

City Council Proceedings

1237

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

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City Council Meeting  
Monday, December 2, 2019

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

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

Others Present: Mark Indergard, TrueNorth Consulting Group

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

Mayor Nickolay called the Truth and Taxation Public Hearing on the 2020 Budget and the 2019 Property Tax Levy Payable 2020 to order at 6:01 p.m. There were no written comments from the public for the hearing. City Administrator Johnson was asked to provide a brief overview of the Staff's presentation on the 2020 Budget and the Payable 2020 Property Tax Levy.

Johnson stated the City's proposed property tax levy for 2020 has been reduced since September 18, 2019 and is now up \$119,548 or 2.86% over the 2019 levy. The Pay 2020 Preliminary Levy has been reduced by \$214,990 or (64.3%) from the original levy of \$334,538 in September. The City's Proposed Property Tax revenue increase for 2020 of \$119,548 (2.86%), is slightly higher than the City's average annual increase in the Property Tax revenue asking of 2.07% for the past 10 years (2009 to 2019). The 2020 Budget and Property Tax Levy will be considered and adopted at the December 16, 2019 Council meeting at 6:00 p.m.

At approximately 6:22 p.m. the Mayor opened up the floor to the public for their questions/concerns.

Mayor Nickolay opened the floor for public comments:

David Schultz- 201 1<sup>st</sup> Avenue SE - Asked why his property taxes went up 62.18% this past year? He lives in LeSueur County. City Administrator Mike Johnson reviewed his tax statement and advised him to contact LeSueur County for clarification on a change to his market value likely due to new construction. Mr. Schultz did mention he did reinsulate and reside his home which may be the reason for the increased residential value of his home by 50%. Mayor Nickolay did comment that the average market value increase to homes in LeSueur County is 8-10%. City Administrator Johnson to follow up with Mr. Schultz.

Gary Whiteis - 1406 9<sup>th</sup> Street SE - Question on the Debt Service. Asked if it had to do with New Prague Utilities buying out Minnesota Valley Electric Coop (MVEC)? City Administrator Johnson explained to Mr. Whiteis that there is nothing within the Property Tax Levy Debt that is from the Electric Utilities buy out. Rather the Tax Levy Debt

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includes road construction, payment on principal and interest on the Bonds on the construction of the Fire Station back in 2009, and a certain portion of the Phillips Square apartments.

It was moved by Nickolay, seconded by Bass to close the Public Hearing at approximately 6:30 p.m. All voted in favor of the motion. Motion carried, 5-0.

Planning/Community Development Director Ken Ondich presented a request proposed by Chart Inc. for Variance #V7-2019 from front property lines to allow free standing directional signs at 0' at Chart Inc.'s campus along 7<sup>th</sup> Street NW and 1st Ave. NW. Director Ondich explained that the Planning Commission heard about this variance request at their November 20<sup>th</sup>, 2019 meeting.

Chart Inc. is proposing to increase the size of the directional signs at their campus and place them as close to the street as possible adjacent to roadways to provide for better directions, specifically for truck traffic, to find their destinations without confusion. The current zoning ordinance allows signs but they must be 10' from the property line to comply with the zoning ordinance. Chart is requesting to reduce the front setback to 0' and place 6 signs on their nearly 55 acre campus with 3 signs along 7<sup>th</sup> Street NW and 3 signs along 1<sup>st</sup> Ave. NW. It was also noted during the meeting that 3 signs along 7<sup>th</sup> Street NW would be removed which are actually located in the right of way and replaced with the new signs outside of the public right of way.

One public comment was received from Leonard Mader who lives across from Chart at 1<sup>st</sup> Ave. NW. Mr. Mader questioned if a sign along 1<sup>st</sup> Ave. NW would block the view for semi-truck drivers. Officials from Chart Inc. noted that it would not block visibility and that semi-traffic was not going to occur north of the location of the sign in question near Mr. Mader's home. The Planning Commission recommended approval of the variance request with an unanimous vote (4-0) based on the six findings listed in the staff report and attached resolution.

