

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, September 18, 2017

Mayor Nickolay called the meeting to order at approximately 6:00 p.m. with the following members present: Bass, Bruzek, Jirik, Nickolay, Ryan

Staff Present: Chief Gareis, Mike Johnson, Ken Ondich, Glen Sticha, and Barb Ulschmid

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

Police Chief Gareis provided an overview of the Police Officer recruitment process and recommended to the City Council the appointment of Mr. Lee S. Mortenson for the Police Officer position.

It was moved by Bruzek and seconded by Ryan to appoint Lee Mortenson as Police Officer at Step 1 of Schedule "A" in 2017 Wage Agreement with LELS (Police Union) at \$27.43 per hour and a starting date of September 19, 2017

Public Works Director Glen Sticha recommended that the City Council consider an updated Significant Industrial User Agreement with Chart, Inc. This agreement is required by the Minnesota Pollution Control Agency and is recommended to be reviewed every 5 years. The last agreement was with Minnesota Valley Engineering (MVE) and entered into on April 4, 1988. The current agreement is authorizing Chart, Inc. to discharge process wastewater into the Municipal System in compliance with the limits and monitoring requirements specified in the agreement beginning September 18, 2017 and lasting through September 18, 2022.

This proposed agreement is put in place to ensure that the Significant Industrial User is aware of what they can send through the sanitary sewer system so the treatment process isn't compromised which would cause potential violations and poor quality of the discharge water. It was reviewed by Jon Peterson from Bolton & Menk, Inc., Chart's Manager of Quality Assurance and their Legal Department, along with review from City Attorney, Scott Riggs.

It was moved by Bruzek, seconded by Jirik to approve RESOLUTION #17-09-18-01 APPROVING A SIGNIFICANT INDUSTRIAL USER AGREEMENT WITH CHART INC. All voted in favor of the motion. (5-0)

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Public Works Director Sticha presented the City Council with a proposed bid to replace the Membrane Filter Cartridges at the Wastewater Treatment Facility.

He explained that the City of New Prague Wastewater Treatment Facility currently operates a 3 cell submerged membrane microfiltration system for the treatment of secondary effluent. This system has been in service since 2010, and is due to have the membrane filter cartridges replaced in 2018. The existing membrane filter cartridges are experiencing a decrease in performance, primarily indicated by a reduction in the available throughput of the filters, resulting in a decrease in the treated flow rate through the filters.

Procurement specifications were prepared, and the procurement contract was advertised for bid August 31, 2017. Bids were received by the City Hall on September 11, 2017. One bid was submitted and it was by Evoqua Water Technologies of Tewksbury, MA. Evoqua is represented locally by Vessco, Inc. of Chanhassen, MN. Manufacturing of these membranes is a specialized industry, with only a few manufacturers in the wastewater filtration market.

Key elements of the procurement specifications include requirements to provide a service technician for one week to assist city staff with installation of the new membrane cartridges, and provision for a 5 year warranty on product workmanship and operation in place of the normal 2 year warranty.

The bid price from Evoqua Water Technologies came in at \$498,500.00 with the price per filter being \$700. Delivery of the membranes will be between January 1, 2018 and March 31, 2018, with payment due after delivery of the membrane.

As part of the Capital Replacement program there has been \$55,000.00 budgeted per year for this replacement since 2013. Currently there is \$275,000.00 available for the filter replacement and the remaining \$223,500 will come out of the Sanitary Sewer Fund.

It was moved by Nickolay, seconded by Bruzek to approve RESOLUTION #17-09-18-02 EVOQUA WATER TECHNOLOGIES BID ON 2017 WASTEWATER FILTER MEMBRANE PROCUREMENT. All voted in favor of the motion. (5-0)

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City Administrator Johnson presented a Resolution in support of 2017 Small Cities Development Program using former Minnesota Investment Fund (MIF) Balance. Johnson informed the Council that in June '2017 the City was notified that it was successful in its 2017 Small Cities Development Program (SCDP) grant application to undertake additional downtown commercial rehabilitation and new single family owner occupied and rental housing rehabilitation.

The grant to be received from the State of Minnesota will be for \$295,550. To supplement the State grant, the City proposed in its application to use \$476,100 from its federally funded Minnesota Investment Fund (MIF) account (former grant funds on hand).

To accomplish this activity, City Administrator Johnson asked the City Council to approve a Resolution in Support of 2017 Small Cities Development Program using former Minnesota Investment Fund Balance and formally commit the use of these funds to the proposed 2017 SCDP Project. Combining the SCDP Grant, City MIF Funds and property owner required match contributions, this total building rehabilitation project will total slightly over \$1,020,650.

