

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



City Council Meeting
Monday, April 18, 2016

Prior to the regular meeting the Council held interviews for the Boards and Commissions.

Mayor Nickolay called the meeting to order at 7:00 p.m. with the following members present: Nickolay, Bruzek, Jirik, Ryan, Tuma

Staff Present: Mike Johnson, Ken Ondich, Glen Sticha, Patty Solheid, Mary Jo Hruby

Also Present: City Attorney Scott Riggs, Engineer Jon Peterson

Mayor Nickolay amended the Agenda by moving Agenda Item #2 *Resolution Accepting Bids for 2016 10" Force Main Replacement Project and Awarding Contract to GM Contracting Inc. (Lake Crystal, MN)* to the first item on the Agenda being the City Attorney is running a little late.

It was moved by Tuma and seconded by Nickolay to approve the amended Agenda. All voted in favor of the motion. (5-0)

Jon Peterson, Bolton & Menk, Inc., reviewed the bids received for the 10" force main replacement project. The forcemain project will involve replacement of the portion of the 10" forcemain located north of 7th Street between Columbus Ave. N. and First Avenue NW. This forcemain developed a leak in the wetland areas north of the lift station in June 2015. In order to allow the forcemain to be placed back in service, a 1300 linear foot section of the forcemain will be replaced utilizing directional drilling technology. It is recommended the City Council approve the Resolution accepting bids and award the contract to GM Contracting, Inc. in the amount of \$124,547.27.

It was moved by Nickolay and seconded by Ryan to approve bid from GM Contracting, Inc. with the stipulation it gets done between June 6 and August 12 and approve RESOLUTION #16-04-18-01 RESOLUTION ACCEPTING BIDS FORCEMAIN REPLACEMENT PROJECT 2016. All voted in favor of the motion. (5-0)

Dennis Dvorak, President of the New Prague Historical Society, reviewed the plans to continue the utilization of the Log Cabin in Memorial Park for interpretive center uses. Mr. Dvorak informed the Council of the New Prague Historical Society's plans to have a separate 14' x 18' structure built behind the log cabin to display farming implements and assorted tools of early New Prague Settlers. Mr. Dvorak will work with the Park Board on the proposed new building.

Planning/Community Development Director Ondich noted that a grant application was submitted to the Minnesota Historical Society with the help of Dennis Dvorak and the New Prague Historical Society. The grant is to create a new Downtown Walking Tour Brochure to further build on the previous grant funded Historic Context Study document and the Downtown Reconnaissance Survey document. \$9,000 was requested from the Minnesota Historical Society (with no local match required) to create a new walking tour brochure of the downtown area along with

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a photo display wall at City Hall. A decision of the grant application would be expected sometime this summer.

Planning/Community Development Director Ondich reviewed the two items on the April 4, 2016 City Council Agenda relating to Eastland Development - Comprehensive Plan Amendment and an Ordinance Request. Mr. Ondich noted the City Council voted three-to-two in favor of approving the Resolution to amend the City's Comprehensive Plan. However, due to the nature of this request, a two thirds majority vote was required (which would have required 4 ayes), and ultimately the Resolution failed. Because of this the Council did not address the application for rezoning during the same meeting. The questions raised by this action relate to the application of the 60-day rule, and whether any additional City Council action is necessary. Under that law, a land use application is considered denied if it fails to be approved for any reason, but only if those voting state on the record the basis for their denial. Upon review of this matter, it appears that element of the statute was not satisfied here. The 60-day time period on the two land use requests run out on April 24th, 2016 otherwise the Minnesota Statute 15.99 provides for automatic approval of the requests for both the comprehensive plan amendment and rezoning.

City Attorney Scott Riggs stated to avoid any claim that the two land use requests before the City Council were not properly denied as required under Minn. Statute 15.99, it is recommended that the Council further consider these matters with a roll-call vote taken on each item. Each member should provide the factual basis upon which they reached their decision to not vote in favor of the Resolution. If the applicant wishes to further pursue this matter, it would be appropriate to file a new application with whatever changes are desired, if any. This will allow the process to start anew.

