

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



City Council Meeting
Monday, December 19, 2011

Mayor Nickolay called the regular meeting to order at 7:00 P.M. with the following members present: Nickolay, Bruzek, Guerrette, Ryan.

Staff Present: Mike Johnson, Ken Ondich, Mark Vosejпка, Dennis Seurer, Mary Jo Hruby

City Attorney Scott Riggs was also present.

The Pledge of Allegiance was recited.

Mayor Nickolay opened the Public Hearing at 7:04 p.m. for the proposed modification of the Downtown Redevelopment Plan and Tax Increment Financing Plan for Tax Increment Financing District No. 4.

City Administrator Johnson reviewed the proposed modification of the Downtown Redevelopment Plan and Tax Increment Financing Plan for Tax Increment Financing District No. 4. The modification to the Redevelopment Plan expands the boundaries of the downtown redevelopment area. The area proposing to be added to the Plan is north of Strike Force Bowling Alley and bounded by 3rd Avenue NW on the west, 2nd Street NW on the north and 2nd Avenue NW on the east. The proposed modification to the Tax Increment Financing Plan is projected to amount to \$291,300. The Plan is being modified to include the reconstruction of public parking, facilities (south of City Hall) and the installation of public utilities including pond/storm water and storm sewer improvements on the southerly end of the former AMPI site.

The Planning Commission reviewed the proposed modification to the Plan on December 14, 2011. Following their review, they determined that the proposed modification of the Plan are compatible with the City's Comprehensive Plan.

Following the Council's actions on this matter, the New Prague Housing and Redevelopment Authority (HRA) will be meeting to consider a similar Resolution.

It was moved by Guerrette and seconded by Bruzek to close the Public Hearing at 7:08 p.m. All voted in favor of the motion except Bartusek who was absent. (4-0)

It was moved by Bruzek and seconded by Guerrette to approve RESOLUTION #11-12-19-01 RESOLUTION ADOPTING A MODIFICATION TO THE DOWNTOWN REDEVELOPMENT PLAN FOR THE DOWNTOWN REDEVELOPMENT PROJECT AND ALSO ADOPTING A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 4. All voted in favor of the motion except Bartusek who was absent. (4-0)

City Administrator Johnson and Scott County Deputy CIO Perry Mulcrone reviewed the technology improvements and the virtual

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server proposal with Scott County/Index Computers. Based on interaction with the SCALE group and Scott County, City Staff learned that through a collaborative partnership that a significant modification could be made in the technology project.

It was moved by Bruzek and seconded by Ryan to approve the virtual server proposal with Scott County/Index Computers and approve the Microsoft Volume License Agreement. All voted in favor of the motion except Bartusek who was absent. (4-0)

Planning Director Ken Ondich reviewed the Cost Sharing Agreement with Scott County to share in the costs for aerial photos which are used in the City's Geographic Information System (GIS). Scott County has reentered into a new agreement with the vendor, Pictometry International Corp, for air photos that were flown in 2011. The County has agreed to contract the vendor for a six year period with air photos flown every two years. Scott County then enters into cost sharing agreements with each of the cities in the County for a proportional share of the cost. The City of New Prague's Agreement with Scott County is for two years and will be revisited in 2013.

It was moved by Guerrette and seconded by Bruzek to approve entering into a Cooperative Agreement between the County of Scott and the City of New Prague for Cost Sharing of Oblique Imagery. All voted in favor of the motion except Bartusek who was absent. (4-0)

**Council Member Bartusek arrived at 7:30 p.m.*

Planning Director Ondich introduced the Zoning Ordinance Amendment - Religious Institutions in the B-1 Central Business District. The amendment to the Zoning Ordinance would add "Religious Institutions" as a conditional use in the B-1 Central Business District. The request was made by New Prague Lutheran Church who has now acquired the former State Bank of New Prague building at 201 Central Av. N. in the B-1 District. A Public Hearing for the amendment was held with the Planning Commission on December 14, 2011.

