



# CITY COUNCIL MEETING AGENDA

## City of New Prague

Monday, November 18, 2024 at 6:00 PM

City Hall Council Chambers - 118 Central Ave N

---

---

### OPTIONAL ONLINE CONNECTION. MEETINGS ARE IN PERSON.

Log in information for city councilmembers, staff and members of the public:

Please join my meeting from your computer, tablet or smartphone: <https://meet.goto.com/485680997>

You can also dial in using your phone: Access Code: 485-680-997 | United States: +1 (571) 317-3122

Get the app now and be ready when your first meeting starts: <https://meet.goto.com/install>

#### 1. CALL TO ORDER

- a. Pledge of Allegiance

#### 2. APPROVAL OF REGULAR AGENDA

#### 3. CONSENT AGENDA

The following agenda items are considered to be non-controversial and routine in nature. They will be handled with one motion of the City Council. Council members may request that specific items be removed from the Consent Agenda and be acted upon separately.

- a. Meeting Minutes
  - i. November 4, 2024, City Council Meeting Minutes
  - ii. November 4, 2024, Special City Council Meeting Minutes
- b. Claims for Payment: **\$645,511.96**
- c. Financial Summary Report
- d. Boards & Commissions Meeting Calendar
- e. 2025 Labor Agreement with LELS and City Police Union
- f. LG220 Gambling Application St. Wenceslaus 1.29.25
- g. LG220 Gambling Application St. Wenceslaus 06.06.25

#### 4. THC VIOLATION APPEAL HEARING

- a. Appeal Hearing Documents

#### 5. PUBLIC INVITED TO BE HEARD ON MATTERS NOT ON THE AGENDA

Speakers limited to 5 minutes

#### 6. CITY ENGINEER PROJECTS UPDATE

#### 7. WOLD POLICE STATION UPDATE

- a. Financial Options
- b. Tax Impact Estimates
- c. Design Update

#### 8. PUBLIC HEARING(S) – 6:00 PM

- a. None

**9. ORDINANCE(S) FOR INTRODUCTION**

- [a.](#) #354 Cannabis Zoning Ordinance Amendment
- [b.](#) #355 City Code Amendment

**10. ORDINANCE(S) FOR ADOPTION**

- [a.](#) #352- Mayoral Term

**11. RESOLUTIONS**

- [a.](#) #24-11-18-01 - Approving Property Tax Abatement
- [b.](#) #24-11-18-02 - Approving Certain Actions by the New Prague Economic Development Authority
- [c.](#) #24-11-18-03 - Approving Certain Actions by the New Prague Economic Development Authority
- [d.](#) #24-11-18-04 Deferring Special Assessment for City of New Prague 2024 Street and Utility Improvement Project for Michael Hinderscheid (109 Lyndale Ave N) Against Certain Property Based Upon Age
- [e.](#) #24-11-18-05 Deferring Special Assessment for City of New Prague 2024 Street and Utility Improvement Project for Gerald Stephens (703 Main St. E) Against Certain Property Based Upon Age
- [f.](#) #24-11-18-06 Deferring Special Assessment for City of New Prague 2024 Street and Utility Improvement Project for Gregory Wood (103 Lyndale Ave N) Against Certain Property Based Upon Age

**12. GENERAL BUSINESS**

- [a.](#) Enterprise Fund Budget Presentations

**13. MISCELLANEOUS**

- [a.](#) Meeting Minutes
  - i. September 30, 2024, Utility Commission Meeting Minutes
  - ii. October 9, 2024, EDA Board Meeting Minutes
  - iii. October 9, 2024, Closed EDA Board Meeting Minutes
  - iv. October 16, 2024, Closed EDA Board Meeting Minutes

**14. ADJOURNMENT**

**UPCOMING MEETINGS AND NOTICES:**

November 20	6:30 p.m. Planning Commission
November 25	3:30 p.m. Utilities Commission
November 26	6:30 p.m. Golf Board
<b>November 28</b>	<b>Holiday – City Offices Closed</b>
<b>November 29</b>	<b>Holiday – City Offices Closed</b>
December 2	6:00 p.m. City Council
December 9	12:00 p.m. Community Center Board
December 10	6:00 p.m. Park Board
December 11	7:30 a.m. EDA Board
December 11	6:30 p.m. Cedar Lake Water & Sanitary Sewer District
December 16	6:00 p.m. City Council
December 17	6:30 p.m. Golf Board
December 18	6:30 p.m. Planning Commission



# CITY COUNCIL MEETING MINUTES

## City of New Prague

Monday, November 04, 2024 at 6:00 PM

City Hall Council Chambers - 118 Central Ave N

---

---

### OPTIONAL ONLINE CONNECTION. MEETINGS ARE IN PERSON.

Log in information for city councilmembers, staff and members of the public:

Please join my meeting from your computer, tablet or smartphone: <https://meet.goto.com/542430941>

You can also dial in using your phone: Access Code: 542-430-941 | United States: +1 (224) 501-3412

Get the app now and be ready when your first meeting starts: <https://meet.goto.com/install>

#### 1. CALL TO ORDER

Mayor Jirik called the meeting to order at 6:00 p.m.

PRESENT

Mayor Duane Jirik

Councilmember Shawn Ryan

Councilmember Maggie Bass

Councilmember Bruce Wolf

ABSENT

Councilmember Rik Seiler

Staff Present: City Administrator Joshua Tetzlaff, Planning/Community Director Ken Ondich, Utilities

General Manager Bruce Reimers, Police Chief Tim Applen, Public Works Director Matt Rynda, and Fire Chief Steve Rynda

a. Pledge of Allegiance

#### 2. APPROVAL OF REGULAR AGENDA

Motion to Approve the Regular Agenda

Motion made by Councilmember Ryan, Seconded by Councilmember Wolf.

Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf

Motion carried (4-0)

#### 3. CONSENT AGENDA

*(The following agenda items are considered to be non-controversial and routine in nature. They will be handled with one motion of the City Council. Council members may request that specific items be removed from the Consent Agenda and be acted upon separately.)*

Motion to Approve the Consent Agenda

Motion made by Councilmember Wolf, Seconded by Councilmember Bass.

Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf

Motion carried (4-0)

a. Meeting Minutes

i. October 21, 2024 City Council Meeting Minutes

ii. October 21, 2024 Closed City Council Meeting Minutes

b. Claims for Payment: **\$548,536.24**

c. LG220 Gambling Application MN Deer Hunters Association 3.15.25

d. Appointment of Wastewater Superintendent

**4. PUBLIC INVITED TO BE HEARD ON MATTERS NOT ON THE AGENDA**

*(Speakers limited to 5 minutes.)*

Bryan Paulson (206 4th St. SW), and Joel Wollin (716 E Main St.) spoke.

**5. CITY ENGINEER PROJECTS UPDATE**

No updates.

a. November 4, 2024

**6. PUBLIC HEARING(S) – 6:00 PM**

a. Tax Abatement for a Yellow Tree +/- 155 Unit Apartment Building

Joshua Tetzlaff, City Administrator, presented on the Abatement Hearing.

Yellow Tree developers presented and answered any questions.

Brooke Sticha (101 E Main St.), Austin Reville (410 Main St. W), and Brian Paulson (206 1st St. SW) spoke.

Motion to close the public hearing.

Motion made by Councilmember Ryan, Seconded by Councilmember Bass.

Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf

Motion carried (4-0)

b. Resolution #24-11-04-03 Approving Property Tax Abatement

Motion to postpone approving Resolution #24-11-04-03 Approving Property Tax Abatement

Motion made by Councilmember Bass, Seconded by Councilmember Ryan.

Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf

Motion carried (4-0)

**7. THC VIOLATION APPEAL HEARING**

City Administrator Joshua Tetzlaff presented the hearing to the council.

The THC Violation Appeal Hearing has been postponed until the next meeting.

a. Violation Letter

b. Violation Appeal Memo

c. Administrative Citation

d. THC Violation Police Report

e. THC Ordinance

**8. WOLD POLICE STATION UPDATE**

An update was given on the design progress for the Police Station, as well as tax impact estimates.

a. Design Update

b. Tax Impact Estimates

**9. ORDINANCE(S) FOR INTRODUCTION**

**10. ORDINANCE(S) FOR ADOPTION**

a. Ordinance #352 - Mayoral Term

Motion to Postpone Approving the Ordinance for a Second Reading until the next meeting when all 5 Councilmembers are in attendance.

Motion made by Councilmember Bass, Seconded by Councilmember Ryan.

Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf

Motion carried (4-0)

- b. Ordinance #353 - Public Sidewalks  
Motion to Approve a Second Reading of Ordinance #353 - Public Sidewalks  
Motion made by Councilmember Bass, Seconded by Councilmember Ryan.  
Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf  
Motion carried (4-0)

## 11. RESOLUTIONS

- a. #24-11-04-01 Adopting Scott County Multi-Hazard Mitigation Plan  
Motion to Adopt Resolution #24-11-04-01 Adopting Scott County Multi-Hazard Mitigation Plan  
Motion made by Councilmember Ryan, Seconded by Councilmember Bass.  
Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf  
Motion carried (4-0)
- b. #24-11-04-02 Conditional Use Permit #C5-2024 - Expansion of Health Care Facility  
Motion to Adopt Resolution #24-11-04-02 Conditional Use Permit #C5-2024 - Expansion of Health Care Facility  
Motion made by Councilmember Ryan, Seconded by Councilmember Bass.  
Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf  
Motion carried (4-0)

## 12. GENERAL BUSINESS

- a. Establish Date for Special City Council Meeting to Canvas November 5, 2024 Election Results  
City Council will meet on November 15th at 9:00 a.m. to canvass the November 5, 2024, Election Results.
- b. City Municipal Advisor Recommendation  
City Administrator Joshua Tetzlaff presented the staff's recommendation to choose Ehlers as the City Municipal Advisor.  
Motion to Approve the City Municipal Advisor Recommendation.  
Motion made by Mayor Jirik, Seconded by Councilmember Wolf.  
Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf  
Motion carried (4-0)
- c. Settlers Park Prairie Restoration Project  
Ken Ondich presented the Settlers Park Prairie Restoration Project.  
Motion to terminate the current agreement with Rock Leaf Water Environmental  
Motion made by Councilmember Wolf, Seconded by Councilmember Bass.  
Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf  
Motion carried (4-0)  
Motion to approve the Professional Services Agreement with RES.  
Motion made by Councilmember Bass, Seconded by Councilmember Ryan.  
Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf  
Motion carried (4-0)
- d. Select Consultant for Preparation of Unified Development Code  
Ken Ondich spoke about the project.  
Motion to Approve the selection of Bolton & Menk to complete the Unified Development Code project and to approve Mayor Duane Jirik & City Administrator Joshua Tetzlaff to enter into a contract with Bolton & Menk pending the final contract.

Motion made by Councilmember Bass, Seconded by Councilmember Ryan.  
Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf  
Motion carried (4-0)

- e. 2025 Improvement Project - Sidewalks  
City Administrator Joshua Tetzlaff spoke about the project and answered any questions.

**13. MISCELLANEOUS**

- a. Meeting Minutes
  - i. September 24, 2024 Golf Board Meeting Minutes
  - ii. September 25, 2024 Planning Meeting Minutes
- b. Joint Powers Membership & Financial Update
- c. Proposed Generation Facility
- d. Discussion of Items not on the Agenda

**14. ADJOURNMENT**

Motion to adjourn the meeting at 8:22 p.m.  
Voting Yea: Mayor Jirik, Councilmember Ryan, Councilmember Bass, Councilmember Wolf  
Motion carried (4-0)

ATTEST:

\_\_\_\_\_  
Duane J. Jirik  
Mayor

\_\_\_\_\_  
Joshua M. Tetzlaff  
City Administrator



# SPECIAL CITY COUNCIL MEETING MINUTES

## City of New Prague

Monday, November 04, 2024 at 6:05 PM

City Hall Council Chambers - 118 Central Ave N

**1. CALL TO ORDER**

Mayor Jirik called the meeting to order at 8:25 p.m.

PRESENT

Mayor Duane Jirik

Councilmember Shawn Ryan

Councilmember Maggie Bass

Councilmember Bruce Wolf

ABSENT

Councilmember Rik Seiler

Staff Present: City Administrator Joshua Tetzlaff, Planning/Community Development Director Ken Ondich, Utilities General Manager Bruce Reimers, Police Chief Tim Applen, Public Works Director Matt Rynda, and Fire Chief Steve Rynda

**2. APPROVAL OF REGULAR AGENDA**

**3. 2025 BUDGET DISCUSSION**

Discussion was had regarding the 2025 budget. No action was taken.

- a. Memorandum - Budget Meeting #4
- b. Levy Funds
- c. Golf CIP
- d. 2025 Visioning List
- e. 2025 CIP - All Funds

**4. MISCELLANEOUS**

**5. ADJOURNMENT**

Meeting was adjourned at 8:45 p.m.

ATTEST:

\_\_\_\_\_  
 Duane J. Jirik  
 Mayor

\_\_\_\_\_  
 Joshua M. Tetzlaff  
 City Administrator

CITY OF NEW PRAGUE  
 ACCOUNTS PAYABLE  
 11/18/2024

Section 3, Item b.

