTEST:

  
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Michael J. Johnson  
City Administrator

  
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Charles L. Nickolay  
Mayor