It was moved by Bartusek and seconded by Bruzek to approve the first reading of the proposed Zoning Ordinance Amendment - Religious Institutions in the B-1 Central Business District and hold the second reading and approve at the January 3, 2012 City Council meeting. All voted in favor of the motion. (5-0)

Planning Director Ondich reviewed the Youth Ball Field Reservation Policy and Fees. The Park Board recommends the fees for youth teams of \$105.00 (use of fields two or more times a week and \$89.00 (use of fields one or fewer times a week), effective as of January 1, 2012. The policy's application deadline is April 15th. Also added to the Policy is the 2 day minimum notice for cancellation of fields.

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It was moved by Ryan and seconded by Bartusek to approve the Youth Ball Field Reservation Policy and Fees. All voted in favor of the motion. (5-0)

Public Works Director Seurer informed the Council that Chard Tiling and Excavating requested a reduction in the retainage for the 2011 Street Improvements. Staff and SEH recommend that the City Council approve the reduction of retainage from 5% to 1%. Chard Tiling and Excavating has satisfactorily completed all their scheduled work for 2011 and the retainage being held is for the work that has been completed.

It was moved by Ryan and seconded by Bruzek to approve the reduction of retainage from 5% to 1% for Chard Tiling and Excavating and authorize staff to make payment of the released portion of the retainage (4%) with the proposed Application for Payment #6. All voted in favor of the motion. (5-0)

City Administrator Johnson presented the proposed 2012 City Budgets totaling \$21,124,807. This Budget includes the General Fund, Ambulance Fund, all of the Proprietary Fund's (Water, Electric, Sanitary Sewer, Storm Sewer and Golf), the EDA Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

It was moved by Bartusek and seconded by Bruzek to approve RESOLUTION #11-12-19-02 RESOLUTION ADOPTING A BUDGET FOR 2012. All voted in favor of the motion. (5-0)

City Administrator Johnson presented the Resolution Adopting the 2011 Property Tax Levy Collectible in 2012. The City's total property tax levy for all purposes in 2012 is \$3,754,579, exactly the same as the 2011 property tax levy.

It was moved by Bruzek and seconded by Guerrette to approve RESOLUTION #11-12-19-03 RESOLUTION APPROVING 2011 PROPERTY TAX LEVY, COLLECTIBLE IN 2012. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed the 2012 Official City Fee Schedule. Discussion was held by the Council on whether there should be a fee for a Premises Extension Permit. Council Member Bruzek stated there should be a fee because Staff time is used for review of the Premises Extension Permit.

It was moved by Guerrette and seconded by Ryan to approve the 2012 Official City Fee Schedule with the change of deleting the Premises Extension Permit Fee. All voted in favor except Bruzek voted against. (4-1)

City Administrator Johnson informed the Council of the new requirements for reporting fund balance in Governmental Funds. The Governmental Accounting Standards Board (GASB) has issued Statement 54 with the intent to make fund accounting in general

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and fund balance reporting in specific, more consistent and transparent by assigning rules for the classification of governmental fund balances based on "specific purposes for which amounts in those funds can be spent". Staff is recommending the Adoption of Fund Balance Policy with Reclassification, Resolution Committing General Fund Balances for Specific Purposes and Resolution Committing Specific Revenue Sources for Specific Purposes in the Special Revenue Funds.

It was moved by Guerrette and seconded by Bartusek to approve the Adoption of Fund Balance Policy, approve RESOLUTION #11-12-19-05 RESOLUTION COMMITTING GENERAL FUND BALANCES FOR SPECIFIC PURPOSES, and approve RESOLUTION #11-12-19-06 RESOLUTION COMMITTING SPECIFIC REVENUE SOURCES AND CONFIRMING RESTRICTIONS FOR SPECIFIED PURPOSES IN SPECIAL REVENUE FUNDS. All voted in favor of the motion. (5-0)

City Administrator Johnson presented the Resolution closing out and transferring balances from Capital and Debt Service Funds.