VENDOR	DESCRIPTION	AMOUNT	TOTAL
<b>FUND 101 - GENERAL FUND</b>			
<b><u>RURAL FIRE - TO BE REIMBURSED</u></b>			
ALLIED PRODUCTS	FLAGS	\$44.76	
AMERICAN TEST CENTER INC	LADDER & LADDER TRUCK TESTING	\$687.00	
BEVCOMM	TELEPHONE	\$90.71	
CENTERPOINT ENERGY	NATURAL GAS	\$34.50	
INTEGRITY LOCKSMITH	DOOR REPAIR	\$596.03	
KIRVIDA FIRE INC	INSTALL NEW PRIMER MOTOR	\$5,284.98	
LAKERS NEW PRAGUE SANITARY	TRASH - RURAL	\$46.03	
NEW PRAGUE UTILITIES	RURAL FIRE - UTILITES	\$994.29	
STAR GROUP LLC.	OIL	\$17.04	
VERIZON WIRELESS	TABLETS	\$40.08	
VERIZON WIRELESS	TELEPHONE	\$20.70	
ZORO TOOLS INC.	DOOR THRESHOLD	\$19.86	
<b>TOTAL:</b>		<u>\$7,875.98</u>	<u>\$7,875.98</u>
<b><u>OTHER - TO BE REIMBURSED</u></b>			
DISPLAY SALES	SNOWFLAKES - CHAMBER	\$12,905.00	
<b>TOTAL:</b>		<u>\$12,905.00</u>	<u>\$12,905.00</u>
<b><u>COUNCIL</u></b>			
SUEL PRINTING	COUNCIL MINUTES	\$1,984.00	
SUEL PRINTING	LEGAL ADS	\$416.00	
VERIZON WIRELESS	TELEPHONE	\$82.78	
<b>TOTAL:</b>		<u>\$2,482.78</u>	<u>\$2,482.78</u>
<b><u>ADMINISTRATION</u></b>			
AMAZON CAPITAL SERVICES	AMAZON PRIME MEMBERSHIP	\$19.88	
AMAZON CAPITAL SERVICES	LAPTOP CASE - ALYSSA	\$15.99	
BEVCOMM	TELEPHONE	\$102.60	
GREATAMERICA FINANCIAL SERVICES	POSTAGE MACHINE LEASE	\$64.00	
SUEL PRINTING	ENVELOPES	\$203.86	
VERIZON WIRELESS	TELEPHONE	\$53.81	
VETERAN SHREDDING	CONTRACTED SERVICES	\$8.50	
<b>TOTAL:</b>		<u>\$468.64</u>	<u>\$468.64</u>
<b><u>TECH NETWORK</u></b>			
COMPUTER TECHNOLOGY SOLUTIONS	COMPUTER SUPPORT	\$5,346.06	
COMPUTER TECHNOLOGY SOLUTIONS	OFFICE 365 / FIREWALL	\$1,841.12	
SCOTT COUNTY TREASURER	MAINTENANCE OF FIBER LATERAL	\$475.00	
<b>TOTAL:</b>		<u>\$7,662.18</u>	<u>\$7,662.18</u>
<b><u>ELECTIONS</u></b>			
AMAZON CAPITAL SERVICES	PENS	\$37.79	
<b>TOTAL:</b>		<u>\$37.79</u>	<u>\$37.79</u>
<b><u>ATTORNEY</u></b>			
SCOTT COUNTY ATTORNEY'S OFFICE	SEPTEMBER COURT FINES	\$1,802.94	
<b>TOTAL:</b>		<u>\$1,802.94</u>	<u>\$1,802.94</u>
<b><u>PLANNING</u></b>			
ACE HARDWARE & PAINT	SUPPLIES	\$33.98	
BEVCOMM	TELEPHONE	\$46.65	
GREATAMERICA FINANCIAL SERVICES	POSTAGE MACHINE LEASE	\$12.51	
METRO SALES INC	COPIER LEASE	\$83.38	
MSA PROFESSIONAL SERVICES INC	COMPREHENSIVE PLAN UPDATE	\$13,143.00	
SCOTT COUNTY RECORDER	RECORDING FEE	\$138.00	
SUEL PRINTING	LEGAL ADS	\$192.00	
VERIZON WIRELESS	TELEPHONE	\$82.78	
<b>TOTAL:</b>		<u>\$13,732.30</u>	<u>\$13,732.30</u>



CITY OF NEW PRAGUE  
 ACCOUNTS PAYABLE  
 11/18/2024

Section 3, Item b.

VENDOR	DESCRIPTION	AMOUNT	TOTAL
<b><u>GOVERNMENT BUILDING</u></b>			
CENTERPOINT ENERGY	NATURAL GAS	\$102.85	
JANI-KING OF MINNESOTA INC	CLEANING SERVICES	\$1,286.63	
LAKERS NEW PRAGUE SANITARY	TRASH - CITY HALL	\$86.91	
MEI TOTAL ELEVATOR SOLUTIONS	ELEVATOR MAINTENANCE	\$69.62	
NEW PRAGUE UTILITIES	GOVT BUILDING - WATER/SEWER	\$348.15	
NEW PRAGUE UTILITIES	GOVT BUILDING -ELECTRIC	\$1,186.12	
<b>TOTAL:</b>			<b><u><u>\$3,080.28</u></u></b>
<b><u>POLICE</u></b>			
AMAZON CAPITAL SERVICES	AMAZON PRIME MEMBERSHIP	\$19.89	
AT&T MOBILITY	WIRELESS CELLS	\$568.80	
BEVCOMM	TELEPHONE	\$108.69	
GREATAMERICA FINANCIAL SERVICES	POSTAGE MACHINE LEASE	\$7.72	
NORTH MEMORIAL HEALTH CARE	EMR REFRESHER	\$500.00	
TRANSUNION RISK AND ALTERNATIVE	TLO CHARGES	\$75.00	
VERIZON WIRELESS	SQUAD BROADBAND	\$280.15	
VETERAN SHREDDING	CONTRACTED SERVICES	\$42.50	
<b>TOTAL:</b>			<b><u><u>\$1,602.75</u></u></b>
<b><u>FIRE</u></b>			
ALLIED PRODUCTS	FLAGS	\$44.76	
AMERICAN TEST CENTER INC	LADDER & LADDER TRUCK TESTING	\$687.00	
BEVCOMM	TELEPHONE	\$90.71	
CENTERPOINT ENERGY	NATURAL GAS	\$34.50	
INTEGRITY LOCKSMITH	DOOR REPAIR	\$596.03	
KIRVIDA FIRE INC	INSTALL NEW PRIMER MOTOR	\$5,284.98	
LAKERS NEW PRAGUE SANITARY	TRASH - FIRE	\$46.04	
NEW PRAGUE UTILITIES	FIRE - ELECTRIC	\$326.00	
NEW PRAGUE UTILITIES	FIRE - WATER/SEWER	\$668.30	
VERIZON WIRELESS	TABLETS	\$40.08	
VERIZON WIRELESS	TELEPHONE	\$20.70	
ZORO TOOLS INC.	DOOR THRESHOLD	\$19.86	
<b>TOTAL:</b>			<b><u><u>\$7,858.96</u></u></b>
<b><u>BUILDING INSPECTOR</u></b>			
AMAZON CAPITAL SERVICES	AMAZON PRIME MEMBERSHIP	\$19.89	
BEVCOMM	TELEPHONE	\$46.65	
GREATAMERICA FINANCIAL SERVICES	POSTAGE MACHINE LEASE	\$1.10	
METRO SALES INC	COPIER LEASE	\$83.37	
VERIZON WIRELESS	TELEPHONE	\$92.78	
<b>TOTAL:</b>			<b><u><u>\$243.79</u></u></b>
<b><u>STREET</u></b>			
ACE HARDWARE & PAINT	SUPPLIES	\$33.83	
AMAZON CAPITAL SERVICES	AMAZON PRIME MEMBERSHIP	\$19.89	
AMAZON CAPITAL SERVICES	CHAINSAW PARTS	\$19.99	
AMAZON CAPITAL SERVICES	OFFICE SUPPLIES	\$24.77	
AMAZON CAPITAL SERVICES	OIL FILTER WRENCH	\$79.48	
AMAZON CAPITAL SERVICES	POWER CORDS	\$71.98	
BEVCOMM	TELEPHONE	\$77.02	
CENTERPOINT ENERGY	NATURAL GAS	\$74.10	
LAKERS NEW PRAGUE SANITARY	TRASH - STREETS	\$86.91	
MACH LUMBER INC	CONCRETE -BATTING CAGE	\$122.36	
MACH LUMBER INC	RED TRUCK BOARDS	\$46.40	
METRO SALES INC	COPIER LEASE	\$83.37	
MN DEPARTMENT OF LABOR & INDUSTRY	PRESSURE VESSEL REGISTRATION	\$10.00	
NEW PRAGUE UTILITIES	STREETS - ELECTRIC	\$276.99	
NEW PRAGUE UTILITIES	STREETS - WATER/SEWER	\$127.70	
OESTREICH REPAIR	SKID LOADER TIRES	\$767.92	
RIVER COUNTRY COOP	MOTOR OIL	\$675.00	
STAR GROUP LLC.	OIL & FUEL FILTERS	\$444.48	

CITY OF NEW PRAGUE  
 ACCOUNTS PAYABLE  
 11/18/2024

Section 3, Item b.

VENDOR	DESCRIPTION	AMOUNT	TOTAL
STAR GROUP LLC.	SWEEPER FILTERS	\$21.61	
STAR GROUP LLC.	TIRE REPAIR	\$11.77	
STAR GROUP LLC.	WINDOW CLEANER	\$19.56	
TRUCK CENTER COMPANIES	SWEEPER TRUCK REPAIRS	\$66.30	
VERIZON WIRELESS	TELEPHONE	\$155.53	
WASHA TRUCKING SERVICES INC	HAULING 3/4 MINUS	\$575.00	
ZORO TOOLS INC.	BENCH GRINDER PART	\$101.41	
<b>TOTAL:</b>		\$3,993.37	
<b><u>STREET LIGHTS</u></b>			
NEW PRAGUE UTILITIES	STREETLIGHTS	\$4,106.96	
<b>TOTAL:</b>		\$4,106.96	
<b><u>PARKS</u></b>			
ACE HARDWARE & PAINT	SUPPLIES	\$197.15	
AMAZON CAPITAL SERVICES	AMAZON PRIME MEMBERSHIP	\$19.89	
AMAZON CAPITAL SERVICES	FILTERS	\$89.98	
BEVCOMM	TELEPHONE	\$34.50	
CENTERPOINT ENERGY	NATURAL GAS	\$37.80	
GRAFFITI SOLUTIONS INC	GRAFFITI REMOVER	\$100.33	
LAKERS NEW PRAGUE SANITARY	TRASH - PARKS	\$173.82	
MACH LUMBER INC	CONCRETE -BATTING CAGE	\$122.36	
NEW PRAGUE UTILITIES	PARKS - WATER/SEWER	\$1,901.90	
NEW PRAGUE UTILITIES	PARKS -ELECTRIC	\$1,145.37	
RENT N SAVE PORTABLE SERVICES	PORTABLE RESTROOMS	\$580.00	
TWIN CITY SEED CO.	NETLESS FUTERRA	\$1,297.40	
VERIZON WIRELESS	IPADS	\$10.02	
VERIZON WIRELESS	TELEPHONE	\$118.76	
<b>TOTAL:</b>		\$5,829.28	
<b><u>PARK BOARD</u></b>			
CROSS NURSERIES INC	DOG PARK - TREES	\$1,383.00	
<b>TOTAL:</b>		\$1,383.00	
<b><u>LIBRARY</u></b>			
ACE HARDWARE & PAINT	SUPPLIES	\$2.99	
CENTERPOINT ENERGY	NATURAL GAS	\$39.22	
JANI-KING OF MINNESOTA INC	CLEANING SERVICE	\$743.27	
NEW PRAGUE UTILITIES	LIBRARY - ELECTRIC	\$762.87	
NEW PRAGUE UTILITIES	LIBRARY - WATER/SEWER	\$105.03	
<b>TOTAL:</b>		\$1,653.38	
<b>GENERAL FUND TOTAL:</b>			\$76,719.38
<b>FUND 316 - DEBT SERVICE - CIP 2014</b>			
BAKER TILLY MUNICIPAL ADVI	ARBITRAGE COMPLIANCE - 2014	\$3,750.00	
<b>TOTAL:</b>		\$3,750.00	
<b>FUND 315 - DEBT SERVICE - CIP 2013</b>			
BAKER TILLY MUNICIPAL ADVI	ARBITRAGE COMPLIANCE - 2013	\$3,100.00	
<b>TOTAL:</b>		\$3,100.00	
<b>FUND 423 - CAPITAL PROJECTS - CIP 2024</b>			
BCM CONSTRUCTION INC.	CIP 2024 PAY AP #7	\$447,499.49	
CHOSEN VALLEY TESTING INC	CONSTRUCTION MATERIALS TESTING	\$2,048.00	
SUEL PRINTING	2024 CIP	\$416.00	
<b>TOTAL:</b>		\$449,963.49	

CITY OF NEW PRAGUE  
 ACCOUNTS PAYABLE  
 11/18/2024

Section 3, Item b.

VENDOR	DESCRIPTION	AMOUNT	TOTAL
<b>FUND 602 - ENTERPRISE - SANITARY SEWER</b>			
ACE HARDWARE & PAINT	SUPPLIES	\$159.60	
AMAZON CAPITAL SERVICES	AMAZON PRIME MEMBERSHIP	\$19.89	
BEVCOMM	TELEPHONE	\$209.43	
CENTERPOINT ENERGY	NATURAL GAS	\$2,648.15	
COMPUTER TECHNOLOGY SOLUTIONS	COMPUTER SUPPORT	\$1,344.64	
COMPUTER TECHNOLOGY SOLUTIONS	OFFICE 365 / FIREWALL	\$246.45	
DEM-CON COMPANIES LLC	BIOSOLIDS DISPOSAL	\$120.10	
GOPHER STATE ONE CALL	LINE LOCATES	\$25.65	
LAKERS NEW PRAGUE SANITARY	TRASH - WWTP	\$240.44	
MESERB	MESERB MEMBERSHIP	\$2,491.00	
MN VALLEY TESTING LABS	TESTING ANALYSIS	\$273.00	
MOTION INDUSTRIES INC.	MUFFLER ELEMENTS	\$340.59	
NEON LINK	ONLINE PAYMENT FEES	\$195.59	
NEW PRAGUE UTILITIES	WWTP - ELECTRIC	\$22,636.09	
NEW PRAGUE UTILITIES	WWTP - WATER/SEWER	\$279.92	
POLYDYNE INC	CLARIFLOC	\$18,538.00	
ROBERT HALF	TEMP UTILITY BILLING EMPLOYEE	\$9.80	
SALTCO	MONTHLY SALT	\$1,757.17	
SWANSON FLO	ACTUATOR	\$827.55	
UTILITY CONSULTANTS INC.	SAMPLES	\$2,983.11	
VERIZON WIRELESS	IPADS	\$7.52	
VERIZON WIRELESS	TELEPHONE	\$187.12	
VETERAN SHREDDING	CONTRACTED SERVICES	\$8.50	
ZORO TOOLS INC.	AIR HEATER SENSOR	\$348.99	
ZORO TOOLS INC.	SOLENOID	\$1,043.95	
<b>TOTAL:</b>		<u>\$1,043.95</u>	<u>\$56,942.25</u>
<b>FUND 606 - ENTERPRISE - STORM UTILITY</b>			
GOPHER STATE ONE CALL	LINE LOCATES	\$25.65	
NEON LINK	ONLINE PAYMENT FEES	\$23.46	
ROBERT HALF	TEMP UTILITY BILLING EMPLOYEE	\$2.45	
STAR GROUP LLC.	SWEEPER FILTERS	\$64.85	
VERIZON WIRELESS	IPADS	\$7.52	
VERIZON WIRELESS	TELEPHONE	\$6.21	
<b>TOTAL:</b>		<u>\$6.21</u>	<u>\$130.14</u>
<b>FUND 651 - ENTERPRISE - AMBULANCE</b>			
ALLIED PRODUCTS	FLAGS	\$44.75	
CENTERPOINT ENERGY	NATURAL GAS	\$34.50	
INTEGRITY LOCKSMITH	DOOR REPAIR	\$596.03	
LAKERS NEW PRAGUE SANITARY	TRASH - AMBULANCE	\$46.04	
NEW PRAGUE UTILITIES	AMBULANCE - ELECTRIC	\$326.00	
NEW PRAGUE UTILITIES	AMBULANCE - WATER/SEWER	\$110.68	
ZORO TOOLS INC.	DOOR THRESHOLD	\$19.87	
<b>TOTAL:</b>		<u>\$19.87</u>	<u>\$1,177.87</u>
<b>TOTAL ACCOUNTS PAYABLE FOR COUNCIL APPROVAL:</b>			<b>\$591,783.13</b>