It was moved by Tuma and Seconded by Bruzek to approve RESOLUTION #16-04-18-02 RESOLUTION APPROVING AN AMENDMENT TO THE CITY'S COMPREHENSIVE PLAN FUTURE LAND USE PLAN MAP TO RE-GUIDE PROPERTIES TO THE RM MEDIUM DENSITY RESIDENTIAL ZONING DISTRICT, NEW PRAGUE, MINNESOTA.

Upon roll call the following vote was recorded:

	<u>Ayes</u>	<u>Nays</u>
Nickolay	—	<u>x</u>
Bruzek	<u>x</u>	—
Jirik	<u>x</u>	—
Ryan	—	<u>x</u>
Tuma	<u>x</u>	—

Motion failed. (3-2)
 Requires 4 out of 5 Council Members to vote in the affirmative.

Council Member Ryan stated he is voting nay because he sided with the 20 residents who were in attendance or who emailed or called in regard to their concerns. He was hoping for some kind of compromise between the two parties before going ahead and approving it. He wanted to force some kind of compromise between the two parties.

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Mayor Nickolay stated he is voting nay because he is not against the rezoning but is more concerned with changing the comprehensive plan. He does not feel comfortable with changing the comp plan and not have an alternative to commercial land. Are we going to have some other area where commercial land is going to be? He wants to look at the total picture rather than just this section.

It was moved by Bruzek and seconded by Jirik to deny the rezoning of certain properties in Eastland because it is not in compliance with the current comprehensive plan.

Upon roll call the following vote was recorded:

	<u>Ayes</u>	<u>Nays</u>
Nickolay	— x —	—
Bruzek	— x —	—
Jirik	— x —	—
Ryan	— x —	—
Tuma	— x —	—

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

Planning/Community Development Director Ondich informed the Council that Calvary Church is proposing a free public event in Memorial Park on Thursday, July 28, 2016 from 5:00 p.m. to 10:00 p.m. The event would include food vendors, guest speakers and a live concert. The Park Board unanimously recommended approval at their April 12, 2016 meeting with the 11 conditions listed in the memo.

It was moved by Nickolay and seconded by Jirik to approve the Calvary Church event in Memorial Park on July 28, 2016 with the listed 11 conditions. All voted in favor of the motion. (5-0)

Planning/Community Development Director Ondich informed the Council that the New Prague Chamber of Commerce is proposing a Czech Out New Prague Event in Memorial Park on August 4, 2016 from 5 p.m. to 9:00 p.m. The event would include New Prague food vendors, businesses, organizations and a live concert. At the April 12, 2016 Park Board meeting, they unanimously recommended approval of the event with the 13 conditions listed in the memo.

It was moved by Jirik and seconded by Tuma to approve the Chamber of Commerce Czech Out New Prague Event in Memorial Park on August 4, 2016 with the 13 listed conditions. All voted in favor of the motion.(5-0)

Planning/Community Development Director Ondich informed the Council that the Chamber of Commerce is proposing to hold a bean bag tournament at Shelter #1 in Memorial Park (closest to Lexington Ave. S.) on Friday, August 19, 2016 from 12:00 p.m. to 5:00 p.m. The tournament would include food vendors and also include beer sales. At their April 12, 2016 meeting, the Park Board unanimously recommended approval of the event in Memorial Park with the 7 conditions listed in the memo.

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It was moved by Bruzek and seconded by Jirik to approve the Chamber of Commerce Bean Bag Tournament event in Memorial Park on August 19, 2016 with the 7 conditions listed. All voted in favor of the motion. (5-0)

Finance Director Solheid presented to the City Council the proposed draft policies on the following: Financial Management Policy, Tax Exempt Financing Policy, Capital Asset Policy and Accounting Policies & Procedures. The financial policies of the City of New Prague are designed to provide guidance and instructions to all Staff whether they be directly involved in financial processes, internal control oversight, or any financial transactions. It is recommended the Council review all policies with an adoption at the May 2, 2016 City Council meeting.

Finance Director Solheid presented a Reserves Policy Amendment and proposed changes to the Assigned, Committed and Unassigned Fund within the General Fund Balance. Staff is proposing an amendment to the Reserves Policy under the Unassigned Fund Balance to say "the City will maintain an unassigned fund balance in the General Fund of an amount not less than 40% to 50% of the next year's budgeted expenditures of the General Fund" and Staff is proposing changes to the allocation of the General Fund's Fund Balance.

