

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



City Council Meeting  
 Monday, December 2, 2013

Mayor Nickolay called the meeting to order at 7:05 p.m. with the following members present: Nickolay, Bartusek, Bruzek, Ryan, Scripture

Staff Present: Mike Johnson, Bruce Reimers, Glen Sticha, Patty Solheid and Mary Jo Hruby

It was moved by Nickolay and seconded by Bartusek to remove Agenda Items #4 and #8 as they were discussed in the Public Hearing earlier. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed the Resolution approving the purchase and development agreement and sale of land between the City and Charles J. and Michelle J. Tupy. The proposed parcel of property proposing to be sold to the Tupy's (located on the east side of the City's vacant lot at 107 E. Main St.) is approximately .60' wide on the north end, .21' on the south end and approximately 79.85' in length; or 31 square feet. The real estate transfer and sale by the City is an effort to assist the Tupy's in addressing a title issue on the west side of their building located at 111 E. Main St. that is currently encroaching onto the City's vacant lot.

It was moved by Bartusek and seconded by Bruzek to approve RESOLUTION #13-12-02-01 RESOLUTION APPROVING PURCHASE AND DEVELOPMENT AGREEMENT AND SALE OF LAND BETWEEN THE CITY AND CHARLES J. AND MICHELLE J. TUPY. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed the Ordinances transferring property to Sand Creek Property Holdings, LLC and transferring property to Charles J. & Michelle J. Tupy. The Ordinances were initially introduced and approved by the City Council at the November 4, 2013 City Council meeting and are now being scheduled for final consideration and adoption. Upon adoption, the Ordinances will need to be published and will become official 30 days from publication.

It was moved by Bruzek and seconded by Scripture to approve ORDINANCE #267 AN ORDINANCE AUTHORIZING CONVEYANCE OF REAL PROPERTY OWNED BY THE CITY TO SAND CREEK PROPERTY HOLDINGS, LLC. Upon roll call the following vote was recorded:

	<u>Ayes</u>	<u>Nays</u>
Nickolay	<u>X</u>	_____
Bartusek	<u>X</u>	_____
Bruzek	<u>X</u>	_____
Ryan	<u>X</u>	_____
Scripture	<u>X</u>	_____

Motion carried. (5-0)

It was moved by Bruzek and seconded by Bartusek to approve ORDINANCE #268 AN ORDINANCE AUTHORIZING CONVEYANCE OF REAL PROPERTY OWNED BY THE CITY TO CHARLES J. TUPY AND MICHELLE J. TUPY. Upon roll call the following vote was recorded:

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



City Council Meeting  
 Monday, December 2, 2013

	<u>Ayes</u>	<u>Nays</u>
Nickolay	<u>X</u>	<u>    </u>
Bartusek	<u>X</u>	<u>    </u>
Bruzek	<u>X</u>	<u>    </u>
Ryan	<u>X</u>	<u>    </u>
Scripture	<u>X</u>	<u>    </u>

Motion carried. (5-0)

City Administrator Johnson reviewed the Declaration of Easements for the vacant City lot located at 107 East Main Street. The easement declaration needs to be approved and put in place on the City's property prior to any transfer of property to Sand Creek Property Holdings, LLC and the Tupy's.

It was moved by Bruzek and seconded by Scripture to approve the DECLARATION OF EASEMENTS for vacant City lot located at 107 East Main St. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed the request for a Conditional Use Permit to allow for the construction of an outdoor patio for eating and drinking services at 107 E. Main Street in the B-1 Central Business District. At the November 20, 2013 Planning Commission meeting, they voted 4-0 on the recommendation for approval with the eight findings and four conditions listed.

It was moved by Ryan and seconded by Bartusek to approve RESOLUTION #13-12-02-02 RESOLUTION OF THE NEW PRAGUE CITY COUNCIL GRANTING CONDITIONAL USE PERMIT #C2-2013 TO ALLOW FOR THE CONSTRUCTION OF AN OUTDOOR PATIO FOR EATING AND DRINKING SERVICES LOCATED AT 107 EAST MAIN STREET, IN THE B-1 CENTRAL BUSINESS DISTRICT, NEW PRAGUE, MINNESOTA based on the eight findings and four conditions listed. All voted in favor of the motion. (5-0)

City Administrator Johnson informed the Council that Bonnie Fullerton, the President/CEO of Prairie Pond Vineyard and Winery, Inc. is requesting an extension of their current liquor license at 105 E. Main Street to include the future outdoor patio area (CUP #C2-2013) at 107 E. Main Street. The premises extension request for the liquor license is being requested at this time as one of the purchase conditions associated with the purchase of the vacant City lot at 107 E. Main Street and in the development of the vacant lot into an outdoor patio area for the Prairie Pond Vineyard and Winery eating and drinking establishment.

It was moved by Nickolay and seconded by Bruzek to approve the liquor license premises extension request from Bonnie Fullerton to include the future outdoor patio area at 107 E. Main Street contingent upon the 5 following conditions:

1. Sand Creek Property Holdings, LLC acquires the vacant City lot at 107 E. Main Street from the City of New Prague.
2. All of the requirements and improvements associated with Conditional Use Permit #C2-2013 dated December 2, 2013 are completed and approved by City Staff prior to occupancy.

