

City Council Proceedings

1376

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

} Special City Council Meeting
Monday, November 9, 2020

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

Mayor Nickolay called the Special City Council online meeting to order at 5:30 p.m. with the following members present: Nickolay, Bass, Ryan, Seiler, and Wolf.

Staff Present Online: Mike Johnson, Ken Ondich, Patty Solheid, Glen Sticha and Jim Gareis

Others Present Online: Tom Mach, President of the Golf Board and Kurt Ruehling, Golf Contract Manager

Public Works Director Sticha provided an overview of the proposed Storm Water Utility and Wastewater Utility Budgets for 2021. He reviewed the Personnel Costs, Operation and Maintenance Costs, Capital Expenses, Debt Obligations and Revenues for each utility. There are no proposed utility rate increases proposed for 2021 in either utility. Under the Wastewater Budget, the rates will remain as they have been since 2015 (with no increase in 7 years). Finance Director Solheid shared each of the Utility's 10-year Financial Forecast as prepared by City Staff and Baker Tilly.

Kurt Ruehling and Tom Mach, with assistance from Mayor Nickolay (Golf Board Member) presented the proposed Golf Budget for 2021. The Golf Operations have seen a tremendous turn around in rounds played and revenues in 2020. COVID-19 has impacted both revenues and expenses in 2020. The Golf Board is recommending no increase in membership rates, green fees or cart fees for 2021. There are no major capital projects or expenses proposed for 2021, until existing debt obligations are reduced over the next few years (2021-2023). The Board is also not recommending any temporary layoffs of full-time staff this winter. Data on rounds played, events, and revenue changes for the year were reviewed. The 2020 golf year will be one of the best financial years in recent years. Questions from the Council were discussed. After discussion, motion by Nickolay, seconded by Seiler to keep the membership rates, green fees and cart fees (rates) for 2021 the same as 2020 (no increase). All voted in favor. Motion carried (5-0).

Patty Solheid, Finance Director presented an overview of the City's proposed Debt Service, expenses for 2021. She explained that with the refinancing of the 2010 Philipp's Square Debt (HRA) by the Scott County CDA there would be an annual savings of \$27,381 and with the refinancing/refunding of the City's 2010A, 2012A, 2012B, and 2013B debt obligations, the City would be able to save \$44,380 annually. Collectively together, the combined annual savings would amount to about \$71,761. Ms. Solheid presented the City Council with a couple of options for reducing the City's Debt Service expenses in 2021 and discussed maintaining a Capital Project's Fund within the Debt Service Fund to attempt to maintain a level debt service going forward in the future. This would maintain funds to address future capital project costs without having to bond for

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each capital project on an annual basis. The Council had discussion on the options, the benefits/concerns with a Capital Project Funds, and the estimated impact on the proposed 2021 Debt Service Tax Levy.

The Council had discussion on various items related to dash cameras in police squad cars, the potential turf rehab to the vacant land around the former armory building and the various projects that were identified using the former CARES Act funding. After considerable discussion, it was decided to move this discussion to the City Council meeting on November 16, 2020 due to the lateness of the meeting.

City Administrator Johnson presented an overview of the proposed tax levy options for 2021. The original levy adopted by the City Council on September 14, 2020 was up \$170,017 or 3.95% over 2020. It was recommended to be reduced by City Staff to \$100,857 or 2.34% at the October 6, 2020 Budget Workshop. Two options were provided for consideration that could reduce the debt service levy by either \$50,000 or \$71,761. After discussion, motion by Nickolay, seconded by Bass to reduce the Preliminary Property Tax Levy by an additional \$50,000 (Debt Service) to an overall proposed levy of \$4,354,390. This would result in the proposed 2021 Levy being increased by \$50,857 or 1.18% over the current 2020 Levy. All voted in favor. Motion carried (5-0). This is the proposed levy to be presented at the Budget Public Hearing on December 7, 2020.

There being no additional business, it was moved by Nickolay, seconded by Seiler to adjourn the meeting at approximately 8:19 p.m. All voted in favor of the motion. Motion carried (5-0).

ATTEST:



Michael J. Johnson
City Administrator



Charles L. Nickolay
Mayor