It was moved by Nickolay and seconded by Jirik to approve the proposed changes to the Assigned, Committed and Unassigned Fund within the General Fund Balance and Amend the Reserves Policy. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed the Agreement with the Southwest Minnesota Housing Partnership (SWMHP) for the planning and design of a local program that will use program income received through the Small Cities Development Program. The New Prague EDA Board is recommending to the Council that the City develop a program in the downtown area that would be focused on owner occupied, rental and commercial rehabilitation activities or other eligible activities approved by the Department of Employment and Economic Development (DEED). The City has program income of approximately \$300,000 that could be made available for this program and would entail a proposed project mixture of owner equity, low interest loans and forgivable grants. Once the proposed project concept is developed, it will be submitted to DEED for their review and approval prior to both EDA and City Council approval.

It was moved by Jirik and seconded by Bruzek to approve the Program Development Agreement with Southwest Minnesota Housing Partnership for Downtown Development. All voted in favor of the motion. (5-0)

City Administrator Johnson presented the Labor Agreement between the City of New Prague and Law Enforcement Labor Services, Inc. (LELS) and the City's Police Department Union for 2016-2018.

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It was moved by Nickolay and seconded by Ryan to approve the Labor Agreement with LELS and the Police Union for 2016-2018. All voted in favor of the motion. (5-0)

City Administrator Johnson reviewed with the Council at the April 4, 2016 City Council meeting, the City Council approved City Staff's recommendation to award the Settler's Park Field Repurposing Project to Chart Tiling & Excavating. Following the Council's project award, questions arose related to the award of bid, advertisement for bids, solicitation of a second quotation, etc. in conjunction with the project. After reviewing the bid/quotation solicitation process used by City Staff with the City Attorney it was discovered that there had been a "blend" of the two processes used on trying to obtain construction proposals for this project. Additionally, the bid advertisement for the project included language that stated when the bids were to be received, that the bids will be reviewed privately with the owner. Unfortunately, the language should have stated that the bids when received would be publically opened and viewed. The City Attorney has advised that the City has incurred several "deficiencies" with the formal contracting requirements of MN. Statute 471.345 and recommends the City to reject all bids or quotations received and start the process all over by soliciting new quotations for this project.

It was moved by Nickolay and seconded by Ryan to rescind the award of the Settlers Park Repurposing Project. All voted in favor of the motion. (5-0)

It was moved by Nickolay and seconded by Ryan to reject all bids received for the Settlers Park Repurposing Project. All voted in favor of the motion. (5-0)

City Administrator Johnson presented a Resolution authorizing lease of property by City of New Prague for agricultural purposes. The City acquired property to be developed for the future Industrial Park located north of 6th St. NW directly north of the existing Industrial Park. The property has been leased for agricultural purposes from previous owner Randy Kubes to Elmer Lambrecht Jr. for many years. A new lease has been negotiated for 2016 at the rate of \$250 per acre for 20 acres. This per acre rate reflects the unique challenge related to the leasing of this site such as: location of property pins in the field and uncertainty of potential lot sales during the growing season.

It was moved by Tuma and seconded by Bruzek to approve RESOLUTION #16-04-18-03 RESOLUTION AUTHORIZING LEASE OF PROPERTY BY CITY OF NEW PRAGUE FOR AGRICULTURAL PURPOSES. All voted in favor of the motion. (5-0)

It was moved by Nickolay and seconded by Ryan to approve the following consent agenda items:

- A. Approve the April 4, 2016 meeting minutes
- B. Approve claims for payment

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- C. Approve monthly financials
 - D. Approve Resolution #16-04-18-04 Resolution Amending the City of New Prague's 2016 General Fund Budget
 - E. Approve Liability Coverage Waiver Form with the League of Minnesota Cities Insurance Trust
- All voted in favor of the motion. (5-0)

It was noted that the Special City Council Meeting for the Audit Presentation will be on Monday, May 2nd at 5:30 p.m.

It was moved by Nickolay and seconded by Ryan to adjourn the meeting at 8:44 p.m. All voted in favor of the motion. (5-0)

Charles L. Nickolay, Mayor

ATTEST:

Michael J. Johnson
City Administrator