

City Council Proceedings

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State of Minnesota

Counties of Scott & Le Sueur

City of New Prague

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City Council Meeting

Monday, December 20, 2021

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

Absent: Councilmember Ryan

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

Others Present: City Attorney Scott Riggs (on-line), The Rusty Spoke Owner Pauline Baldazo, Boy Scout Troop #323

Mayor Jirik called the meeting to order and introduced Boy Scout Troop #323 for the Posting of the Colors.

Mayor Jirik asked if there were any additions/updates to the Council Agenda, there being none, motion by Seiler, seconded by Wolf to approve the Agenda. All voted in favor. Motion carried (4-0).

Mayor Jirik asked if there were any questions on the Consent Agenda. Bass had some questions on the Joint Powers Agreement and the Sanitary and Storm Sewer Proposed Write-Off's. After discussion, motion by Bass, seconded by Seiler to approve the CONSENT AGENDA as follows:

- A. December 6, 2021 City Council Meeting Minutes
- B. Claims for Payment - December 20, 2021 - \$448,293.28
- C. General Fund Finance Report
- D. 2022 Tobacco Licenses
- E. 2022 Commercial Refuse Hauler/Recyclable Collector Licenses
- F. Southwest Metro Drug Force (SWDTF) Joint Powers Agreement
- G. #21-12-20-01-Resolution Designating Polling Place for 2022 Elections
- H. 2022 Annual Election Fee Agreement
- I. 2021 Sanitary and Storm Sewer Proposed Write-Off's and 2021 Accounts Receivable Write-Off

All voted in favor. Motion carried (4-0).

RESOLUTIONS: Per City Administrator Joshua Tetzlaff, discussion took place on the following:

A. #21-12-20-02 - APPROVING THE MEMORANDUM OF AGREEMENT BETWEEN THE STATE OF MN AND LOCAL GOVERNMENTS AND AUTHORIZING PARTICIPATION IN NATIONAL OPIOID SETTLEMENTS - City Administrator Joshua Tetzlaff explained this lawsuit is against opioid producers and how they may be required to be responsible for the addiction problems to their products. The MN Attorney General released a letter outlining how settlements from these lawsuits will be handled for the State, counties, and cities. Part of receiving settlements from these lawsuits would include joining with other cities and counties across the State. To join these settlements, the City Council would need to adopt the resolution and execute the Memorandum of Understanding. City Attorney Riggs was present online. AFTER DISCUSSION, MOTION BY JIRIK, SECONDED BY BASS. JIRIK, BASS AND WOLF VOTED YEA, SEILER ABSTAINED. MOTION CARRIED (3-0).

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B. #21-12-20-03 - APPROVING CITY COUNCIL RECOMMENDATIONS FOR CITY CHARTER COMMISSION APPOINTMENTS - Resolution reappointing four Charter Commission Members whose terms were expiring at the end of the year (Maggie Bass, Brad Carlson, Duane Jirik, and Kay Wilcox). Administrator Tetzlaff had spoke with each of the Charter Members and all were interested in being reappointed for another term (January 1, 2022 to December 31, 2025). MOTION BY SEILER, SECONDED BY WOLF. ALL VOTED IN FAVOR. MOTION CARRIED (4-0).

C. #21-12-20-04 - ADOPTING 2021 PROPERTY TAX LEVY, PAYABLE IN 2022 - The proposed Property Tax Levy is comprised of the following components: General Fund Levy \$3,660,878; Debt Service Levy \$950,000; EDA Levy \$50,000. The City's total property tax levy total, payable in 2022 is \$4,660,878, which is an increase of \$306,448 the previous year. The tax rate for the 2021 property tax levy is 51.90%. MOTION BY BASS, SECONDED BY WOLF. AFTER DISCUSSION, ALL VOTED IN FAVOR. MOTION CARRIED (4-0).

D. #21-12-20-05 - ADOPTING 2022 CITY BUDGET - Nothing had changed since the Truth in Taxation public hearing on December 6, 2021. The Budget included summaries of the General Fund, the EDA, the Enterprise Funds (Water, Wastewater, Electric, Ambulance, Golf, and Stormwater), Special Revenue, Capital Projects, and the Debt Service funds totaling \$25,395,371 in total expenditures across all City departments. MOTION BY JIRIK, SECONDED BY SEILER. AFTER DISCUSSION, ALL VOTED IN FAVOR. MOTION CARRIED (4-0).

