

City Council Proceedings

1211

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

} Special City Council Meeting
Monday, September 16, 2019

Mayor Nickolay called the Special Meeting to order at 7:00 p.m. with the following members present: Nickolay, Bass, Ryan, Seiler and Wolf.

Staff Present: Mike Johnson, Ken Ondich, Patty Solheid, Glen Sticha and Jim Gareis

City Administrator Johnson provided the City Council with a brief overview of the City's Preliminary 2020 General Fund Budget, Debt Service Fund Budget and the Preliminary 2019 Property Tax Levy, Payable 2020.

Mr. Johnson reviewed the City's Taxable Net Tax Capacity (up \$521,935 or 7.2% for 2020); a Conceptual Preliminary Property Tax Levy for 2020 (that needs to change and be decreased); Historical Tax Levy changes from 2009-2019; an overview of the Conceptual 2019 General Fund Budget; an overview of the 2020 Revenues; an overview of the 2020 Expenses for Personnel, Operation and Maintenance, Capital Outlay, Contingency and Transfers-Out; Special Projects Costs; and the Debt Service Fund Budget Costs for 2020.

The Council had extensive discussion and review of the information that was presented.

Mr. Johnson and Finance Director Solheid indicated that they could make some revisions to the Draft 2020 Budgets and Proposed Property Tax Levy. That could include a \$29,000 reduction to health insurance costs for 2020 (drop in proposed rate increase from 19% to 11%) and the use of cash reserves to lower the debt service portion of the tax levy by \$106,139.

The total change to the preliminary levy would be a reduction of \$136,950, from \$469,677 down to the \$332,727. There are still many capital items to be discussed in October and November before finalizing the proposed tax levy for December. With the reduction, the preliminary 2019 tax levy would be \$4,516,712 for taxes payable 2020.

After discussion, motion by Councilmember Seiler, seconded by Councilmember Wolf to adopt *RESOLUTION #19-09-16-03, ADOPTING 2019 PROPERTY TAX LEVY FOR TAXES PAYABLE IN 2020*. All voted in favor. Motion carried 5-0.

The Council had discussion on continuing the Budget discussion and Special Council Meeting to Wednesday, September 18, 2019 at 5:00 p.m.

After discussion, it was consensus of the Council to continue the September 16, 2019 Special City Council meeting to Wednesday, September 18, 2019 at 5:00 p.m. All were in favor. Members left at 8:48 p.m.

Mayor Nickolay called the "Continued Special Meeting" from September 16, 2019 to order at 5:00 p.m. on September 18, 2019.

Members present: Nickolay, Bass, Seiler and Wolf.

Members absent: Ryan

Staff present: Mike Johnson and Ken Ondich

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Mayor Nickolay and the Council agreed to receive the update and overview on the Technology Proposals that were received on September 13, 2019. Mr. Ondich provided the overview and recommendations on the proposals that were received and the recommendation from the True North Consulting Group and the City Attorney's Office. Only 1 proposal provided managed services; 1 proposal provided both managed services and equipment; and 1 proposal was received 30 minutes late and was never opened. 1 company sent their information but did not formally submit and 2 companies chose not to submit due to the timing.

After extensive discussion, motion by Councilmember Seiler, seconded by Mayor Nickolay to reject all proposals that were received. All voted in favor. Motion carried 4-0.

It was moved by Mayor Nickolay, seconded by Councilmember Bass to re-advertise for IT proposals and extend the submittal date to October 11, 2019 at 3:00 p.m. All voted in favor. Motion carried 4-0.

Mr. Johnson informed the Council that there had been a slight error in the resolution adopted on September 16, 2019. There was an addition error of \$1,811 and the preliminary levy number should actually be \$4,518,523.

After discussion, motion by Councilmember Seiler, seconded by Mayor Nickolay to modify Resolution #19-09-16-03 and approve *RESOLUTION AMENDING AND ADOPTING 2019 PROPERTY TAX LEVY FOR TAXES PAYABLE IN 2020 AT \$4,518,523*. All voted in favor. Motion carried 4-0.

The Council discussed trying to set budget workshop dates for October/November 2019. Staff will send out options for dates/times.

It was moved by Nickolay and seconded by Councilmember Bass to adjourn at 5:35 p.m. All voted in favor. Motion carried 4-0.

ATTEST:



Michael J. Johnson
City Administrator



Charles L. Nickolay
Mayor