It was moved by Ryan, seconded by Jirik to approve RESOLUTION #17-09-18-03 APPROVING SUPPORT OF 2017 SMALL CITIES DEVELOPMENT PROGRAM USING FORMER MINNESOTA INVESTMENT FUND BALANCE. All voted in favor of the motion. (5-0)

City Administrator Johnson presented the City Council with two (2) options on a proposed 2017 property tax levy for taxes payable in 2018.

The two options were related to the Preliminary Budget discussions that had occurred on August 28, 2017 and the revised, updated Preliminary 2018 Budgets for the General Fund, Debt Service and EDA.

Option 1 was for a preliminary levy of \$4,166,210 (4.23% over 2017 levy) and Option 2 was for a preliminary levy of \$4,301,432 (7.62% over 2017 levy).

The variances between the two proposed levies were unresolved budget differences outlined in the September 15, 2017 Budget memo and would likely not be resolved until budget workshop discussions are conducted in October and November. The preliminary levy is a maximum levy that must be approved by

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September 30th (per state law) and can only come down upon adoption in December. It cannot be increased after the initial adoption of the levy.

Following Mr. Johnson's presentation on the alternatives, the City Council had extensive discussion on the two alternatives, various capital expenditure proposals, contingencies, and preliminary health insurance rates for 2018, etc.

City Administrator Johnson provided an estimated impact on both the average house value and the median house value in New Prague under the two scenarios. It was his recommendation to adopt Option 1, the proposed lower property tax levy for 2018 as a preliminary levy.

It was moved by Jirik, seconded by Bruzek to approve RESOLUTION #17-09-18-04 ADOPTING 2017 PROPERTY TAX LEVY FOR TAXES PAYABLE IN 2018. All voted in favor of the motion. (5-0)

City Administrator Johnson presented details on a request from Elko New Market for a Letter of Support on the Amazon Headquarters 2 project.

Johnson explained that he received a call from the Elko New Market City Administrator on the proposed Amazon Headquarters2 RFP. It appears Amazon is looking for a second headquarters and Minnesota/Scott County would like to submit a proposal to be considered as a location option. Two communities within Scott County are planning to submit site options and include Elko New Market and Shakopee.

Although there is no guarantee on this site's inclusion in the Minnesota proposal by Greater MSP and the Department of Employment and Economic Development, they are asking the City of New Prague for letters of support on behalf of their site submission to the State.

Two versions of this letter of support have been created by the First Stop Shop (representing Scott County) and after review by the Council, they preferred version #2. Letters of support need to be turned in by Thursday, September 21st by Noon.

It was moved by Nickolay, seconded by Bruzek to authorize staff to provide a letter of support on Elko New Market's site application submission for Letters of Support on an Amazon site application submission and Shakopee if requested, using letter version #2. All voted in favor of the motion. (5-0)

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

- A. August 28, 2017 Special Meeting Minutes
- B. Approve Claims for Payment
- C. Approve Minnesota Lawful Gambling LG220 Application for Exempt Permit for St. Wenceslaus Church on December 29, 2017 at the St. Wenceslaus Faith Formation Office, 215 Main St. E.

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

Police Chief Gareis reported on the Dozinky weekend activities. Generally, everyone was well-behaved with the exception of a few fights and a few more underage consumption tickets issued. No noise complaints. From the Law Enforcements point of view it appeared it was a successful and well-attended celebration.

Mayor Nickolay and City Administrator Johnson thanked all the organizations that helped out with the Dozinky festivities and specifically asked Police Chief Gareis and Public Works Director Sticha to pass on thank you's to their staff for a job well done.

Council Member Bruzek wanted to be sure to thank Patrick Fischer on his exceptional reporting/coverage of the Dozinky festivities.

Council Member Bruzek inquired about the next time the Shredding truck will be in town as it was this year during City Wide Clean Up. A grant was allocated to this event but currently not aware of this event occurring in the near future. Planning/Community Development Director Ondich indicated there probably won't be another one scheduled and would need a grant to make another event likely to happen.

Sticha informed that Council that the contractor is starting the blockwork on the baseball field dug outs this week.

Planning Director Ondich provided an update on the proposed Senior Housing Project.

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It was moved by Nickolay and seconded by Bass to adjourn the meeting at 7:46 p.m. All voted in favor of the motion. (5-0)

Charles L. Nickolay
Mayor

ATTEST:

Michael J. Johnson
City Administrator