After discussion, it was moved by Ryan, seconded by Seiler to approve RESOLUTION #19-12-02-01 APPROVING VARIANCE (#V7-2019) FROM FRONT PROPERTY LINES TO ALLOW FREE STANDING DIRECTIONAL SIGNS AT 0' AT CHART INC.'S CAMPUS ALONG 7<sup>TH</sup> STREET NW AND 1<sup>ST</sup> AVE. NW, NEW PRAGUE, MINNESOTA. All voted in favor, motion carried. (5-0)

Director Ken Ondich reviewed with the Council that on November 20, 2019, the City received a Citizen's Petition for an Environmental Assessment Worksheet (EAW) for the proposed Kwik Trip Development at 101 Chalupsky Ave. NE which is proposed to include a 7,800 sq. ft. convenience store, attached 3,000 sq. ft. car wash and associated gasoline and diesel fueling canopies. The Citizen's petition was

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submitted to the Minnesota Environmental Quality Board (EQB) which subsequently determined that the petition is complete and that the City of New Prague is the Responsible Government Unit (RGU), pursuant to State Rules, who must make a determination on the need for an EAW pursuant to those Rules. Until the City makes a determination on whether or not an EAW will be needed, final governmental approvals cannot be given to the project nor any construction started.

The City Engineer and City Attorney were asked to review the petition and provide background information regarding the rules for environmental review and have determined that the project is exempt per Minnesota Rule 4410.4600, subp.10. Pursuant to that Rule, a project in a fourth-class city (which includes New Prague) are exempt from environmental review procedures if they involve less than 50,000 square feet of floor area. It is also worth noting that while the Rules generally provide the City with the authority to require a discretionary EAW, that does not apply where the proposed project falls into one of the exempt categories, such as here.

Pursuant to the Rules, the City is required to notify the petitioner and the EQB of its decision regarding an EAW. By adopting this resolution, the City will document its decision, and a notice (required by law) will be provided to the parties. This decision is limited solely to the need for an environmental review pursuant to Minnesota law. This decision does not affect the need for the project to obtain any other city approvals, including but not limited to land use approvals, that may be required pursuant to the City Code and any other applicable law, rules and regulations.

After discussion, it was moved by Wolf, seconded by Bass to approve *RESOLUTION #19-12-02-02 DETERMINING THAT THE POTENTIAL KWIK TRIP DEVELOPMENT AT 101 CHALUPSKY AVE. NE IS EXEMPT FROM ENVIRONMENTAL REVIEW PROCESSES PURSUANT TO MINNESOTA RULE 4410.4600, SUBPART 10.* All voted in favor, motion carried. (5-0)

City Engineer Chris Cavett presented to the Council a request to modify the construction contract for the 2019 Street and Utility Improvement Project with Change Orders No.'s 3, 4 & 5.

Change Order No. 3 was due to unexpected poor soil conditions on Third Avenue NW which were encountered during the replacement of 550-feet of sanitary sewer main. The soils encountered were too soft and wet to restore a road which needed to support truck traffic. Funding for this change order item would come from Project/Bonding Contingency Funds. The amount of Change Order No. 3 is \$30,649.32.

The need for Change Order No. 4 was to address pavement marking removal work which was needed for existing marking located on the existing pavements approaching the roundabouts and for which there

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were no respective pay items for pavement marking removal. The amount of Change Order No. 4 is \$1,341.84.

Change Order No. 5's request is due to the large expanse of the concrete center island on the south roundabout (Columbus Avenue and 7<sup>th</sup> Street NE). The project team decided to add a colored concrete treatment in the center of the roundabout island. In addition, it would provide an opportunity to see how a similar color treatment might look during the proposed 2020 Main Street project. Quotes were obtained from a concrete contractor. Staff and engineering agreed to install the colored concrete in the center island. The amount of Change Order No. 5 is \$2,420.00.

The sum total of Change Orders No.'s 3, 4 & 5 is \$34,411.16.

Staff and SEH are still in negotiations with the contractor over some final work items and final quantities which will result in at least two additional changes orders; one related to soil correction on old CR37 and the other for additional work required during sanitary and storm sewer structure adjustment.

Mr. Cavett stated there is a punch list and warranty work which needs to be completed by the contractor in the spring. However, the project is substantially complete and recommending that the project retainage be reduced from 5% to 1%. The amount of retainage that will continue to be held by the City after reduction to 1% will be \$33,567.72. The new contract amount will now be \$3,282,183.13.

First, it was moved by Nickolay, seconded by Ryan to approve *RESOLUTION #19-12-02-03 FOR 2019 STREET AND UTILITY IMPROVEMENT PROJECT DIRECTING MODIFICATION OF EXISTING CONSTRUCTION CONTRACT FOR CHANGE ORDER NOS. 3, 4, AND 5*. All voted in favor. Motion carried (5-0).

Second, it was moved by Seiler, seconded by Wolf to approve the reduction of retainage from 5% to 1%. All voted in favor. Motion carried (5-0).