Vendor Name	Net Invoice Amount
<b>BENNY'S PLUMBING</b>	
URINAL / DRAIN REPAIR	\$541.00
<b>BEVCOMM</b>	
TELEPHONE / CABLE / INTERNET	\$427.48
<b>BREAKTHRU BEVERAGE MINNESOTA</b>	
BEER	\$234.20
<b>CENTRAL MCGOWAN INC</b>	
CO2 RENTAL	\$33.18
<b>CINTAS</b>	
TOWELS / LINEN	\$259.91
<b>CLESENS</b>	
TEES, ADAPTERS, BUSHINGS	\$286.50
<b>COLLEGE CITY BEVERAGE</b>	
BEER - CREDIT	\$267.00-
BEER/ALCOHOL	\$137.50
<b>GOLF PROFESSIONAL ENTERPRISES LLC</b>	
OCTOBER MANAGEMENT FEE	\$8,347.50
<b>GRAINGER</b>	
STAND, PVC PIPE FITTINGS	\$510.06
<b>HERMEL WHOLESALE</b>	
FOOD	\$1,605.94
SUNDRIES	\$326.85
SUPPLIES	\$433.74
<b>LAKERS NEW PRAGUE SANITARY</b>	
TRASH	\$976.57
<b>LAU'S BAKERY</b>	
BUNS	\$70.02
<b>MGA</b>	
HANDICAP SERVICES	\$5,310.00
<b>MINNESOTA UI</b>	
UNEMPLOYMENT - MORGAN	\$238.36
<b>MTI DISTRIBUTING INC</b>	
BALL JOINT, RING CLIP	\$233.71
SHAFT	\$172.04
SHAFT, LATCH, COVER, FILTERS	\$479.21
TIRES	\$246.26
<b>NEW PRAGUE UTILITIES</b>	
UTILITIES	\$26,420.82
<b>PEPSI-COLA</b>	
BEVERAGE - NON-ALCOHOL	\$747.56
<b>REDEXIM NORTH AMERICA</b>	
TURF HOLD DOWN, ROLLER SCRAPER	\$1,856.11
<b>RIVER COUNTRY COOP</b>	
FUEL	\$3,457.43
<b>SANDY EATON</b>	
FLOWERS	\$260.07
<b>STAR GROUP LLC.</b>	
AIR FILTER KIT	\$15.92
<b>TOW DISTRIBUTING CORP</b>	
BEER	\$11.00
BEER - CREDIT	\$253.00-
<b>TURFWERKS</b>	
PRE-CLEANER, AIR FILTER	\$62.87
<b>VERSATILE VEHICLES INC.</b>	
POTENTIOMETER	\$233.81
TIRES	\$313.21
Grand Totals	<u>\$53,728.83</u>

**Unaudited** Income Statement  
Through September 30, 2024  
Percent of year complete: 75%

Section 3, Item c.

	Prior Year 2023 Thru 9/30/2023	Actual Thru 9/30/2024	2023/2024 Variance YTD	Current Month 9/30/2024	2024 Adopted Budget	2024 Budget Balance	% Actual compared to Budget
<b>General Fund</b>							
<b>REVENUES</b>							
Property Taxes	\$ 2,293,961.75	\$ 2,004,547.16	\$ (289,414.59)	\$ -	\$ 3,749,628	\$ 1,745,081	53.46%
Local Government Aid	\$ 492,904.00	\$ 591,763.50	\$ 98,859.50	\$ -	\$ 1,183,527	\$ 591,764	50.00%
Licenses and permits	\$ 267,996.14	\$ 298,455.26	\$ 30,459.12	\$ 28,348.72	\$ 250,255	\$ (48,200)	119.26%
Intergovernmental	\$ 244,018.47	\$ 163,594.89	\$ (80,423.58)	\$ -	\$ 383,672	\$ 220,077	42.64%
Charges for services	\$ 52,125.53	\$ 87,776.52	\$ 35,650.99	\$ 501.25	\$ 81,164	\$ (6,613)	108.15%
Fines	\$ 22,606.40	\$ 13,067.34	\$ (9,539.06)	\$ 1,348.99	\$ 20,000	\$ 6,933	65.34%
Interest Income	\$ 296,309.37	\$ 370,098.85	\$ 73,789.48	\$ 74,621.45	\$ 125,000	\$ (245,099)	296.08%
Miscellaneous revenue	\$ 87,504.01	\$ 438,209.18	\$ 350,705.17	\$ 1,383.90	\$ 200,500	\$ (237,709)	218.56%
Transfers In	\$ 32,916.66	\$ 29,999.97	\$ (2,916.69)	\$ 3,333.33	\$ 425,894	\$ 395,894	7.04%
<b>TOTAL REVENUES</b>	<b>\$ 3,790,342.33</b>	<b>\$ 3,997,512.67</b>	<b>\$ 207,170.34</b>	<b>\$ 109,537.64</b>	<b>\$ 6,419,640.00</b>	<b>\$ 2,422,127.33</b>	<b>62.27%</b>
<b>EXPENSES</b>							
Council	\$ 53,719.72	\$ 53,335.70	\$ (384.02)	\$ 3,581.16	\$ 76,142	\$ 22,806	70.05%
Administration	\$ 370,090.89	\$ 380,772.89	\$ 10,682.00	\$ 36,415.41	\$ 461,644	\$ 80,871	82.48%
Tech Network	\$ 169,531.90	\$ 110,292.89	\$ (59,239.01)	\$ 7,000.14	\$ 207,383	\$ 97,090	53.18%
Elections	\$ 1,214.00	\$ 11,349.62	\$ 10,135.62	\$ 548.99	\$ 15,900	\$ 4,550	71.38%
Assessor	\$ 44,400.00	\$ 45,700.00	\$ 1,300.00	\$ -	\$ 45,700	\$ -	100.00%
Attorney	\$ 48,090.06	\$ 65,616.54	\$ 17,526.48	\$ 1,348.99	\$ 70,000	\$ 4,383	93.74%
Engineer	\$ 6,165.81	\$ 113.00	\$ (6,052.81)	\$ -	\$ 20,000	\$ 19,887	0.57%
Planning	\$ 229,794.97	\$ 220,797.24	\$ (8,997.73)	\$ 23,586.69	\$ 405,723	\$ 184,926	54.42%
Government Building	\$ 60,582.33	\$ 297,814.43	\$ 237,232.10	\$ 34,624.15	\$ 174,138	\$ (123,676)	171.02%
Police	\$ 1,534,708.67	\$ 1,579,808.27	\$ 45,099.60	\$ 142,601.98	\$ 2,196,296	\$ 616,488	71.93%
Fire	\$ 64,329.25	\$ 216,166.32	\$ 151,837.07	\$ 2,516.31	\$ 252,332	\$ 36,166	85.67%
Building Inspector	\$ 227,584.06	\$ 241,950.99	\$ 14,366.93	\$ 24,424.55	\$ 341,054	\$ 99,103	70.94%
Emergency Management	\$ 1,738.85	\$ 3,395.81	\$ 1,656.96	\$ 665.30	\$ 2,637	\$ (759)	128.78%
Animal Control	\$ 11,700.00	\$ 11,700.00	\$ -	\$ -	\$ 15,750	\$ 4,050	74.29%
Public Works	\$ 85,692.45	\$ 89,151.78	\$ 3,459.33	\$ 8,638.00	\$ 116,637	\$ 27,485	76.44%
Streets	\$ 935,108.70	\$ 635,726.07	\$ (299,382.63)	\$ 54,223.61	\$ 892,825	\$ 257,099	71.20%
Street Lights	\$ 47,371.14	\$ 41,420.15	\$ (5,950.99)	\$ 4,080.95	\$ 72,333	\$ 30,913	57.26%
Outdoor Swimming Pool	\$ -	\$ 9.89	\$ 9.89	\$ -	\$ -	\$ (10)	0.00%
Aquatic Center	\$ 140,224.14	\$ 154,012.34	\$ 13,788.20	\$ -	\$ 116,251	\$ (37,761)	132.48%
Municipal Band	\$ 4,473.97	\$ 4,481.65	\$ 7.68	\$ -	\$ 4,484	\$ 2	99.95%
Parks	\$ 1,805,263.51	\$ 666,816.19	\$ (1,138,447.32)	\$ 54,183.08	\$ 621,815	\$ (45,001)	107.24%
Park Board	\$ 37,769.45	\$ 42,104.09	\$ 4,334.64	\$ (336.70)	\$ 180,000	\$ 137,896	23.39%
Library	\$ 40,862.42	\$ 23,967.21	\$ (16,895.21)	\$ 1,938.37	\$ 33,265	\$ 9,298	72.05%
Unallocated	\$ 107,267.78	\$ 131,387.42	\$ 24,119.64	\$ 1,727.00	\$ 97,331	\$ (34,056)	134.99%
<b>TOTAL EXPENSES</b>	<b>\$ 6,027,684.07</b>	<b>\$ 5,027,890.49</b>	<b>\$ (999,793.58)</b>	<b>\$ 401,767.98</b>	<b>\$ 6,419,640.00</b>	<b>\$ 1,391,749.51</b>	<b>78.32%</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b>\$ (2,237,341.74)</b>	<b>\$ (1,030,377.82)</b>	<b>\$ 1,206,963.92</b>	<b>\$ (292,230.34)</b>	<b>\$ -</b>	<b>\$ 1,030,377.82</b>	

**Unaudited** Income Statement  
Through September 30, 2024  
Percent of year complete: 75%

Section 3, Item c.

	Prior Year 2023 Thru 9/30/2023	Actual Thru 9/30/2024	2023/2024 Variance YTD	Current Month 9/30/2024	2024 Adopted Budget	2024 Budget Balance	% Actual compared to Budget
<b>Ambulance</b>							
TOTAL REVENUES	\$ 19,045.09	\$ 20,589.41	\$ 1,544.32	\$ 2,837.37	\$ 20,100	\$ (489)	102.43%
TOTAL EXPENSES	\$ 11,876.61	\$ 11,480.34	\$ (396.27)	\$ 640.02	\$ 12,366	\$ 886	92.84%
<b>EXCESS REVENUES OVER EXPENSES</b>	<u>\$ 7,168.48</u>	<u>\$ 9,109.07</u>	<u>\$ 1,940.59</u>	<u>\$ 2,197.35</u>	<u>\$ 7,734.00</u>	<u>\$ (1,375.07)</u>	
<b>EDA</b>							
TOTAL REVENUES	\$ 44,745.39	\$ 46,386.29	\$ 1,640.90	\$ 2,496.76	\$ 75,250.00	\$ 28,864	61.64%
TOTAL EXPENSES	\$ 59,754.34	\$ 40,679.42	\$ (19,074.92)	\$ 4,083.55	\$ 75,250.00	\$ 34,571	54.06%
<b>EXCESS REVENUES OVER EXPENSES</b>	<u>\$ (15,008.95)</u>	<u>\$ 5,706.87</u>	<u>\$ 20,715.82</u>	<u>\$ (1,586.79)</u>	<u>\$ -</u>	<u>\$ (5,706.87)</u>	
<b>EDA-INDUSTRIAL</b>							
TOTAL REVENUES	\$ 2,409.14	\$ 3,657.26	\$ 1,248.12	\$ 1,101.39	\$ -	\$ (3,657)	0.00%
TOTAL EXPENSES	\$ 1,488.11	\$ 1,805.56	\$ 317.45	\$ (1,488.11)	\$ 1,773	\$ (33)	101.84%
<b>EXCESS REVENUES OVER EXPENSES</b>	<u>\$ 921.03</u>	<u>\$ 1,851.70</u>	<u>\$ 930.67</u>	<u>\$ 2,589.50</u>	<u>\$ (1,773.00)</u>	<u>\$ (3,624.70)</u>	
<b>WATER FUND</b>							
TOTAL REVENUES	\$ 1,543,247.66	\$ 1,407,073.48	\$ (136,174.18)	\$ 224,072.44	\$ 1,877,961.00	\$ 470,887.52	74.93%
TOTAL EXPENSES	\$ 1,171,838.02	\$ 1,237,126.43	\$ 65,336.34	\$ 131,103.54	\$ 1,589,904.00	\$ 352,795.76	77.81%
<b>EXCESS REVENUES OVER EXPENSES</b>	<u>\$ 371,409.64</u>	<u>\$ 169,947.05</u>	<u>\$ (201,510.52)</u>	<u>\$ 92,968.90</u>	<u>\$ 288,057.00</u>	<u>\$ 118,091.76</u>	
<b>ELECTRIC FUND</b>							
TOTAL REVENUES	\$ 7,916,739.88	\$ 8,362,322.40	\$ 445,582.52	\$ 1,008,332.12	\$ 10,474,072.00	\$ 2,111,749.60	79.84%
TOTAL EXPENSES	\$ 7,117,470.81	\$ 7,353,696.23	\$ 236,225.42	\$ 826,569.92	\$ 10,076,660.00	\$ 2,722,963.77	72.98%
<b>EXCESS REVENUES OVER EXPENSES</b>	<u>\$ 799,269.07</u>	<u>\$ 1,008,626.17</u>	<u>\$ 209,357.10</u>	<u>\$ 181,762.20</u>	<u>\$ 397,412.00</u>	<u>\$ (611,214.17)</u>	

**Unaudited** Income Statement  
Through September 30, 2024  
Percent of year complete: 75%

Section 3, Item c.