It was moved by Bruzek and seconded by Bartusek to approve RESOLUTION #11-12-19-07 RESOLUTION AUTHORIZING TRANSFER AND CLOSURE OF CAPITAL PROJECTS FUNDS - CIP 2009, CIP 2010 AND DEBT SERVICE FUNDS - CIP 2003C. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed with the Council the two proposed 2011 Write-Off's.

It was moved by Guerrette and seconded by Bruzek to approve the two 2011 Write-Off's. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed the background information for decisions on employee compensation/health insurance changes for 2012.

It was moved by Ryan and seconded by Bartusek to approve the 2% wage increase along with the changes in health insurance and VEBA contributions. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed the proposed Wage Agreement for 2012 with the Police Officer's Union - Law Enforcement Labor Service Inc.

It was moved by Bruzek and seconded by Bartusek to approve the Law Enforcement Labor Services Agreement for 2012. All voted in favor of the motion. (5-0)

Discussion was held on changing the Board and Commission Policy with renewal of terms in May instead of January. An Ordinance will be drafted to modify the process of appointment of members to Boards and Commissions. Current Board & Commission Members whose terms expire in 2011 will be contacted about extending their term to May 31, 2012.

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It was moved by Guerrette and seconded by Bruzek to authorize preparation of Ordinance to modify process of appointment of members to Boards and Commissions. All voted in favor of the motion. (5-0)

Public Works Director Seurer informed the Council of the escrow reduction request from Rice Lake Construction for the Waste Water Treatment Plant Project. Based on the contract documents and the remaining completion/warranty items, \$75,000 is adequate to cover all the remaining items yet to be completed.

It was moved by Ryan and seconded by Bartusek to reduce the escrow amount to \$75,000 for Rice Lake Construction for the Waste Water Treatment Plant Project. All voted in favor of the motion. (5-0)

City Administrator Johnson informed the Council that because the contractor Rice Lake Construction Company had not completed all of the final punch list items and final grading/seeding of the new Wastewater Treatment Facility Project, the project could not be closed out by November 21, 2011. In order to submit final expenses for review and approval by the Public Facilities Authority, the Agreement needs to be extended until June 30, 2012. This will ensure final completion of all contracted items with Rice Lake Construction and with the appropriate submittals to the PFA.

It was moved by Guerrette and seconded by Ryan to approve Amendment No. 1 to Minnesota Public Facilities Authority (PFA) Bond Purchase and Project Loan Agreement and authorize the Mayor and City Administrator to execute Amendment No. 1. All voted in favor of the motion. (5-0)

City Attorney Scott Riggs reviewed the status of the Cedar Lake Area Water and Sanitary Sewer District capital expenditure contribution and the City's attempt, going on for over two years, to collect the Sewer District's share of the capital contribution for upgrade and maintenance items relating to the facility. Mr. Riggs recommended moving forward with what is in the Agreement (Section 12) and start the Arbitration process.

It was moved by Ryan and seconded by Bartusek to send letter to the Cedar Lake Area Water and Sanitary Sewer District and move forward with the arbitration process. All voted in favor of the motion. (5-0)

It was moved by Guerrette and seconded by Bartusek to approve the following consent agenda items:

- A. Approve previous meeting minutes
- B. Approve claims for payment
- C. Approve monthly financials
- D. Approve 2012 tobacco licenses

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- E. Approve LG230 Minnesota Lawful Gambling Application to Conduct Off-Site Gambling for the New Prague Hockey Assn. on February 1, 2012 at the New Prague Community Center
- F. Approve St. Wenceslaus School 1 Day Temporary On-Sale Liquor License for March 3, 2012 at St. Wenceslaus Parish Activities Center - Multi Purpose Room

All voted in favor of the motion. (5-0)

It was moved by Bartusek and seconded by Ryan to adjourn the meeting at 9:18 p.m.

(NEW PRAGUE HOUSING AND REDEVELOPMENT MEETING MINUTES ATTACHED)

Charles L. Nickolay
Mayor, City of New Prague

ATTEST:

Michael J. Johnson
City Administrator