Director Ondich introduced Mark Indergard with TrueNorth, the City's IT Consultant who has spent the past month reviewing proposals and conducting necessary reference checks to procure the necessary network electronic devices (i.e. data switches, firewalls, wireless access points, staff devices), structured cabling, telecom spaces, and managed services to interconnect and support systems at the offices of the City of New Prague). Mr. Indergard provided a summary presentation of the evaluations and the recommended vendor, CTS, to be awarded the single vendor for all phases of the project based on the evaluation criteria. Five firms responded to the RFP as follows:

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- Corporate Technologies - Managed services proposal only
- Allstate Communications - Structured Cabling proposal only
- Pantheon Computers - Complete proposal
- CTS - Complete proposal
- CIT - Complete proposal

Once approved, a final walkthrough and technical design sessions will be held with CTS (from Mankato, MN) to determine final pricing and to develop a contract. Staff anticipates bringing the contract and options to pay for the IT work at a future council meeting.

To go with the selection of CTS as the IT vendor, staff recommends that the City utilize TrueNorth to administer the IT contract and ensure that all work is completed as specified. The role TrueNorth would play would be similar to that of a City Engineer SEH inspecting street reconstruction projects. They would be the "expert" to make sure work is completed as required. The cost of contract administration is \$35,760. This contract administration work can be prepaid in 2019 and expensed to 2020 as there are funds in the Technology Budget to cover the expense.

After discussion, it was moved by Ryan, seconded by Seiler to approve the TrueNorth's Proposal for Contract Administration and Commissioning. All voted in favor. Motion carried (5-0).

Police Chief Gareis reviewed the Body Worn Camera Policy, (introduced at the December 2, 2019 meeting) with the intent to collect any public and Council input which is mandated in MN Statute 626.8473 Portable Recording Systems. Based on public input and any input from the Council, the policy can get finalized and be put in place by the end of the year or beginning of 2020.

Sergeant Tim Applen provided a presentation on the Axon body camera and demonstrated the functionality of these devices while taking questions from the Council.

The New Prague Police Department (NPPD) has been in the process of evaluating and testing the Axon body worn cameras since April. As part of the process for putting body worn cameras in place within the department, a written policy must be utilized and followed by all department personnel. A two year external audit is required should this policy be approved.

City Administrator Johnson said the intent is to bring this policy back to the next Council meeting on December 16<sup>th</sup> for any final Council discussion. The content was reviewed by the City Attorney and this process has been completed.

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Mayor Nickolay called for the Introduction of the Ordinance Amending Chapter 110 Title XI of the New Prague City Code of Ordinances Relating to Alcoholic Beverages. City Administrator Johnson shared that should this ordinance be adopted, an on-sale licensee could sell alcohol beginning at 8:00 a.m. (vs. 10:00 a.m.) on Sundays. Also, there will be no post-1:00 a.m. permit from the state allowed to obtain to sell until 2:00 a.m. By adding the proposed language to 110.20, liquor establishments would be prohibited from obtaining this type of permit.

City Administrator said the adoption of this Ordinance could occur on December 16, 2019, be published on December 26<sup>th</sup> and the Ordinance would become effective upon publication, so it would be ready to start on December 29, 2019. It was moved by Seiler, seconded by Ryan to approve the First Reading of *ORDINANCE #308 AMENDING CHAPTER 110, TITLE XI OF THE NEW PRAGUE CITY CODE OF ORDINANCES RELATING TO ALCOHOLIC BEVERAGES*. All voted in favor. Motion carried (5-0).

Council discussed date options to conduct two (2) Park Board interviews for one vacancy on the Park Board. It was decided to schedule for December 9<sup>th</sup> beginning at 5:30 p.m. Barb Ulschmid to contact applicants and set up interviews. Golf Budget meeting to follow after the interviews at 6:00 p.m.

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

- A. November 13, 2019 Special City Council and November 18, 2019 Regular City Council Meeting Minutes
- B. Claims for Payment

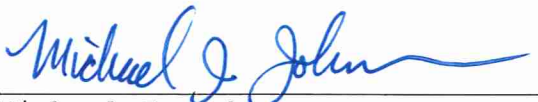
All voted in favor. Motion carried (5-0).

Miscellaneous Items:

No comments.

Following discussion, it was moved by Nickolay, seconded by Seiler to adjourn the meeting at approximately 8:49 p.m. All voted in favor of the motion. Motion carried, 5-0.

ATTEST:



Michael J. Johnson  
City Administrator

  
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Charles L. Nickolay  
Mayor