	Prior Year 2023 Thru 9/30/2023	Actual Thru 9/30/2024	2023/2024 Variance YTD	Current Month 9/30/2024	2024 Adopted Budget	2024 Budget Balance	% Actual compared to Budget
<b>SANITARY SEWER</b>							
TOTAL REVENUES	\$ 2,836,382.21	\$ 2,972,649.57	\$ 136,267.36	\$ 379,141.08	\$ 3,677,947.00	\$ 705,297.43	80.82%
TOTAL EXPENSES	\$ 3,267,830.70	\$ 3,349,846.97	\$ 82,016.27	\$ 232,289.31	\$ 4,057,592.00	\$ 707,745.03	82.56%
EXCESS REVENUES OVER EXPENSES	<u>\$ (431,448.49)</u>	<u>\$ (377,197.40)</u>	<u>\$ 54,251.09</u>	<u>\$ 146,851.77</u>	<u>\$ (379,645.00)</u>	<u>\$ (2,447.60)</u>	
<b>GOLF</b>							
TOTAL REVENUES	\$ 1,354,493.32	\$ 1,325,065.33	\$ (29,427.99)	\$ 159,219.92	\$ 1,392,982.00	\$ 67,916.67	95.12%
TOTAL EXPENSES	\$ 1,143,746.22	\$ 1,133,532.84	\$ (10,213.38)	\$ 121,739.97	\$ 1,408,833.11	\$ 275,300.27	80.46%
EXCESS REVENUES OVER EXPENSES	<u>\$ 210,747.10</u>	<u>\$ 191,532.49</u>	<u>\$ (19,214.61)</u>	<u>\$ 37,479.95</u>	<u>\$ (15,851.11)</u>	<u>\$ (207,383.60)</u>	
<b>STORM SEWER</b>							
TOTAL REVENUES	\$ 317,783.90	\$ 337,696.96	\$ 19,913.06	\$ 42,566.17	\$ 401,040.00	\$ 63,343.04	84.21%
TOTAL EXPENSES	\$ 317,891.91	\$ 359,696.84	\$ 41,804.93	\$ 32,094.22	\$ 403,445.00	\$ 43,748.16	89.16%
EXCESS REVENUES OVER EXPENSES	<u>\$ (108.01)</u>	<u>\$ (21,999.88)</u>	<u>\$ (21,891.87)</u>	<u>\$ 10,471.95</u>	<u>\$ (2,405.00)</u>	<u>\$ 19,594.88</u>	

**Unaudited** Income Statement  
Through September 30, 2024  
Percent of year complete: 75%

*Section 3, Item c.*

---

<b>Prior Year 2023 Thru 9/30/2023</b>	<b>Actual Thru 9/30/2024</b>	<b>2023/2024 Variance YTD</b>	<b>Current Month 9/30/2024</b>	<b>2024 Adopted Budget</b>	<b>2024 Budget Balance</b>	<b>% Actual compared to Budget</b>
---	--------------------------------------	---------------------------------------	--	------------------------------------	------------------------------------	--



CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

GENERAL FUND

<u>ASSETS</u>		
101-10101	CLAIM ON CASH	( 577,912.38)
101-10120	MONEY MARKET-FIRST BK & TRUST	389,923.65
101-10121	MONEY MARKET-WELLS FARGO	24,998.09
101-10122	MONEY MARKET-ROUNDBANK	33,653.69
101-10123	WELLS FARGO MARKET VALUE	27,391.92
101-10124	WELLS FARGO MONEY FUNDS	( 1,082.39)
101-10125	MONEY MARKET-4M	4,573,635.20
101-10129	MONEY MARKET.STATE BANK - FUTU	133,752.00
101-10160	MONEY MARKET-ROUNDBANK - 350	1,302.26
101-10200	PETTY CASH	198.91
101-10201	PETTY CASH POLICE DEPT	100.00
101-10406	WELLS SELECT INVESTMENT	108,000.00
101-10450	INT. RECEIVABLE - INVESTMENTS	94,946.58
101-10700	TAXES RECEIVABLE-DELINQUENT	28,049.12
101-11500	ACCOUNTS RECEIVABLE	118,436.87
101-11501	ACCOUNTS RECEIVABLE - FLEX	3,388.10
101-11521	BUSINESS LICENSE AR	3,037.50
101-11531	BANK CLEARING ACCT	3,877.37
101-11535	CLEARING ACCOUNT - RURAL FIRE	3,067.62
101-11536	CLEARING ACCOUNT-GENERAL	248.40
101-11537	MISC PROPERTY MAINT	2,478.97
101-12100	SPECIAL ASSESS. REC.-CURRENT	1,746.10
101-12200	SPECIAL ASSESS. REC.-DELINQUEN	1,982.15
101-13109	DUE FROM RETIREE/COBRA	( 550.12)
101-15501	PREPAID OTHER	9,439.61
		4,984,109.22
	<u>TOTAL ASSETS</u>	4,984,109.22
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
101-20204	AP OTHER	45.00
101-20210	ACCOUNTS PAYABLE	227,857.46
101-20800	DUE TO OTHER GOVERNMENTS	137.00
101-21600	ACCRUED WAGES	145,913.97
101-21706	INSURANCE PAYABLE	28,827.07
101-21714	ACCRUED POLICE DUES	50.00
101-21716	HSA EMPLOYEE AMOUNTS	5,329.41
101-21800	ESCROW - BLDG PERMITS	78,987.43
101-22000	DEPOSITS	15,000.00
101-22022	HOLDING FUNDS-DEVELOPERS/OTHER	2,673.00
101-22200	DEFERRED REVENUE	10.00
101-22202	DEFERRED REVENUE - ASSMNTS	4,505.91
101-22206	DEFERRED REVENUE - AR	55.00
101-22207	DEFERRED REVENUE - BP	29,298.65
101-22210	DEFERRED REVENUE - TAXES	28,049.12
		566,739.02
	<u>TOTAL LIABILITIES</u>	566,739.02
	<u>FUND EQUITY</u>	

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

GENERAL FUND

101-25311	COMMITTED: ATHLETIC FIELD		143,987.00
101-25312	ASSIGNED: RENOV/REPL PUB FAC		834,002.00
101-25313	ASSIGNED: ACQ OF EQUIP & VEHIC		330,059.00
101-25314	COMMITTED: PUB FAC INFRAS		500,000.00
101-25999	COMMITTED: EMERG/DIASTER		100,000.00
	UNAPPROPRIATED FUND BALANCE:		
101-25300	UNDESIGNATED: FUND BALANCE	3,547,394.50	
	REVENUE OVER EXPENDITURES - YTD	( 1,038,072.30)	
	BALANCE - CURRENT DATE		<u>2,509,322.20</u>
	TOTAL FUND EQUITY		<u>4,417,370.20</u>
	TOTAL LIABILITIES AND EQUITY		<u><u>4,984,109.22</u></u>

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

WWTP

<u>ASSETS</u>		
602-10101	CLAIM ON CASH	852,589.67
602-10106	DESIGNATED FOR MEMB REPLACEMEN	210,000.00
602-10120	MONEY MARKET-FIRST BK & TRUST	576,833.77
602-10121	MONEY MARKET-WELLS FARGO	44,609.15
602-10122	MONEY MARKET-ROUNDBANK	44,932.37
602-10125	MONEY MARKET-4M	6,048,237.46
602-10126	MONEY MARKET-4M 2024 BOND	809,638.92
602-11500	ACCOUNTS RECEIVABLE	28,878.17
602-11710	CUSTOMER ACCOUNTS RECEIVABLE	280,329.64
602-12300	SPECIAL ASSESS. REC.-DEFERRED	258,519.56
602-15696	DEFERRED OUTFLOW - OPEB	3,889.00
602-15699	GERF DEFERRED OUTFLOWS	101,203.00
602-16100	LAND	56,980.00
602-16200	BUILDINGS	27,964,821.77
602-16210	ACCUM. DEPRECIATION-BUILDINGS	( 12,231,149.88)
602-16300	INFRASTRUCTURE	7,897,920.09
602-16310	ACCUMULATED DEPRECIATION - INF	( 2,946,894.15)
602-16400	EQUIPMENT	13,877,863.08
602-16410	ACCUMULATED DEPRECIATION - EQU	( 8,664,269.32)
602-16420	OFFICE EQUIPMENT	40,455.10
602-16504	SCADA UPGRADE	2,211.93
		35,257,599.33
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
602-20210	ACCOUNTS PAYABLE	41,430.73
602-21500	ACCRUED INTEREST	337,860.71
602-21650	ACCRUED WAGES-VAC & COMP	29,965.66
602-21717	OPEB LIABILITY	19,506.00
602-22000	DEPOSITS	66,103.86
602-22296	OPEB DEFERRED INFLOW	7,361.00
602-22299	GERF DEFERRED INFLOWS	103,397.00
602-22500	BOND PAYABLE - CUR PORT	( .55)
602-23100	BONDS PAYABLE	3,126,651.27
602-23101	PFA BOND PAYABLE	22,202,000.00
602-23400	BOND PREMIUM	310,005.80
602-23999	GERF PENSION LIABILITY	323,468.00
		26,567,749.48
<u>FUND EQUITY</u>		
602-25999	PRIOR PERIOD ADJUSTMENT	( 651,969.00)
602-27200	FUND BALANCE-UNDESIGNATED	5,565,947.85
UNAPPROPRIATED FUND BALANCE:		
602-25300	FUND BALANCE-UNDESIGNATED	4,153,068.40
	REVENUE OVER EXPENDITURES - YTD	( 377,197.40)
		3,775,871.00
BALANCE - CURRENT DATE		3,775,871.00
TOTAL FUND EQUITY		8,689,849.85

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

Section 3, Item c.

WWTP

TOTAL LIABILITIES AND EQUITY

35,257,599.33

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

GOLF COURSE

<u>ASSETS</u>		
603-10101	CLAIM ON CASH	124,554.18
603-10125	MONEY MARKET-4M	161,593.84
603-10126	MONEY MARKET-4M 2024 BOND	188,815.74
603-10200	PETTY CASH	2,000.00
603-11500	ACCOUNTS RECEIVABLE - GOLF A/R	2,518.79
603-14100	MATERIAL INVENTORY	112,002.09
603-15696	DEFERRED OUTFLOW - OPEB	872.00
603-15699	GERF DEFERRED OUTFLOWS	71,391.00
603-16150	OTHER IMPROVEMENTS (LAND)	910,289.85
603-16160	ACCUMULATED DEPR - OTHER IMPRO	( 904,642.48)
603-16200	BUILDINGS	1,094,511.44
603-16210	ACCUM. DEPRECIATION-BUILDINGS	( 667,479.98)
603-16400	EQUIPMENT	1,923,404.79
603-16410	ACCUMULATED DEPRECIATION - EQU	( 1,274,153.53)
	TOTAL ASSETS	<u>1,745,677.73</u>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
603-20210	ACCOUNTS PAYABLE	57,953.97
603-21500	ACCRUED INTEREST	3,152.00
603-21650	ACCRUED WAGES-VAC & COMP	11,206.35
603-21717	OPEB LIABILITY	4,375.00
603-22000	DEPOSITS	81,490.23
603-22001	DESIGNATED - JR GOLF FUND	20,263.52
603-22004	DESIGNATED- GOLF MAINT. FUND	648.12
603-22211	DEFERRED REVENUE-GIFT CERTIFIC	11,013.46
603-22213	DEFERRED REVENUE-MEMBER CREDIT	21,563.37
603-22296	OPEB DEFERRED INFLOW	1,651.00
603-22299	DEFERRED (GERF) INFLOW	60,854.00
603-23106	BOND PAYABLE-2015 EQUIPMENT	10,000.00
603-23107	BOND PAYABLE-2016 EQUIPMENT	18,000.00
603-23110	BOND PAYABLE-2022 EQUIPMENT	345,000.00
603-23400	BOND PREMIUM	35,516.08
603-23999	GERF PENSION LIABILITY	218,084.00
	TOTAL LIABILITIES	<u>900,771.10</u>
<u>FUND EQUITY</u>		
603-25999	PRIOR PERIOD ADJUSTMENT	( 117,578.00)
UNAPPROPRIATED FUND BALANCE:		
603-25300	FUND BALANCE-UNDESIGNATED	595,952.14
	REVENUE OVER EXPENDITURES - YTD	366,532.49
	BALANCE - CURRENT DATE	<u>962,484.63</u>
	TOTAL FUND EQUITY	<u>844,906.63</u>
	TOTAL LIABILITIES AND EQUITY	<u>1,745,677.73</u>

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

WATER

<u>ASSETS</u>		
604-10101	CLAIM ON CASH	1,426,861.71
604-10125	MONEY MARKET-4M	410,468.47
604-10126	MONEY MARKET-4M 2024 BOND	896,899.93
604-10406	F.I.S.T. INVESTMENTS	881,850.46
604-10407	INVEST ALLOW-UNREALIZED LOS	( 44,321.78)
604-11500	ACCOUNTS RECEIVABLE	85.18
604-11502	ACCOUNTS RECEIVABLE - NSF	660.06
604-11525	ACCRUED REVENUE	163,001.90
604-11600	ALLOWANCE DOUBTFUL ACC'T	( 4,000.00)
604-11710	CUSTOMER ACCOUNTS RECEIVABL	182,981.16
604-12100	SPECIAL ASSESS. REC.-CURRENT	183.38
604-12300	SPECIAL ASSESS. REC.-DEFFERED	478,878.00
604-14100	MATERIAL INVENTORY	75,454.02
604-15696	DEFERRED OUTFLOW - OPEB	3,872.00
604-15699	GERF DEFERRED OUTFLOWS	75,379.00
604-16100	LAND	79,519.50
604-16200	BUILDINGS	2,454,932.92
604-16201	WELLS, PUMPS & PUMP HOUSE	2,197,186.11
604-16202	WATER TREATMENT	68,116.88
604-16203	WATER TREATMENT EQUIPMENT	1,253,269.45
604-16211	ACCUM DEPR-PRODUCTION PLANT	( 4,357,715.78)
604-16301	ELEVATED TOWER	1,988,569.68
604-16303	RESERVOIR	732,530.15
604-16304	DISTRIBUTION TO SYSTEM	7,212,617.25
604-16305	PRU VALVES	902.95
604-16306	MAIN STREET TREATMENT UPGRADE	215,848.13
604-16308	WATER METERS	1,127,825.19
604-16311	ACCUM DEPR.-TRANS-DISTRIBUTI	( 4,588,814.78)
604-16312	ACCUM. DEPR-GENERAL PLANT	( 290,302.34)
604-16314	SCADA	218,511.67
604-16401	BLDG IMPROVEMENT OFFICE	5,533.95
604-16402	DEFERRED MAINTENANCE CHARGE	24,794.02
604-16403	OFFICE FUNITURE & FIXTURES	29,980.37
604-16404	TRANSPORTATION/EQUIPMENT	317,010.20
604-16405	MISCELLANEOUS EQUIPMENT	39,308.45
604-16406	SHOP EQUIPMENT	1,417.62
604-16507	SCADA UPGRADE	133,434.07
604-16508	10TH AVE WATER MAIN	81,956.30
TOTAL ASSETS		13,494,685.45