E. #21-12-20-06 - AUTHORIZING TRANSFER AND CLOSURE OF DEBT SERVICE FUNDS - In preparation of the City's 2021 Annual Audit, it is necessary to review all funds within the City along with accounting practices, policies, and standards. Staff recommended the closing out and transferring of balances from four (4) Debt Service Funds 2010A, 2012A, 2012B, and 2013A and transferring to Debt Service Fund 320 for the amount of \$2,395,000. MOTION BY WOLF, SECONDED BY BASS. ALL VOTED IN FAVOR. MOTION CARRIED (4-0).

F. #21-12-20-07 - Per Ken Ondich, Planning/Community Development Director. APPROVING APPLICATION FOR 2021 VOTING EQUIPMENT GRANT ACCOUNT (VEGA) FUNDS - Included in the proposed 2022 Budget is a request from the Elections Department for \$8,950 for the purchase of an additional tabulator and poll pad. The reason these items are needed is because Scott County is requiring local municipalities to process absentee ballots for the first time since the County had taken over the process a few years ago. The cost of the tabulator and poll pad would have been \$9,240 based on a recent quote, but Staff is applying for a VEGA-3 Grant (Voting Equipment Grant Account) to cover \$4,943.75 of the total (50% of the tabulator cost and 75% of the poll pad cost). Grant awards will be made sometime in February. MOTION BY SEILER, SECONDED BY WOLF. ALL VOTED IN FAVOR. MOTION CARRIED (4-0).

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G. #21-12-20-08 - AUTHORIZING THE PURCHASE OF GOLF COURSE EQUIPMENT - REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT BOND AND ESTABLISHING PROCEDURES FOR ADDITIONAL DECLARATIONS OF OFFICIAL INTENT - A reimbursement resolution which would allow the City to purchase four (4) pieces of equipment (2) Tee Mowers, (1) Rough Mower and (1) Trap Machine) for the Golf Course totaling \$223,807.62 with the intention of bonding for this equipment in the spring when the City streets are bonded. *AFTER DISCUSSION, MOTION BY SEILER, SECONDED BY JIRIK. ALL VOTED IN FAVOR. MOTION CARRIED (4-0).*

GENERAL BUSINESS: Discussion took place on the following:

A. LABOR AGREEMENT FOR 2022-2023 WITH LAW ENFORCEMENT SERVICES, INC. AND POLICE UNION per City Administrator Tetzlaff - The Agreement contains the following changes from the prior Labor Agreement: Dates updated for 22-23 timeframe; Roman numerals replaced with Arabic numbers; a normal shift changed from eight to ten hours and eight to twelve hours; a provision that allows union members to receive a holiday mandated by the State; Update life insurance amounts; Back pay all union members to June 1, 2021; Increase uniform allowance by \$25; and Update Schedule A, the compensation scale to match 2021 Compensation Study. *MOTION BY WOLF, SECONDED BY BASS. ALL VOTED IN FAVOR. MOTION CARRIED (4-0).*

B. APPROVAL OF COMPENSATION PAY PLAN 2022 per Administrator Tetzlaff- Staff recommended the proposed compensation pay plan be adjusted to 2.5% to adjust for cost of living as well as to keep the compensation of employees competitive with other public agencies. *MOTION BY SEILER, SECONDED BY WOLF. ALL VOTED IN FAVOR. MOTION CARRIED (4-0).*

C. RENTAL DWELLING INSPECTION ORDINANCE - PAST DISCUSSIONS SUMMARY - per Director Ondich. A follow up request from the November 15, 2021 City Council meeting for Staff to provide a summary update on the past discussions regarding a potential rental dwelling inspection ordinance. Prior to the Covid pandemic, City Staff and the City Attorney had been working on drafting an ordinance (draft last revised in March 2019) that would require the inspection and licensing of all rental dwelling units with the City. The purpose of an inspection ordinance is to provide a minimum set of standards relating to life safety-related items for residential dwelling units. The ordinance would protect the interests of tenants and landlords alike. The abatement situation at 703 2nd St NE could likely have been prevented should there have been an inspection ordinance in place. Currently, the City only has a rental registration program (Chapter 120 of City Code) which was adopted in 2008 but did not require inspections. After discussion, Staff will provide an update after the New Year and then set up a couple meetings with the Task Force Committee (already set up) to proceed on this topic.

D. PARK BOARD APPLICATIONS / INTERVIEWS - Administrator Tetzlaff shared that there are three (3) openings on the Park Board and (1) opening on the Golf Board. These openings have been advertised and currently have received three (3) applicants for the Park Board.

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Still taking applications. Interviews set for Tuesday, January 18th before the City Council meeting beginning at 5:00 p.m.

