

City Council Proceedings

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

} City Council Meeting
Monday, December 6, 2021

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

Staff Present at Meeting: Joshua Tetzlaff, Jim Gareis, Ken Ondich, Bruce Reimers, Kurt Ruehling, Matt Rynda, Steve Rynda, Patty Solheid, and Barb Ulschmid (On-Line)

Others Present: City Engineer Chris Cavett, The Rusty Spoke Owner Pauline Baldazo, Chuck Nickolay, and Phil Kallal

Mayor Jirik asked if there were any additions/updates to the Council Agenda. Bass suggested moving agenda item #5 CSAH 15/Columbus Ave item into item #4 slot being the Public Hearing is scheduled to begin at 6 p.m. Motion by Wolf, seconded by Ryan to approve the amended Agenda. All voted in favor. Motion carried (5-0).

Mayor Jirik asked if there were any questions on the Consent Agenda. There being none, motion by Seiler, seconded by Ryan to approve the CONSENT AGENDA as follows:

- A. November 1, 2021 Special City Council Budget Meeting, November 15, 2021 City Council Meeting Minutes
 - B. Claims for Payment - December 6, 2021 in the amount of \$102,588.81.
 - C. Satisfaction of SCDP Housing Repayment Agreement - Allen E. Solheid and Patricia M. Solheid
 - D. Minnesota Lawful Gambling LG215 Application to Lease for Lawful Gambling Activity for New Prague Chamber of Commerce beginning on Thursday, January 6, 2022, through Thursday, February 24, 2022 at the New Prague Golf Club, 400 Lexington Avenue South.
 - E. Minnesota Lawful Gambling LG220 Application for Exempt Permit to Conduct a Raffle for New Prague Baseball Booster Club Event on May 14, 2022 at Memorial Park Baseball Stadium, 403 Lexington Ave S.
- All voted in favor. Motion carried (5-0).

2022 Street & Utility Improvement Project, also referred to as CSAH 15/COLUMBUS AVENUE N. (2022 CIP) - City Engineer Chris Cavett and Public Works Director Matt Rynda are the main contacts for this project.

A. Public Hearing at 6:00 p.m.: An opportunity for the public to voice their opinion on the project to the Council but it's also part of the public improvement process (MN Statutes 429). Engineer Cavett reviewed the assessment rates from the Feasibility Study and the proposed project schedule. The project is from Main St to 4th St which will be a total reconstruction and 4th St to 12th St will have the pavement removed, pulverized and replaced (minor work). After discussion between Council and Staff the Mayor asked for any public comments. There being none, the Public Hearing was closed at 6:19 p.m.

B. Motion by Bass to approve RESOLUTION #21-12-06-01 ORDERING IMPROVEMENT AND PREPARATION OF PLANS CSAH 15/COLUMBUS AVE N IMPROVEMENT (2022 CIP), seconded by Seiler. All voted in favor. Motion carried (5-0).

C. Turnback and Cooperative Construction Agreement for CSAH 15 - City Engineer Cavett explained this agreement is similar to the one received back in 2019 for CR37. Has been reviewed by the County and covers the

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County's participation policy and that they will pay their share of the costs of the project and explained how this project will work. The City will lead this project. Outlined how both parties will participate in the costs. Cost information within the agreement are estimates on cost splits, not bid costs and will be reviewed again. This agreement has been reviewed by the City Attorney.

Motion by Wolf *TO APPROVE THE TURNBACK AND COOPERATIVE CONSTRUCTION AGREEMENT CSAH 15 WHICH AUTHORIZES THE MAYOR TO EXECUTE THIS DOCUMENT*, seconded by Bass. All voted in favor. Motion carried (5-0).

D. Professional Engineering Services Proposal - Engineer Cavett explained this agreement includes all the details/tasks and costs involved with this project and who is responsible for each, from the beginning of the project to the end. After discussion, motion by Ryan, second by Bass to *APPROVE THE PROFESSIONAL ENGINEERING SERVICES PROPOSAL WITH SEH FOR FINAL DESIGN AND CONSTRUCTION ENGINEERING*. All voted in favor. Motion carried (5-0).

TH#19/MAIN STREET RECONSTRUCTION PROJECT (2020-2021)- Cooperative Construction Agreement with Scott County: Engineer Cavett explained this agreement pertains specifically to the roundabout on Main Street/Columbus Avenue and Scott County's share of the cost and what they owe the City. The City Attorney has reviewed this agreement.