LIABILITIES AND EQUITY

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

WATER

<u>LIABILITIES</u>			
604-20210	ACCOUNTS PAYABLE	58,090.51	
604-20801	STATE SALES TAX	31.85	
604-20802	SC TRANSIT TAX	( 1.16)	
604-20803	LS TRANSIT TAX	2.70	
604-21503	ACCRUED INTEREST	45,129.04	
604-21650	ACCRUED WAGES-VAC & COMP	53,414.10	
604-21712	DUE WATER TESTING PROGRAM	6.23	
604-21717	OPEB LIABILITY	19,420.00	
604-22000	DEPOSITS	34,245.96	
604-22296	OPEB DEFERRED INFLOW	7,329.00	
604-22299	DEFERRED (GERF) INFLOW	95,644.00	
604-22500	BOND PAYABLE - CUR PORT	34,999.97	
604-23400	BOND PREMIUM	421,725.55	
604-23511	2011 CIP	44,455.00	
604-23516	2013B-REFUNDING 2005-2007	80,000.00	
604-23517	CIP 2014	60,000.00	
604-23518	2020A - REFUNDING	319,923.58	
604-23519	CIP 2020-2021	2,180,000.00	
604-23520	2021 UTILITY BUILDING	415,000.00	
604-23521	CIP 2022	275,000.00	
604-23522	CIP 2023	460,000.00	
604-23523	CIP 2024	( 150.00)	
604-23999	GERF PENSION LIABILITY	293,737.00	
	TOTAL LIABILITIES		4,898,003.33
<u>FUND EQUITY</u>			
604-25999	PRIOR PERIOD ADJUSTMENT	( 274,691.48)	
604-26730	RESERVED FOR INVESTMENT AL	( .40)	
604-27200	FUND BALANCE-UNDESIGNATED	7,413,719.83	
604-28000	INVESTED IN UTILITY PLANT	1,287,688.93	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	169,965.24	
	BALANCE - CURRENT DATE	169,965.24	
	TOTAL FUND EQUITY		8,596,682.12
	TOTAL LIABILITIES AND EQUITY		13,494,685.45

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

ELECTRIC

<u>ASSETS</u>		
605-10101	CLAIM ON CASH	2,859,903.56
605-10125	MONEY MARKET-4M	1,509,033.26
605-10200	PETTY CASH	300.00
605-10405	MONEY MARKET-FIRST BK & TRUST	151,546.93
605-10406	F.I.S.T. INVESTMENT	2,509,882.07
605-10407	INVEST ALLOW-UNREALIZED LOS	( 126,146.61)
605-11500	ACCOUNTS RECEIVABLE	34,745.00
605-11502	ACCOUNTS RECEIVABLE - NSF	5,478.06
605-11510	ACOUNTS RECEIVABLE - SMMPA	236,162.74
605-11525	ACCRUED REVENUE	597,617.09
605-11530	CLEARING ACCOUNT	487.21
605-11600	ALLOWANCE DOUBTFUL ACCT	( 10,000.05)
605-11710	CUSTOMER ACCOUNTS RECEIVABL	945,094.61
605-11720	BUDGET A/R	223.58
605-12100	SPECIAL ASSESS. REC.-CURRENT	454.89
605-14100	MATERIAL INVENTORY	1,291,986.25
605-15501	PREPAID OTHER	647.44
605-15696	DEFERRED OUTFLOW - OPEB	5,538.00
605-15699	GERF DEFERRED OUTFLOWS	185,794.00
605-16100	LAND	41,647.88
605-16205	STRUCTURE & IMPROV. BLDGS	3,792,791.38
605-16206	GENERATORS	5,527,533.57
605-16211	ACCUM DEPR-PRODUCTION PLANT	( 6,791,492.27)
605-16301	TRANSMISSION STATION EQUIPMENT	601,832.72
605-16302	TRANSMISSION POLES & CONDUCTOR	87,734.24
605-16303	DISTRIBUTION STATION EQUIPMENT	832,233.96
605-16304	POLES-TOWERS-FIXTURES	204,140.34
605-16305	OVERHEAD CONDUCTORS-DEVICES	678,998.06
605-16306	UNDERGROUND CONDUCTORS-DEVICE	6,038,780.12
605-16307	LINE TRANSFORMERS	2,057,276.01
605-16308	SERVICES	379,201.70
605-16309	ELECTRIC METERS	1,073,652.50
605-16310	FIBER OPTIC	89,759.87
605-16311	ACCUM DEPR.-TRANS-DISTRIBUTI	( 7,973,914.59)
605-16312	ACCUM DEPR - GEN PLANT	( 1,637,028.71)
605-16313	LOAD MANAGEMENT	97,714.51
605-16314	SCADA	123,864.82
605-16315	STREET LIGHTS	1,717,237.14
605-16316	STRUCTURE & IMPROVEMENTS E	224,058.67
605-16403	TOOLS & WORK EQUIPMENT	237,583.03
605-16404	TRANSPORTATION/EQUIPMENT	1,865,610.77
605-16405	MISCELLANEOUS EQUIPMENT	97,109.01
605-16406	SHOP EQUIPMENT	56,994.23
605-16420	OFFICE EQUIPMENT	89,730.18
605-16510	JOB #2 (URD) GIS MAPPING	15,837.34
605-16511	JOB #2 (TRAN) GIS MAPPING	106.23
605-16512	JOB #2 (SERV) GIS MAPPING	2,755.16
605-16517	JOB #3 (OH) NE STREET RECONS	99.92
605-16518	JOB #3 (URD) NE STREET RECONS	760.97
605-16519	JOB #3 (TRANS) NE STREET RECON	268.32
605-16522	JOB #3 (S.L.) NE STREET RECONS	2,169.84
605-16525	JOB #4 (OH) FEEDER #1	11,221.35
605-16526	JOB #4 (URD) FEEDER #1	215,030.22
605-16527	JOB #4 (TRANS) FEEDER #1	11,342.12
605-16528	JOB #4 (SERV) FEEDER #1	78,477.42
605-16529	JOB #4 (METER) FEEDER #1	230.33
605-16530	JOB #4 (S.L.) FEEDER #1	10,219.54
605-16531	JOB #4 (FIBER) FEEDER #1	571.96



CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

ELECTRIC

605-16542	JOB #6 (URD) FEEDER #4 & #6	370.64	
605-16550	JOB #7 (URD) FEEDER #8	3,731.75	
605-16568	JOB #9 (SERV) FUTURE GENERATIO	11,183.00	
605-16578	JOB #10 (S.L.) CHART	173.12	
605-16582	JOB #11 (URD) SCOTT EQUIP	3,150.42	
605-16583	JOB #11 (TRANS) SCOTT EQUIP	635.64	
605-16590	JOB #12 (URD) DOG PARK	8,608.79	
605-16592	JOB #12 (SERV) DOG PARK	5.40	
605-16595	JOB #12 (FIBER) DOG PARK	352.68	
605-16598	JOB #13 (URD) PARKS BUILDING	367.87	
605-16600	JOB #13 (SERV) PARKS BUILDING	96.40	
605-16603	JOB #13 (FIBER) PARKS BUILDING	2,831.28	
605-16606	JOB #14 (URD) SCOOTERS COFFEE	4,799.09	
605-16607	JOB #14 (TRANS) SCOOTERS COFFE	1,350.82	
605-16608	JOB #14 (SERV) SCOOTERS COFFEE	384.03	
605-16616	JOB #15 (SERV)	1,509.00	
605-16638	JOB #18 (URD) BELZER EV CHARGE	29,520.46	
605-16646	JOB #19 (URD) WEST SUB PLC	10,139.21	
605-16648	JOB #19 (SERV) WEST SUB PLC	48,960.80	
	TOTAL ASSETS		20,189,058.29
	 <u>LIABILITIES AND EQUITY</u>		
	 <u>LIABILITIES</u>		
605-20200	ACCOUNTS PAYABLE-SMMPA	546,056.39	
605-20204	AP OTHER	276,745.29	
605-20210	ACCOUNTS PAYABLE	245,890.83	
605-20801	STATE SALES TAX	229.04	
605-20802	SC TRANSIT TAX	10.98	
605-20803	LS TRANSIT TAX	12.99	
605-21650	ACCRUED WAGES-VAC & COMP	122,384.98	
605-21717	OPEB LIABILITY	27,780.00	
605-22000	DEPOSITS	139,485.90	
605-22001	ENERGY ASSISTANCE CONTRACTS	24.69	
605-22022	HOLDING FUNDS-DEPOSITS	950.00	
605-22296	OPEB DEFERRED INFLOW	10,484.00	
605-22299	DEFERRED (GERF) INFLOW	235,737.00	
605-23999	GERF PENSION LIABILITY	723,987.00	
	TOTAL LIABILITIES		2,329,779.09
	 <u>FUND EQUITY</u>		
605-25999	PRIOR PERIOD ADJUSTMENT	( 890,763.35)	
605-26300	CONTRIBUTED CAPITAL	( .19)	
605-26720	RESERVED FOR BONDS	321,700.00	
605-27200	FUND BALANCE-UNDESIGNATED	12,995,882.31	
605-28000	INVESTED IN UTILITY PLANT	4,423,834.26	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	1,008,626.17	
	BALANCE - CURRENT DATE	1,008,626.17	
	TOTAL FUND EQUITY		17,859,279.20

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

Section 3, Item c.

ELECTRIC

TOTAL LIABILITIES AND EQUITY

20,189,058.29

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

STORM WATER UTILITY

<u>ASSETS</u>		
606-10101	CLAIM ON CASH	435,113.35
606-10120	MONEY MARKET-FIRST BK & TRUST	63,353.58
606-10122	MONEY MARKET.COMM SEC BK	4,508.00
606-10125	MONEY MARKET-4M	637,899.80
606-10126	MONEY MARKET-4M 2024 BOND	481,042.54
606-11710	CUSTOMER ACCOUNTS RECEIVABLE	34,245.12
606-15696	DEFERRED OUTFLOW - OPEB	625.00
606-15699	GERF DEFERRED OUTFLOWS	14,498.00
606-16300	INFRASTRUCTURE	8,282,527.19
606-16310	ACCUMULATED DEPRECIATION - INF	( 4,205,731.26)
606-16400	EQUIPMENT	29,295.57
606-16410	ACC. DEP. - EQUIPMENT	( 23,646.59)
	<b>TOTAL ASSETS</b>	<b>5,753,730.30</b>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
606-20210	ACCOUNTS PAYABLE	2,714.70
606-21500	ACCRUED INTEREST	21,870.23
606-21717	OPEB LIABILITY	3,134.00
606-22296	OPEB DEFERRED INFLOW	1,183.00
606-22299	GERF DEFERRED INFLOWS	14,813.00
606-23100	BONDS PAYABLE	1,758,220.66
606-23400	BOND PREMIUM	178,698.76
606-23999	GERF PENSION LIABILITY	46,339.00
	<b>TOTAL LIABILITIES</b>	<b>2,026,973.35</b>
<u>FUND EQUITY</u>		
606-25999	PRIOR PERIOD ADJUSTMENT	( 36,253.00)
UNAPPROPRIATED FUND BALANCE:		
606-25300	FUND BALANCE-UNDESIGNATED	3,785,009.83
	REVENUE OVER EXPENDITURES - YTD	( 21,999.88)
	<b>BALANCE - CURRENT DATE</b>	<b>3,763,009.95</b>
	<b>TOTAL FUND EQUITY</b>	<b>3,726,756.95</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,753,730.30</b>

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

AMBULANCE

<u>ASSETS</u>			
651-10101	CLAIM ON CASH	61,288.40	
651-10120	MONEY MARKET-FIRST BK & TRUST	12,953.10	
651-10121	MONEY MARKET-WELLS FARGO	416.28	
651-10125	MONEY MARKET-4M	115,787.05	
651-10127	MONEY MARKET.STATE BANK - 1206	5,645.45	
		<hr/>	
	TOTAL ASSETS		196,090.28
			<hr/> <hr/>
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
651-20210	ACCOUNTS PAYABLE	586.80	
		<hr/>	
	TOTAL LIABILITIES		586.80
<u>FUND EQUITY</u>			
651-27200	FUND BALANCE-UNDESIGNATED	162,640.15	
	UNAPPROPRIATED FUND BALANCE:		
651-25300	FUND BALANCE-UNDESIGNATED	23,754.26	
	REVENUE OVER EXPENDITURES - YTD	9,109.07	
		<hr/>	
	BALANCE - CURRENT DATE	32,863.33	
		<hr/>	
	TOTAL FUND EQUITY		195,503.48
			<hr/> <hr/>
	TOTAL LIABILITIES AND EQUITY		196,090.28
			<hr/> <hr/>

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

EDA

<u>ASSETS</u>			
680-10101	CLAIM ON CASH	170,206.64	
680-10120	MONEY MARKET-FIRST BK & TRUST	25,706.44	
680-10125	MONEY MARKET-4M	252,692.87	
	TOTAL ASSETS		<u>448,605.95</u>
<u>LIABILITIES AND EQUITY</u>			
<u>FUND EQUITY</u>			
680-27200	FUND BALANCE-UNDESIGNATED	602,744.97	
	UNAPPROPRIATED FUND BALANCE:		
680-25300	FUND BALANCE-UNDESIGNATED	( 159,845.89)	
	REVENUE OVER EXPENDITURES - YTD	5,706.87	
	BALANCE - CURRENT DATE	( 154,139.02)	
	TOTAL FUND EQUITY		<u>448,605.95</u>
	TOTAL LIABILITIES AND EQUITY		<u>448,605.95</u>