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



City Council Meeting  
Monday, December 2, 2013

3. The owner of liquor license at 105 E. Main Street (Prairie Pond Vineyard and Winery, Inc.) has provided evidence that they have an "interest" in the premises (either ownership or leasehold interest) located at 107 E. Main Street.
4. The owner of the liquor license at 105 E. Main Street has provided evidence to the City that there is proof of insurance for the properties located at 105/107 E. Main Street.
5. Sand Creek Property Holdings, LLC has complied with all of the requirements associated with the Purchase and Development Agreement dated November 4, 2013 by and between the City of New Prague and Sand Creek Property Holdings, LLC.

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

Golf Board President Tom Mach presented the Golf Board's recommendation on the 2014 Golf Course Consultant Agreement with Golf Management Enterprises, LLC (GME). The Golf Board approved the GME/City of New Prague Contract for the year 2014 as presented by the Joint City Council/Golf Board Committee, (Sub-Committee) with the revision that up to an additional 3% fee amount could be awarded to GME at year end 2014, by determination of the Golf Board and City Council, with regards to successful completion of tasks outlined. The Golf Board reviewed and agreed with the Sub-Committee's notes & recommendations. Mr. Mach stated that the Golf Board feels that over the past three years GME has significantly improved the financial and membership position at New Prague Golf Course. The Golf Board felt that the GME professional services contract is a very good value to the City of New Prague. The Golf Board did consider the 5% rate increase that the GME was recommending and did not feel it was out of line with regards to all the positive progress it has made in the past three years. The Golf Board did agree that improvements do need to be made with the scope of services that GME is currently committed to and in addition to the Sub-Committee recommendations. The Golf Board decided that 5% was not out of line, but with the 2% increase, the 3% gap left some room for negotiation for the end of the year 2014 with regards to their performance. This 3% merit increase or lack of increase would be reviewed by the Golf Board and decided by the City Council. There were no other changes or recommendations that were outside the Sub-Committee's recommendation.

Mayor Nickolay asked if at the end of the year is it a flat 3% or nothing?

Mr. Mach replied that it is worded as up to 3%. If some of the areas of improvement are not met, then it would be something between 0 and 3%.

Council Member Scripture had concerns about the changes the Golf Board did to the Joint Committee's recommendation.

Mr. Mach replied that they didn't feel they were changing anything that you had done as a Sub-Committee. The 2% was the base minimum and

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



City Council Meeting  
Monday, December 2, 2013

that this wording didn't exclude that from happening. In the year end 2014, the Council could vote that they didn't feel the 3% additional was any part of 2014 and vote against it, disregarding the 3% merit increase.

After discussion, it was moved by Bartusek and seconded by Ryan to approve the Golf Boards' recommendation on the 2014 Golf Course Consultant Agreement with Golf Management Enterprises, LLC (GME) to include the following:

1. Extension of Agreement for 1 year
2. Approve compensation increase of 2.0% for 2014 with an additional 3% fee amount awarded to GME at year end 2014 to be determination of the Golf Board and City Council with regard to successful completion of tasks outlined.
3. Continue to review and evaluate operational areas needing improvement by GME

All voted in favor of the motion except Scripture voted against. (4-1)

Wade Brod reviewed the 2014 Proposed Golf Budget. The revisions to the proposed 2014 golf budget includes a full time mechanic position.

City Administrator Johnson informed the Council of the letter from the Shakopee Mdewakanton Sioux Community outlining grants they are making available to Cities in Scott County. The Park Board had discussion at its October 24, 2013 meeting and recommends submitting the following projects for funding in the following priority ranked order:

1. Paving the trail connection in Tikalsky Acres
2. Paving the woodchip trail in Settler Park
3. Interpretive trail around the future City Center drainage pond

It was moved by Bartusek and seconded by Scripture to authorize submittal of all three trail projects for the Trail Improvement Grant to Shakopee Mdewakanton Sioux Community. All voted in favor of the motion. (5-0)

City Administrator Johnson presented a Ground Lease Agreement with Legion Pavilion Company, Inc. @ 300 Lexington Avenue S. The term of the ground lease is from December 2, 2013 to December 31, 2021 with an annual rental of \$1.00/year and payment of the annual special assessments amounting to \$14,167.44.

It was moved by Scripture and seconded by Nickolay to approve the Ground Lease with Legion Pavilion Company, Inc. @ 300 Lexington Avenue S. All voted in favor of the motion except Bruzek who voted against. (4-1)

The historical summary of the former Armory property located at 301 Lexington Ave. S. was reviewed. City Administrator Johnson stated that if it is the Council's desire to ultimately get the land back, the most prudent way to do it is to seek Federal Legislation change that would have the land reversed to the City.

City Council Proceedings

508

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



City Council Meeting  
Monday, December 2, 2013

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

- A. Approve Previous Meeting Minutes
- B. Approve Claims for Payment
- C. 2013 Street Improvements - Authorize Reduction of Retainage
- D. Approve St. Wenceslaus School 1 Day Temporary On-Sale Liquor License for March 29, 2014 at St. Wenceslaus Parish Activities Center at 227 Main St. E.

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

It was moved by Nickolay and seconded by Bruzek to adjourn at 8:43 p.m. All voted in favor of the motion. (5-0)

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Charles L. Nickolay, Mayor

ATTEST:

\_\_\_\_\_  
Michael J. Johnson  
City Administrator