E. LIQUOR LICENSE FEE UPDATE - Administrator Tetzlaff explained that each April all establishments who provide alcoholic beverages for sale, whether to be consumed on premise or off, are required to purchase a liquor license from the City. For 2021, due to the Covid-19 pandemic, the City Council voted to lower the cost for an on-sale liquor license from \$2,700 to \$1,350. When this passed, Council noted this was for one year only. Now that liquor license renewals will be coming due for April 1, 2022 - March 31, 2023, it is time to revisit these fees. To increase the fee back to \$2,700, a public hearing is required. The public hearing is scheduled for Monday, February 7, 2022 at the City Council meeting per MN Statute 340A.408, Subd. 3a.

F. AMERICAN RESCUE PLAN ACT PLAN - Administrator Tetzlaff explained that during the first quarter of 2021, it was announced funds would be distributed to Governments, Cities, and Counties through an American Rescue Plan Act (ARPA). The City of New Prague received their first payment of \$437,183 in July 2021 with an additional \$14,316.54 received in November. The second half of the money or \$451,500.54 will be received in 2022 for a grand total of \$902,999.08. On October 18, 2021, the Council approved the contract with Abdo, Eick & Meyers to assist the City in finding out if the City could use the ARPA money as "Loss of Revenue". Following approval, Abdo, Eick & Meyers concluded thru their research that the City could classify the entire ARPA funding as Loss of Revenue and as a result, the City can use the money for any government purpose. Staff discussed possibilities and although these can be changed prior to the April deadline, the City does have the ability to pay for some larger equipment or facilities items that would then not need to be levied or bonded. After discussion, *MOTION BY SEILER, SECONDED BY WOLF ON THE APPROVAL OF HOW THE ARPA FUNDS WILL BE USED PER A LIST SUBMITTED BY STAFF. ALL VOTED IN FAVOR. MOTION CARRIED (4-0).*

G. UPDATE ON LIQUOR LICENSE APPLICATION FOR DON'T BE LION LLC DBA THE RUSTY SPOKE AT 329 W MAIN STREET - Police Chief Gareis explained that per a background check on Pauline Rachel Baldazo and upon further investigation said there were two disqualifications identified per MN Administrative Rule 7515.0410 Eligibility Requirements. Based on the two disqualifications, it is the recommendation of Staff that the Liquor License application not be approved and will have to reapply once disqualifications are taken care of. The Rusty Spoke bar owner, Pauline Baldazo was present and addressed the Council. After discussion, *MOTION BY SEILER, SECONDED BY JIRIK TO NOT APPROVE THE LIQUOR LICENSE APPLICATION FOR DON'T BE LION LLC DBA THE RUSTY SPOKE. JIRIK, SEILER AND WOLF VOTED YEA, BASS VOTED NAY (WANTED THE ITEM TABLED). MOTION CARRIED (3-1).*

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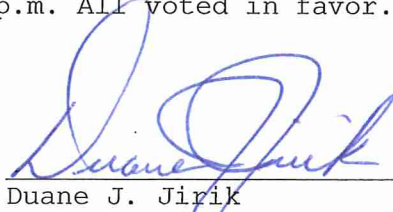
H. NETWORK AND SERVER UPGRADES AGREEMENT - Administrator Tetzlaff explained that over the past two years, the City and Utilities Departments have greatly expanded the fiber network connecting most of the City and Utilities remote site locations which allows real time monitoring and site data collection. Also, in conjunction with the Main Street project, a redundant fiber loop was installed in the City Hall and the Power Plant. This will serve as the two main communication hubs for all city services. Due to the expansion of technology in recent years, added network traffic, and server requirements for required firmware upgrades, the City and Utilities Departments will be required to replace and make upgrades to several hardware components and associated datacenter licensing coming sooner than planned. Because of the need approaching faster than normal, this expenditure was not budgeted for the 2022 cycle. Tetzlaff explained this would be a unique opportunity to use ARPA funds to upgrade the system. *MOTION BY BASS, SECONDED BY WOLF TO APPROVE \$36,820 OF THE ARPA FUNDS TO BE USED TO UPGRADE THE SERVERS AND NETWORK TO ALLOW FOR CONTINUED GROWTH OF CITY OPERATIONS. ALL VOTED IN FAVOR. MOTION CARRIED (4-0).*

MISCELLANEOUS:


1. Meeting Minutes approved - (Planning)
2. Seiler - Discussion on gas and oil found in the sewer system. Matt Rynda provided an update.
3. Wolf - Congratulated Patty and her Staff on another successful budget process for the City and her final one before she retires.
4. Jirik & Councilmembers - Thanked Boy Scout Troop 323 for the Presentation of the Flag and their attendance at the meeting.

There being no additional business, motion by Seiler, seconded by Bass to adjourn the meeting at approximately 7:27 p.m. All voted in favor. Motion carried (4-0).

ATTEST:



Duane J. Jirik
Mayor



Joshua M. Tetzlaff
City Administrator