CITY OF NEW PRAGUE  
BALANCE SHEET  
SEPTEMBER 30, 2024

EDA-INDUSTRIAL PARK

<u>ASSETS</u>			
681-10101	CLAIM ON CASH	76,624.03	
681-10120	MONEY MARKET-FIRST BK & TRUST	12,854.05	
681-10125	MONEY MARKET-4M	111,510.07	
681-16100	LAND	453,940.38	
681-16300	INFRASTRUCTURE	( .32)	
681-16310	ACCUM. DEPRECIATION-INFRASTR	( 591.17)	
	TOTAL ASSETS		<u>654,337.04</u>
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
681-20610	CIP RETAINAGE PERCENTAGE	<u>6,286.00</u>	
	TOTAL LIABILITIES		6,286.00
<u>FUND EQUITY</u>			
	UNAPPROPRIATED FUND BALANCE:		
681-25300	FUND BALANCE	646,199.34	
	REVENUE OVER EXPENDITURES - YTD	<u>1,851.70</u>	
	BALANCE - CURRENT DATE	<u>648,051.04</u>	
	TOTAL FUND EQUITY		<u>648,051.04</u>
	TOTAL LIABILITIES AND EQUITY		<u>654,337.04</u>

**CITY OF NEW PRAGUE**  
**CASH AND INVESTMENT SUMMARY**  
**GENERAL FUND, ENTERPRISE AND OTHER FUNDS**  
**09/30/2024**

<b>CHECKING:</b>			
First Bank & Trust	\$	4,910,050.18	
Petty Cash	\$	2,598.91	
First Bank & Trust-Small Cities	\$	1,932.01	
<b>Total Checking</b>			\$ 4,914,581.10
<b>INVESTMENTS:</b>			
Wells Fargo - FIST	\$	3,221,264.14	
Wells Select	\$	108,000.00	
<b>Total Investments</b>			\$ 3,329,264.14
<b>SAVINGS/MONEY MARKET:</b>			
First Bank & Trust	\$	2,298,208.21	
4M	\$	20,032,722.34	
Wells Fargo	\$	88,293.23	
Minnwest Bank	\$	84,396.32	
<b>Total Savings/Money Market</b>			\$ 22,503,620.10
<b>GRAND TOTAL - CITY FUNDS</b>			\$ 30,747,465.34

**CITY OF NEW PRAGUE  
CASH AND INVESTMENT SUMMARY  
GENERAL FUND  
09/30/2024**

<b>CHECKING:</b>		
First Bank & Trust	\$ (577,912.38)	
Petty Cash	\$ 298.91	
<b>Total Checking</b>		<b>\$ (577,613.47)</b>
<b>INVESTMENTS:</b>		
Wells Select	\$ 108,000.00	
<b>Total Investments</b>		<b>\$ 108,000.00</b>
<b>SAVINGS/MONEY MARKET:</b>		
First Bank & Trust	\$ 523,675.65	
4M	\$ 4,573,635.20	
Minnwest Bank	\$ 34,955.95	
Wells Fargo	\$ 24,998.09	
<b>Total Savings/Money Market</b>		<b>\$ 5,157,264.89</b>
<b>TOTAL GENERAL FUND</b>		<b>\$ 4,687,651.42</b>



**CITY OF NEW PRAGUE  
CASH AND INVESTMENT SUMMARY  
ENTERPRISE FUNDS  
09/30/2024**

<b>CHECKING:</b>			
Ambulance - First Bank & Trust	\$	61,288.40	
EDA - First Bank & Trust	\$	170,206.64	
EDA - Industrial Park- First Bank & Trust	\$	76,624.03	
Golf Club - First Bank & Trust	\$	124,554.18	
Golf Club - Petty Cash	\$	2,000.00	
NPUC - First Bank & Trust	\$	4,286,765.27	
NPUC - Petty Cash	\$	300.00	
Sanitary Sewer - First Bank & Trust	\$	852,589.67	
Storm Sewer - First Bank & Trust	\$	435,113.35	
<b>Total Checking</b>			\$ 6,009,441.54
<b>INVESTMENTS:</b>			
NPUC - F.I.S.T.	\$	3,221,264.14	
<b>Total Investments</b>			\$ 3,221,264.14
<b>SAVINGS/MONEY MARKET:</b>			
Ambulance - Wells Fargo		416.28	
Ambulance - First Bank & Trust	\$	18,598.55	
Ambulance - 4M	\$	115,787.05	
NPUC - First Bank & Trust	\$	151,546.93	
NPUC - 4M	\$	1,919,501.73	
EDA - First Bank & Trust	\$	25,706.44	
EDA - Industrial Park- First Bank & Trust	\$	12,854.05	
EDA - 4M	\$	364,202.94	
Golf - 4M	\$	161,593.84	
Sanitary Sewer - First Bank & Trust	\$	786,833.77	
Sanitary Sewer - Minnwest Bank	\$	44,932.37	
Sanitary Sewer - Wells Fargo	\$	44,609.15	
Sanitary Sewer - 4M	\$	6,048,237.46	
Storm Sewer - First Bank & Trust	\$	63,353.58	
Storm Sewer - Minnwest Bank	\$	4,508.00	
Storm Sewer - 4M	\$	637,899.80	
<b>Total Savings/Money Market</b>			\$ 10,400,581.94
<b>TOTAL ENTERPRISE FUNDS</b>			\$ 19,631,287.62

# 2025 CITY BOARD COMMISSION MEETING SCHEDULE

Amended 11/18/24

Section 3, Item d.

JANUARY						
SUN	MON	TUES	WED	THU	FRI	SAT
			1 Holiday	2	3	4
5	6	7 Council	8 EDA	9	10	11
12	13	14 Park	15	16	17	18
19	20 Holiday	21 Council	22 Planning	23	24	25
26	27 Utility	28 Golf	29	30	31	

FEBRUARY						
SUN	MON	TUES	WED	THU	FRI	SAT
						1
2	3 Council	4	5	6	7	8
9	10	11 Park	12 EDA	13	14	15
16	17 Holiday	18 Council	19	20	21	22
23	24 Utility	25 Golf	26 Planning	27	28	

MARCH						
SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3 Council	4	5	6	7	8
9	10	11 Park	12 EDA	13	14	15
16	17 Council	18	19	20	21	22
23	24	25 Golf	26 Planning	27	28	29
30	31 Utility					

APRIL						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7 Council	8 Park	9 EDA	10	11	12
13	14	15	16	17	18	19
20	21 Council	22 Golf	23 Planning	24	25	26
27	28 Utility	29	30			

MAY						
SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5 Council	6	7	8	9	10
11	12	13 Park	14 EDA	15	16	17
18	19 Council	20	21	22	23	24
25	26 Holiday	27 Golf	28 Planning	29	30	31

JUNE						
SUN	MON	TUE	WED	THU	FRI	SAT
1	2 Council	3	4	5	6	7
8	9	10 Park	11 EDA	12	13	14
15	16 Council	17	18	19 Holiday	20	21
22	23	24 Golf	25 Planning	26	27	28
29	30 Utility					

JULY						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4 Holiday	5
6	7 Council	8 Park	9 EDA	10	11	12
13	14	15	16	17	18	19
20	21 Council	22 Golf	23 Planning	24	25	26
27	28 Utility	29	30	31		

AUGUST						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4 Council	5	6	7	8	9
10	11	12 Park	13 EDA	14	15	16
17	18 Council	19	20	21	22	23
24	25 Utility	26 Golf	27 Planning	28	29	30
31						

SEPTEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
	1 Holiday	2 Council	3	4	5	6
7	8	9 Park	10 EDA	11	12	13
14	15 Council	16	17 Planning	18	19	20
21	22	23 Golf	24	25	26	27
28	29 Utility	30				

OCTOBER						
SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6 Council	7	8 EDA	9	10	11
12	13	14 Park	15	16	17	18
19	20 Council	21	22 Planning	23	24	25
26	27 Utility	28 Golf	29	30	31	

NOVEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3 Council	4	5	6	7	8
9	10	11 Holiday	12 EDA	13	14	15
16	17 Council	18 Park	19 Planning	20	21	22
23	24 Utility	25 Golf	26	27 Holiday	28 Holiday	29
30						

DECEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
	1 Council	2	3	4	5	6
7	8	9 Park	10 EDA	11	12	13
14	15 Council	16	17 Planning	18	19	20
21	22	23	24 Holiday	25 Holiday	26	27
28	29 Utility	30 Golf	31			

**City Council** meets at 6:00 p.m. in City Hall Council Chambers (\*1st & 3rd Monday) - **Planning Commission** meets at 6:30 p.m. in Council Chambers (\*4th Wednesday)  
**Park Board** meets at 6:00 p.m. in City Hall Council Chambers (\*2nd Tuesday) - **Utility Commission** meets at 3:30 p.m. at the Power Plant (\*Last Monday)  
**EDA Board** meets at 7:30 a.m. in City Hall Council Chambers (\*2nd Wednesday) - **Golf Board** meets at 6:30 p.m. at the Golf Club (\*4th Tuesday)

34

P:\Boards & Commissions\2025

\*Subject to change due to Holiday



118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

---

---

**MEMORANDUM**

---

---

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** JOSHUA TETZLAFF, CITY ADMINISTRATOR  
**SUBJECT:** LABOR AGREEMENT FOR 2025-26 WITH LAW ENFORCEMENT SERVICES, INC. AND POLICE UNION  
**DATE:** NOVEMBER 14, 2024

---

Attached for your review is the proposed Labor Agreement for 2025-26 with Law Enforcement Labor Services, Inc. (LELS) and the City’s Police Union. I have attached both a clean copy and a redlined copy from the previous agreement.

The Agreement contains the following changes from the prior Labor Agreement:

- Dates updated for 2025-26 timeframe;
- Updated language for how Compensatory Time may be used;
- Updated Insurance language to match change in non-union employees benefits;
- Increased Uniform Allowance by \$50 per year;
- Update Schedule A, the compensation scale, to show a 4% per year of the contract.

The Police Union has reviewed the Final Agreement and has approved the document prior to this meeting.

**Recommendation**

Staff recommends approval of the 2025-26 Labor Agreement with LELS and the City Police Union, effective January 1, 2025.

LABOR AGREEMENT BETWEEN  
THE CITY OF NEW PRAGUE  
AND  
LAW ENFORCEMENT LABOR SERVICES, INC

January 1, 2025, through December 31, 2026

## Table of Contents

ARTICLE 1 – PURPOSE OF AGREEMENT .....	3
ARTICLE 2 – RECOGNITION .....	3
ARTICLE 3 – DEFINITIONS.....	3
ARTICLE 4 – EMPLOYER SECURITY.....	4
ARTICLE 5 – EMPLOYER AUTHORITY .....	4
ARTICLE 6 – UNION SECURITY .....	4
ARTICLE 7 – EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE.....	5
ARTICLE 8 – HOURS OF WORK.....	7
ARTICLE 9 – OVERTIME AND PREMIUM PAY.....	7
ARTICLE 10 – HOLIDAYS .....	8
ARTICLE 11 – VACATIONS.....	9
ARTICLE 12 – SICK LEAVE .....	9
ARTICLE 13 – SEVERANCE.....	10
ARTICLE 14 – A DEATH IN FAMILY - EMERGENCY LEAVE .....	10
ARTICLE 15 – INSURANCE.....	10
ARTICLE 16 – PROBATIONARY PERIODS, SENIORITY.....	11
ARTICLE 17 – DISCIPLINE.....	11
ARTICLE 18 – WAGES .....	12
ARTICLE 19 – LONGEVITY.....	13
ARTICLE 20 – POST LICENSE .....	13
ARTICLE 21 – WAIVER.....	13
ARTICLE 22 – SAVINGS CLAUSE.....	13
ARTICLE 23 – UNIFORM ALLOWANCE.....	14
ARTICLE 24 – P.O.S.T. TRAINING.....	14
ARTICLE 25 – DURATION.....	15

## ARTICLE 1 – PURPOSE OF AGREEMENT

This Agreement is entered into this January 1, 2025, between THE CITY OF NEW PRAGUE, hereinafter called the Employer, and Law Enforcement Labor Services, Inc., hereinafter called the Union. It is the intent and purpose of this Agreement to:

- A) Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application; and
- B) Place in written form the parties' agreement upon terms and conditions of employment for the duration of this Agreement.

## ARTICLE 2 – RECOGNITION

- A) The Employer recognizes the Union as the exclusive representative of all essential employees of the City of New Prague Police Department, New Prague, Minnesota, who are public employees within the meaning of Minn. Stat. 179A.03, Subdivision 14, excluding supervisory and confidential employees.
- B) In the event the Employer and the Union are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

## ARTICLE 3 – DEFINITIONS

Chief – The Chief of the New Prague Police Department.

Department – The City of new Prague Police Department.

Employee – A member of the exclusively recognized bargaining unit.

Employer – The City of New Prague

Lunch Breaks – A period during the scheduled shift in which the employee remains on continual duty and is responsible for assigned duties.

Overtime – Work performed at the express authorization of the Employer in excess of the Employees scheduled shift.

Probationary Employee – Employee who has not completed the probationary period.

Regular Employee – Employee who has completed the probationary period.

Rest Breaks – A period during the scheduled shift during which the employee remains on continual duty and is responsible for assigned duties.

Scheduled Shift – A consecutive work period including rest breaks and a lunch break.

Strike – Concerted action in failing to report to duty, the willful absence from one's position, the stoppage of work, slow-down, or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purposes of inducing, influencing or coercing a change in the conditions or compensation or the rights, privileges or obligations of employment.

Union – Law Enforcement Labor Services, Inc.

Union Member – A member of the Law Enforcement Labor Services, Inc.

Union Officer – Officer elected or appointed by the Law Enforcement Labor Services, Inc.

## ARTICLE 4 – EMPLOYER SECURITY

The Union agrees that during the life of this Agreement that the Union will not cause, encourage, participate in or support any strike, slow-down or other interruptions of or interference with the normal functions of the Employer.

## ARTICLE 5 – EMPLOYER AUTHORITY

The Employer retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct, and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this Agreement.

## ARTICLE 6 – UNION SECURITY

- A) The Employer shall deduct from the wages of employees who authorize such a deduction in writing the amount necessary to cover monthly Union dues. Such monies shall be remitted as directed by the Union.
- B) The Union may designate employees from the bargaining unit to act as a steward and an alternate and shall inform the employer in writing of such choice and changes in the position of steward and/or alternate.
- C) The employer shall make space available on the employee bulletin board for posting union notice(s) and announcement(s).

- D) The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the Employer as a result of any action taken or not taken by the employer under the provisions of this Article.

## ARTICLE 7 – EMPLOYEE RIGHTS- GRIEVANCE PROCEDURE

### A) DEFINITION OF A GRIEVANCE

A grievance is defined as a dispute or disagreement as to the interpretation or application for the specific terms and conditions of this Agreement.

### B) UNION REPRESENTATIVES

The Employer will recognize Representatives designated by the Union as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the names of such Union Representatives and of their successors when so designated as provided by 6.3 of this Agreement.