After discussion, it was moved by Seiler, seconded by Bass to approve the *COOPERATIVE CONSTRUCTION AGREEMENT WITH SCOTT COUNTY ON THE COLUMBUS AVENUE AND MAIN STREET ROUNDABOUT*. All voted in favor. Motion carried (5-0).

PUBLIC INVITED TO BE HEARD ON MATTERS NOT ON THE AGENDA:

1. Ann Lewinsky from Cordova Township - Spoke on behalf of a group of Le Sueur County citizens concerned about Election Integrity. municipalities.
2. Pauline Baldazo - new owner of The Rusty Spoke (former Flipside) provided an update on the construction going on within her building and inquiring on the status of her liquor license application. Police Chief Gareis explained the background check is still in process. Hope to have things wrapped up by the end of this week and provide an update at the December 20th City Council meeting.

TRUTH IN TAXATION PUBLIC HEARING: Mayor Jirik called the Truth and Taxation Public Hearing on the 2022 Budget and the 2021 Property Tax Levy, Payable 2022 to order at 6:41 p.m. There were no written comments from the public for the hearing. City Administrator Tetzlaff provided a brief overview of the Staff's presentation on the 2021 General Fund, Debt Service and EDA Budgets and the Payable 2022 Property Tax Levy. Tetzlaff stated the City's proposed 2021 Property Tax Levy/Payable 2022 has been reduced \$2,267 (0.025%) since September 20, 2021 and is now \$306,488, 7.04% over the 2021 levy with a revised Preliminary Levy of \$4,660,878. Major reason for the increase was from within the General Fund for personnel costs and projects for streets and parks. Additional notables for the 2022 budget: 2022 is the 9th consecutive year of growth

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in the City's Tax Capacity; the City's proposed 2022 Property Tax Rate is expected to increase .52%, from 51.38% TO 51.90% (1st time in 8 years). Increase driven from the new homes, businesses and rise in property values.

The following Department Heads presented an overview on their department's proposed 2022 budget (numbers found within General Funds):

- Planning/Community Development Director Ken Ondich - Planning Dept, Building Dept and Park Board
- Police Chief Jim Gareis - Police Department
- Fire Chief Steve Rynda - Fire Department
- Public Works Director Matt Rynda - Public Works (Streets) Dept
- GPE Owner/Manager Kurt Ruehling - New Prague Golf Club
- Utilities General Manager Bruce Reimers - Water Dept, Electric Dept,
- City Administrator Tetzlaff - Ambulance Dept and Economic Development Authority (EDA), Capital Outlay (not part of the levy)

After discussions between Council and Staff, City Administrator Tetzlaff concluded his remarks at 8:41 p.m. Mayor Jirik asked if anyone from the public had any comments on the Budget or Property Tax Levy. There being none, it was moved by Seiler, seconded by Bass to close the Public Hearing at approximately 8:41 p.m. All voted in favor. Motion carried (5-0). The 2022 Budget and Property Tax Levy Resolution will be considered and adopted at the December 20, 2021 City Council meeting at 6:00 p.m.

RESOLUTION: Planning/Community Development Director asked for the approval of a resolution requesting for a variance reduction. The Planning Commission heard and approved the variance request at their November 17, 2021 meeting. The applicant, Philip Kallal (also present at the meeting), proposed to construct a 26' x 30' detached garage. The proposed garage would be located at 13' to the front lot line along 1st Street NE in order to line up with the existing home on the lot and the home on the lot directly to the west which is less than the current ordinance from setback requirement of 30'. No general public comments were received, but the applicant, Mr. Kallal did provide details regarding the reason he could not add onto his existing, single stall garage to make it double deep due to a den being located behind the garage preventing a simple addition.

After discussion, motion by Ryan, seconded by Seiler to approve *RESOLUTION #21-12-06-02 APPROVING VARIANCE (#V4-2021) FOR REDUCTION FROM THE REQUIRED 30' FRONT SETBACK TO 13' TO ALLOW FOR THE CONSTRUCTION OF A DETACHED GARAGE LOCATED AT 110 SUNSET AVE N., AS PROPOSED BY PHILIP KALLAL, NEW PRAGUE.* All voted in favor. Motion carried (5-0).

GENERAL BUSINESS:

A. Aquatic and Fitness Center Year-End Financials - City Administrator Tetzlaff shared the full financials as an FYI. Noted a loss of \$347,334 and that's a 50% split with the City for the amount of

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\$173,667. Since Covid, the numbers are trending in a positive direction.