### C) PROCESSING OF A GRIEVANCE

It is recognized and accepted by the Union and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the employees and shall therefore be accomplished during normal working hours only when Consistent with such employee's duties and responsibilities. The aggrieved Employee and a Union Representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the Employer during normal working hours provided that the employee and the Union Representative have notified and receive the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.

### D) PROCEDURE

Grievances, as defined by Section 7.A, shall be resolved in conformance with the following procedure:

#### Step 1:

An employee claiming a violation concerning the interpretation or application of the Agreement shall, within ten (10) calendar days after such alleged violation has occurred, present such grievance to the Employee's supervisor as designated by the Employer. The Employer-designated representative will discuss and give an answer to such Step 1 grievance within five (5) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, the remedy requested, and shall be appealed to Step 2 within five (5) calendar days after the Employer designated representative's final answer in Step 1 any grievance not appealed in writing to Step 2 by the Union within five (5) calendar days shall be considered waived.



Step 2:

If appealed, the written grievance shall be presented by the Union and discussed with the Employer designated Step 2 representative. The Employer designated representative shall give the Union the employer's Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Employer-designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the Union within five (5) calendar days shall be considered waived.

Step 3:

A grievance unresolved in Step 2 and appealed to Step 3 by the Union shall be submitted to arbitration. If the parties are unable to agree on the selection of an arbitrator, the Union shall request a list of arbitrators to be submitted to the parties by the Bureau of Mediation Services.

## E) ARBITRATOR'S AUTHORITY

1. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and the Union and shall have no authority to make a decision on any other issue not so submitted.
2. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties whichever be later unless the parties agree to an extension. The decision shall be binding on both the employer and the Union and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.
3. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the employer and the Union provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

## F) WAIVER

If a grievance is not presented within the time limits set forth above, it shall be considered "waived." If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual written agreement of the Employer and the Union in each step.

G) CHOICE OF REMEDY

If, as a result of the written Employer response in Step 2, the grievance remains unresolved, and if the grievance involves the suspension, demotion, or discharge of an employee who has completed the required probationary period, the grievance may be appealed either to Step 3 of Article VII or a procedure such as: Civil Service, Veteran's Preference, or Fair Employment. If appealed to any procedure other than Step 3 of Article VII the grievance is not subject to the arbitration procedure as provided in Step 3 of Article VII. The aggrieved employee shall indicate in writing which procedure is to be utilized--Step 2 of Article VII or another appeal procedure--and shall sign a statement to the effect the choice of any other hearing precludes the aggrieved employee from making a subsequent appeal through Step 3 of Article VII.

## ARTICLE 8 – HOURS OF WORK

- A) The Employer shall be the sole authority in determining work schedules.
- B) The normal workday shall consist of eight (8) to twelve (12) hour shifts as scheduled.
- C) The normal workweek shall consist of consecutive days of work and time off, except in emergency Situations.
- D) A normal work year shall consist of two thousand and eighty (2,080) hours.
- E) An employee called to duty on approval of the Police Chief during his scheduled off duty time shall receive a minimum of two (2) hours pay at one and one half (1 ½) times his/her regular straight time hourly rate of pay. The extension of, or early report to a regularly scheduled shift for, duty does not qualify the employee for the two (2) hour minimum.
- F) Nothing contained in this, or any other, article shall be interpreted to be a guarantee of a minimum number of hours of work.
- G) Work schedules shall be made out a least thirty (30) days in advance of scheduled work, and any change shall be made at least seventy-two (72) hours prior to the change, except in emergency situations.

## ARTICLE 9 – OVERTIME AND PREMIUM PAY

- A) Employees will be compensated at one and one-half times the Employee's regular base pay rate for hours worked in excess of the Employee's regularly scheduled shift. This does not apply to switching shifts that were authorized by the Department Head.
- B) An employee may request that each hour of time eligible for overtime under this Article, in lieu of payment, be accumulated as compensatory time at the rate of 1½ hours for each eligible hour, provided the maximum compensatory hour balance for each employee shall at no time exceed 140 hours. An

employee may carry a maximum of 80 hours of compensatory time from year to year. Compensatory time accrued in any amount up to of 40 hours may be cashed out two (2) times each year; June 1 and December 1 of each year at the employee’s current base pay rate.

- C) The City will attempt to utilize seniority when offering overtime. The City retains the right to schedule.

## ARTICLE 10 – HOLIDAYS

- A) Full-time employees shall be paid for the following 13 holidays (based on 8-hour holidays):

New Year's Day	Labor Day
Martin Luther King Day	Columbus Day
President's Day	Veteran's Day
Good Friday	Thanksgiving Day
Memorial Day	Christmas Day
Juneteenth	1 Floating Holiday/Calendar Year
Fourth of July	

- B) Employees who work on a holiday shall be compensated at the rate of one and one-half (1 ½) times the employee’s current rate of pay and the employee shall receive 8 hours of paid holiday time at the current rate of pay in place of the holiday.

An employee who starts their shift on a holiday shall be eligible for holiday pay for the entire shift.

All holidays will be paid in the pay period that it was earned in. A Floating holiday (8 hours) must be taken off during the calendar year and will not be compensated in any other way.

- C) In order to qualify for the holiday pay provided by this Article a regular employee must work his/her last scheduled workday immediately before and his/her first scheduled work day immediately following the holiday, unless his/her failure to do so is for a reason acceptable to the Employer.
- D) A paid holiday which occurs during a regular employee's vacation or sick leave shall not be charged against said vacation or sick leave.
- E) Should the City be mandated to give all employees any day not list in Section 10.1 as a holiday, Employees will receive that same day as a holiday.

## ARTICLE 11 – VACATIONS

A) Regular Employees shall earn vacation benefits on the following basis:

<b>Length of Service – Based on Anniversary Date</b>	<b>Total Vacation Available</b>
Hire Date	80.00 hours
1 Year	88.00 hours
2 Years	96.00 hours
3 Years	112.00 hours
4 Years	130.00 hours
5 – 9 Years	138.00 hours
10 – 14 Years	182.00 hours
15 or more years	200.00 hours

\* New hire Employees vacation time will be credited by prorated amount based on hire date.

- B) Annual vacation is credited for Employees on January 1<sup>st</sup> annually.
- C) All vacation hours shall be approved by the Chief of Police, designee, prior to the use of any hours.
- D) Employees are allowed to carryover up to one hundred twenty (120) hours of earned but unused vacation into each new calendar year.
- E) Any vacation accumulated and not authorized to be carried over shall be paid to the employee at the applicable rate of pay by year end.
- F) Vacation time accrued, but not used at the end of employment will be paid to the employee at the employee’s regular rate of pay. Should an Employee end employment prior to the end of the calendar year, any banked vacation time not earned for that calendar year, shall be paid back to the City, prorated.

## ARTICLE 12 – SICK LEAVE

- A) Sick leave with pay shall be earned by each regular and probationary employee at the rate of eight (8) hours for each month of service or major fraction thereof. Sick leave shall accumulate up to a maximum of eight hundred and ninety-six (896) hours.
- B) Employees who reach and maintain the maximum accumulation of 896 hours are eligible to collect fifteen (\$15) per month. They may add this amount to their monthly paychecks, or they may add to their savings plan in the City. New employees hired after January 1, 2020, shall not be eligible for this monthly benefit.

- C) Upon voluntary separation from the City with at least twenty (20) years of service, or PERA retirement eligible and two (2) weeks of prior notice, employees will be paid for unused sick leave in an amount of up to four hundred eighty (480) hours of the employee’s unused and accrued sick time at the time of departure from City Service.

### ARTICLE 13 – SEVERANCE

Upon voluntary separation from the City with at least twenty (20) years of service, or PERA retirement eligible and two (2) weeks of prior notice, employees hired before January 1, 2020, will receive a one (1) time payment by the City in an amount of up to six (6) months of the City’s standard monthly contribution normally paid for an employee’s monthly benefits for single medical, dental and life insurance coverage (dependent/spousal coverage excluded).

### ARTICLE 14 – A DEATH IN FAMILY- EMERGENCY LEAVE

In the event of a death of an employee’s immediate family, “Immediate family” is defined as mother, father, siblings, spouse, children, stepparents, foster children, grandparents, grandchildren and spouse’s mother, father, siblings, children, grandparents and grandchildren. An employee will be granted a leave of absence without loss of pay for not more than three days, consisting of the day of the funeral and *either* one day preceding and one day following the funeral, *or* two days preceding *or* two days following, the funeral. These emergency days shall not affect the employee’s vacation or sick leave days. Emergency leave may also be granted for extreme critical illness at the discretion of the Administrator

### ARTICLE 15 – INSURANCE

- A) The employer will provide and contribute to a group hospital/medical health insurance coverage plan for each full-time employee and their dependents. The City’s contributions and plan components for calendar year 2024 are as follows:

Single Health Insurance:

Employer Monthly Premium Contribution	80.0%
Annual Employer HSA Contribution	\$1,125/yr

Family Health Insurance:

Employer Monthly Premium Contribution	80.0%
Annual Employer HSA Contribution	\$2,250/yr

- B) Single and family dental insurance shall be paid for by the Employer.
- C) The Employer shall provide term life insurance in the amount of \$35,000 for the employee, \$5,000 for the spouse and \$2,500 for each dependent.

- D) Should an insurance committee be created to examine providers and review coverage, the Union will be allowed to have a member participate and cooperate on the committee.
- E) The City agrees to cover one half (1/2) of the administration fees for the Health Savings Account (HSA) plan.
- F) The City agrees to provide the employees with a flex benefit plan for daycare. The City agrees to cover one half (1/2) of the administration fees for the Flex Plan.
- G) In the event the health insurance plan and/or associated employer HSA contribution in place at the time of contract settlement is changed causing a reduction in the aggregate value or other health insurance options are offered through health care providers both parties agree to reopen the contract for the sole purpose of discussing Health Insurance contributions to be paid by the Employee and the Employer.

## ARTICLE 16 – PROBATIONARY PERIODS, SENIORITY

- A) All newly hired employees shall serve a twelve (12) month probationary period, and all rehired employees shall serve a six (6) month probationary period, during which time they may be terminated at the sole discretion of the Employer.
- B) Upon completion of the probationary period employees shall become regular Employees within the meaning of this Agreement and shall have seniority dating from the beginning date of their Continuous employment.
- C) In the event of a layoff or recall, seniority shall govern provided:
  1. The senior employee is qualified to perform the work involved:
  2. No regular employee shall be laid off while probationary employees are employed.
- D) Recall rights under this provision will continue for twelve (12) months after layoff Recalled employees shall have ten (10) working days after notification of recall rights.

## ARTICLE 17 – DISCIPLINE

- A) The Employer will discipline employees for just cause only. Discipline will be in one or more of the following forms:
  1. Oral reprimands
  2. Written reprimands
  3. Suspension
  4. Demotion, or
  5. Discharge
- B) Suspensions, demotions and discharge will be in written form.

- C) Written reprimands, notices of suspensions, and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by Signature of the employee. Employees and the Union will receive a copy of such reprimands and/or notices.
- D) Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.
- E) Discharges will be preceded by a five (5) day suspension without pay.
- F) Employees will not be questioned concerning an investigation or disciplinary action unless the employee has been given an opportunity to have a Union Representative present at such questions.
- G) Grievances relating to this Article shall be initiated by the Union in Step 2 of the Grievance procedure under Article VII.

## ARTICLE 18 – WAGES

- A) All employees shall be paid in accordance with Schedule "A" attached hereto and made a part of this Agreement.
- B) The Employee who is acting as the School Resource Officer (SRO), per the Police Chief, shall receive an additional \$2/hour during the school year, as defined by the first day of class for students and the last day of class for students.
- C) The employee shall be entitled to the three (3) hour minimum compensation for a regularly scheduled court appearance in which the officer reports to the courthouse. Employee shall be entitled to the three (3) hour minimum when a regularly scheduled court appearance is cancelled without twenty-four (24) hours advanced notice.
- D) An employee required to use his/her personal automobile for official city business shall be reimbursed at the current federal rate.
- E) Employees shall be paid on the last workday preceding a holiday or weekend if the scheduled payday falls on a holiday or weekend.

## ARTICLE 19 – LONGEVITY

Each Employee shall receive longevity pay in addition to regular base rate of pay paid as a lump sum on their anniversary date yearly as per the following schedule:

After 8 years of service: 0.50% of annual estimated wage (hourly rate X 2080)

After 10 years of service: 0.75%

After 15 years of service: 1%

After 20 years of service: 2%

After 25 years of service: 3%

After 30 years of service: 4%

## ARTICLE 20 – POST LICENSE

Employer to pay Post License as per current practice.

## ARTICLE 21 – WAIVER

- A) Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment to the extent inconsistent with the provisions of this Agreement, are hereby superseded.
- B) The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The Employer and the Union each voluntarily and unqualifiedly waives the right to meet to negotiate regarding any and all terms and conditions in this Agreement, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

## ARTICLE 22 – SAVINGS CLAUSE

This Agreement is subject to the laws of the United States, the State of Minnesota, and the City of New Prague. In the event any provision of this Agreement shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provisions shall be voided. All other provisions of this Agreement shall continue in full force and effect. The voided provisions may be renegotiated at the written request of either party.



## ARTICLE 23 – UNIFORM ALLOWANCE

The Employer shall pay each employee an annual uniform allowance of \$1,115.00 in 2025 and \$1,165.00 in 2026

The Employer shall provide a new employee with the following clothing and equipment:

3	Badges	1	Raincoat
2	Nametags (uniform/coat)	1	Leather Belt and Accessories
2 pr	Collar Brass	1 pr	Winter Boots
3	Short Sleeve Shirts	1 pr	Summer Boots
3	Long Sleeve Shirts	1	Class A Hat
3	Pants	1	Winter Hat
2	Ties	1	Phone
1	Winter Coat	1	Ballistics Vest
1	Light Coat/Jacket		

Upon separation the employee shall return badges, collar brass, and phone to the Department Head.

A probationary employee will not receive a uniform allowance until the probation period has been successfully served. Upon serving probation, a pro-rated uniform allowance shall be given to the officer on the next pay period following the end of probation for the remainder of the calendar year.

## ARTICLE 24 – P.O.S.T. TRAINING

The Employer shall:

1. Be responsible for providing training required by the P.O.S.T. Board to maintain license as a Certified Police Officer.
2. Pay employee for all time spent in such training at the applicable rate.
3. Reimburse employees for all reasonable costs incurred in obtaining such training, including but not limited to, mileage, meals and lodging.