B. Appointment of Kyle J. Miller to Police Officer Position - Police Chief Gareis recommended Kyle Miller be appointed to the Police Officer position with an effective start date upon successful completion of all elements of the conditional offer. Chief Gareis provided an overview of Mr. Miller's background and education. The starting salary would be from Step 1 of Schedule "A" in the 2021 LELS Labor Agreement at \$31.64 per hour (\$65,811.20 annually). Mr. Miller would also be awarded 40 hours to his vacation bank upon hire and at a rate of 80 hours (at the Hire Date level of the LELS Labor Agreement Article 11.1) earned per pay period during the year at a rate of 3.077 hours bi-weekly. Employee will be eligible to move to 88 hours on their anniversary following one year after hire date.

It was moved by Bass, seconded by Ryan to *APPOINT KYLE J. MILLER AS A POLICE OFFICER WITH AN EFFECTIVE START DATE UPON SUCCESSFUL COMPLETION OF ALL ELEMENTS OF THE CONDITIONAL OFFER*. All voted in favor. Motion carried (5-0).

C. Approval of Two Year (2021-2022) GASB 67 & 68 Actuarial Valuation Agreement with Hildi, Inc. - In 2015, 2017 and again in 2019, the City Council entered into an agreement with Hildi, Inc. to prepare an actuarial valuation of the New Prague Volunteer Firemen's Relief Association to satisfy the 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 year-end 2021 and 2022: GASB 67 & 68 Actuarial Valuation is \$2,450 in FY2021 and \$1,100 for FY2022. Councilmember Bass made note of Item #2 and the 12% interest charge if payment isn't made, being rather high.

After discussion, motion by Ryan, seconded by Wolf to *ACCEPT THE AGREEMENT FROM HILDI, INC. FOR THE VOLUNTEER FIRE RELIEF ASSOCIATION GASB STATEMENTS 67 & 68 ACTUARIAL VALUATION REPORT*. All voted in favor, motion carried. (5-0)

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D. TH-19 Right of Way Acquisition by City of New Prague - Amendment #1 to MnDOT Contract #1033766 Cooperative - City Administrator Tetzlaff explained that before the Main Street project started, the City entered into a contract with MnDOT to help the City acquire the needed right-of-way for the reconstruction of Main Street and also included reimbursement of costs associated with the right-of-way acquisition. Originally, the contract was not to exceed \$95,000. Recently, as numbers have been adding up, MnDOT offered to raise the amount to \$175,000 to ensure all costs were covered. As of now, the City is planning on spending roughly \$51,000. This amendment is precautionary on MnDOT's part.

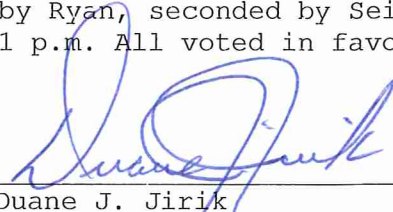
Motion by Seiler, seconded by Bass to APPROVE AMENDMENT #1 TO MNDOT CONTRACT #1033766 COOPERATIVE RIGHT OF WAY ACQUISITION AGREEMENT. All voted in favor. Motion carried (5-0).

MISCELLANEOUS:

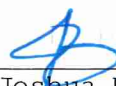
1. Meeting Minutes approved (Utilities, Planning and Golf).
2. Josh Tetzlaff - Shared a letter from the MN Board of Peace Officer Standards and Training explaining that the NP Police Dept just completed a comprehensive review of their records concerning mandated employee training and department policies and were pleased to inform the City of New Prague that the NP Police Department passed the review. An important accomplishment deserving to be acknowledged and congratulated on.
3. Bruce Wolf - Inquired about Active Shooter Field Training with the school and police department. Police Chief Gareis explained this is reviewed and practiced each year to assure compliance. Also, mentioned that those that speak in the Public Speaking section should be kept to 5 minutes per speaker.
4. Duane Jirik - Asked about the decorations on the streetlights along Main Street. Informed the Chamber makes that decision, and this year they were a bit tight on funds.
5. Ken Ondich - Explained there will be communications on the Ash Borer situation in New Prague on the City's website and social media pages.
6. Kurt Ruehling - Discussion took place on the money to be bonded for the Golf Course for equipment. City Administrator Tetzlaff to look into and present at the 12/20/21 Council meeting.

There being no additional business, motion by Ryan, seconded by Seiler to adjourn the meeting at approximately 9:11 p.m. All voted in favor. Motion carried (5-0).

ATTEST:



Duane J. Jirik
Mayor



Joshua M. Tetzlaff
City Administrator