Prior to attendance of training session, approval must be obtained from the Chief of Police and the City Administrator.

**ARTICLE 25 – DURATION**

This Agreement shall be effective from January 1, 2025, until December 31, 2026, and shall remain in effect from year to year thereafter unless either party shall give written notice sixty (60) days prior to any anniversary date of their desire to amend or terminate this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 18<sup>th</sup> day of November, 2024.

**CITY OF NEW PRAGUE**

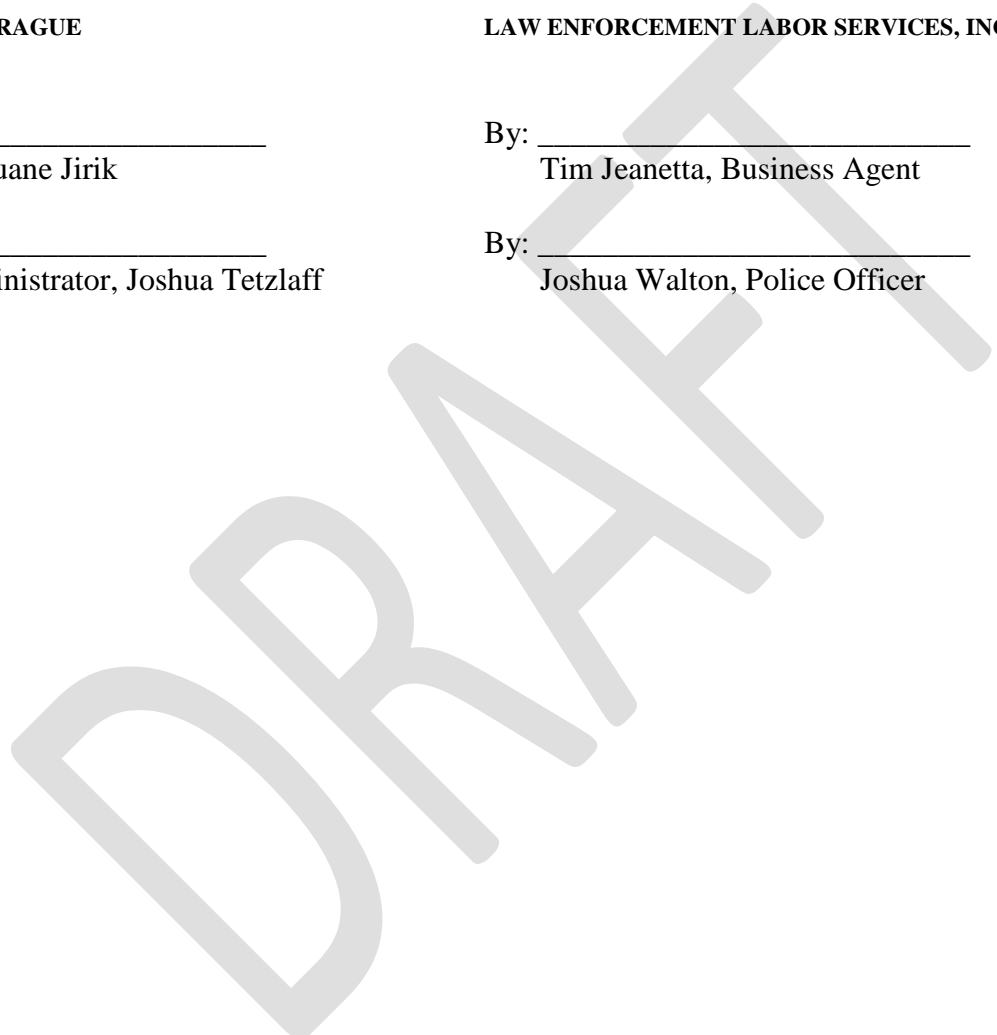
**LAW ENFORCEMENT LABOR SERVICES, INC.**

By: \_\_\_\_\_  
Mayor, Duane Jirik

By: \_\_\_\_\_  
Tim Jeanetta, Business Agent

By: \_\_\_\_\_  
City Administrator, Joshua Tetzlaff

By: \_\_\_\_\_  
Joshua Walton, Police Officer



# Schedule A

<b>Police Officer</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>
Effective	January 1, 2025	January 1, 2026
Step 1	\$37.09	\$38.57
Step 2	\$38.57	\$40.12
Step 3	\$40.11	\$41.72
Step 4	\$41.71	\$43.38
Step 5	\$43.39	\$45.12
Step 6	\$45.13	\$46.93
Step 7	\$46.92	\$48.80
Step 8	\$48.81	\$50.76

<b>Police Detective</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>
Effective	January 1, 2025	January 1, 2026
Step 1	\$40.42	\$42.04
Step 2	\$42.04	\$43.72
Step 3	\$43.72	\$45.47
Step 4	\$45.47	\$47.29
Step 5	\$47.29	\$49.18
Step 6	\$49.18	\$51.15
Step 7	\$51.15	\$53.19
Step 8	\$53.20	\$55.32

<b>Police Sergeant</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>
Effective	January 1, 2025	January 1, 2026
Step 1	\$44.06	\$45.83
Step 2	\$45.82	\$47.66
Step 3	\$47.66	\$49.57
Step 4	\$49.57	\$51.55
Step 5	\$51.55	\$53.61
Step 6	\$53.61	\$55.76
Step 7	\$55.75	\$57.98
Step 8	\$57.99	\$60.31

Field Training Officer - to receive 1-hour compensatory time per 10 hours of Field Training completed, (or fraction thereof).

Effective July 1, 1992, and thereafter, on dates of COLA increase, 50% of the COLA increase may be withheld for just cause by the department from an officer. Thereafter an officer will be reviewed every six months until a satisfactory rating is obtained. Once a satisfactory rating is obtained for the prior six-month period an officer will be placed at the contract rate equivalent to their years of service for the current six-month period.

LABOR AGREEMENT BETWEEN  
THE CITY OF NEW PRAGUE  
AND  
LAW ENFORCEMENT LABOR SERVICES, INC

January 1, 2024<sup>5</sup>, through December 31, 2024<sup>6</sup>

## Table of Contents

ARTICLE 1 – PURPOSE OF AGREEMENT .....	3
ARTICLE 2 – RECOGNITION .....	3
ARTICLE 3 – DEFINITIONS.....	3
ARTICLE 4 – EMPLOYER SECURITY.....	4
ARTICLE 5 – EMPLOYER AUTHORITY .....	4
ARTICLE 6 – UNION SECURITY .....	4
ARTICLE 7 – EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE.....	5
ARTICLE 8 – HOURS OF WORK.....	7
ARTICLE 9 – OVERTIME AND PREMIUM PAY.....	7
ARTICLE 10 – HOLIDAYS .....	8
ARTICLE 11 – VACATIONS.....	9
ARTICLE 12 – SICK LEAVE .....	9
ARTICLE 13 – SEVERANCE .....	10
ARTICLE 14 – A DEATH IN FAMILY - EMERGENCY LEAVE .....	10
ARTICLE 15 – INSURANCE.....	10
ARTICLE 16 – PROBATIONARY PERIODS, SENIORITY.....	11
ARTICLE 17 – DISCIPLINE.....	11
ARTICLE 18 – WAGES .....	12
ARTICLE 19 – LONGEVITY.....	<del>13</del> 13
ARTICLE 20 – POST LICENSE .....	13
ARTICLE 21 – WAIVER.....	13
ARTICLE 22 – SAVINGS CLAUSE.....	13
ARTICLE 23 – UNIFORM ALLOWANCE.....	<del>14</del> 14
ARTICLE 24 – P.O.S.T. TRAINING.....	14
ARTICLE 25 – DURATION.....	<del>15</del> 15

## ARTICLE 1 – PURPOSE OF AGREEMENT

This Agreement is entered into this January 1, 2024<sup>45</sup>, between THE CITY OF NEW PRAGUE, hereinafter called the Employer, and Law Enforcement Labor Services, Inc., hereinafter called the Union. It is the intent and purpose of this Agreement to:

- A) Establish procedures for the resolution of disputes concerning this Agreement’s interpretation and/or application; and
- B) Place in written form the parties’ agreement upon terms and conditions of employment for the duration of this Agreement.

## ARTICLE 2 – RECOGNITION

- A) The Employer recognizes the Union as the exclusive representative of all essential employees of the City of New Prague Police Department, New Prague, Minnesota, who are public employees within the meaning of Minn. Stat. 179A.03, Subdivision 14, excluding supervisory and confidential employees.
- B) In the event the Employer and the Union are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

## ARTICLE 3 – DEFINITIONS

Chief – The Chief of the New Prague Police Department.

Department – The City of new Prague Police Department.

Employee – A member of the exclusively recognized bargaining unit.

Employer – The City of New Prague

Lunch Breaks – A period during the scheduled shift in which the employee remains on continual duty and is responsible for assigned duties.

Overtime – Work performed at the express authorization of the Employer in excess of the Employees scheduled shift.

Probationary Employee – Employee who has not completed the probationary period.

Regular Employee – Employee who has completed the probationary period.

Rest Breaks – A period during the scheduled shift during which the employee remains on continual duty and is responsible for assigned duties.

Scheduled Shift – A consecutive work period including rest breaks and a lunch break.

Strike – Concerted action in failing to report to duty, the willful absence from one's position, the stoppage of work, slow-down, or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purposes of inducing, influencing or coercing a change in the conditions or compensation or the rights, privileges or obligations of employment.

Union – Law Enforcement Labor Services, Inc.

Union Member – A member of the Law Enforcement Labor Services, Inc.

Union Officer – Officer elected or appointed by the Law Enforcement Labor Services, Inc.

#### ARTICLE 4 – EMPLOYER SECURITY

The Union agrees that during the life of this Agreement that the Union will not cause, encourage, participate in or support any strike, slow-down or other interruptions of or interference with the normal functions of the Employer.

#### ARTICLE 5 – EMPLOYER AUTHORITY

The Employer retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct, and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this Agreement.

#### ARTICLE 6 – UNION SECURITY

- A) The Employer shall deduct from the wages of employees who authorize such a deduction in writing the amount necessary to cover monthly Union dues. Such monies shall be remitted as directed by the Union.
- B) The Union may designate employees from the bargaining unit to act as a steward and an alternate and shall inform the employer in writing of such choice and changes in the position of steward and/or alternate.
- C) The employer shall make space available on the employee bulletin board for posting union notice(s) and announcement(s).

- D) The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the Employer as a result of any action taken or not taken by the employer under the provisions of this Article.

## ARTICLE 7 – EMPLOYEE RIGHTS- GRIEVANCE PROCEDURE

### A) DEFINITION OF A GRIEVANCE

A grievance is defined as a dispute or disagreement as to the interpretation or application for the specific terms and conditions of this Agreement.

### B) UNION REPRESENTATIVES

The Employer will recognize Representatives designated by the Union as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the names of such Union Representatives and of their successors when so designated as provided by 6.3 of this Agreement.

### C) PROCESSING OF A GRIEVANCE

It is recognized and accepted by the Union and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the employees and shall therefore be accomplished during normal working hours only when Consistent with such employee's duties and responsibilities. The aggrieved Employee and a Union Representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the Employer during normal working hours provided that the employee and the Union Representative have notified and receive the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.

### D) PROCEDURE

Grievances, as defined by Section 7.A, shall be resolved in conformance with the following procedure:

#### Step 1:

An employee claiming a violation concerning the interpretation or application of the Agreement shall, within ten (10) calendar days after such alleged violation has occurred, present such grievance to the Employee's supervisor as designated by the Employer. The Employer-designated representative will discuss and give an answer to such Step 1 grievance within five (5) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, the remedy requested, and shall be appealed to Step 2 within five (5) calendar days after the Employer designated representative's final answer in Step 1 any grievance not appealed in writing to Step 2 by the Union within five (5) calendar days shall be considered waived.



Step 2:

If appealed, the written grievance shall be presented by the Union and discussed with the Employer designated Step 2 representative. The Employer designated representative shall give the Union the employer's Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Employer-designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the Union within five (5) calendar days shall be considered waived.

Step 3:

A grievance unresolved in Step 2 and appealed to Step 3 by the Union shall be submitted to arbitration. If the parties are unable to agree on the selection of an arbitrator, the Union shall request a list of arbitrators to be submitted to the parties by the Bureau of Mediation Services.

## E) ARBITRATOR'S AUTHORITY

1. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and the Union and shall have no authority to make a decision on any other issue not so submitted.
2. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties whichever be later unless the parties agree to an extension. The decision shall be binding on both the employer and the Union and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.
3. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the employer and the Union provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

## F) WAIVER

If a grievance is not presented within the time limits set forth above, it shall be considered "waived." If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual written agreement of the Employer and the Union in each step.

## G) CHOICE OF REMEDY

If, as a result of the written Employer response in Step 2, the grievance remains unresolved, and if the grievance involves the suspension, demotion, or discharge of an employee who has completed the required probationary period, the grievance may be appealed either to Step 3 of Article VII or a procedure such as: Civil Service, Veteran's Preference, or Fair Employment. If appealed to any procedure other than Step 3 of Article VII the grievance is not subject to the arbitration procedure as provided in Step 3 of Article VII. The aggrieved employee shall indicate in writing which procedure is to be utilized--Step 2 of Article VII or another appeal procedure--and shall sign a statement to the effect the choice of any other hearing precludes the aggrieved employee from making a subsequent appeal through Step 3 of Article VII.

## ARTICLE 8 – HOURS OF WORK

- A) The Employer shall be the sole authority in determining work schedules.
- B) The normal workday shall consist of eight (8) to twelve (12) hour shifts as scheduled.
- C) The normal workweek shall consist of consecutive days of work and time off, except in emergency Situations.
- D) A normal work year shall consist of two thousand and eighty (2,080) hours.
- E) An employee called to duty on approval of the Police Chief during his scheduled off duty time shall receive a minimum of two (2) hours pay at one and one half (1 ½) times his/her regular straight time hourly rate of pay. The extension of, or early report to a regularly scheduled shift for, duty does not qualify the employee for the two (2) hour minimum.
- F) Nothing contained in this, or any other, article shall be interpreted to be a guarantee of a minimum number of hours of work.
- G) Work schedules shall be made out a least thirty (30) days in advance of scheduled work, and any change shall be made at least seventy-two (72) hours prior to the change, except in emergency situations.

## ARTICLE 9 – OVERTIME AND PREMIUM PAY

- A) Employees will be compensated at one and one-half times the Employee's regular base pay rate for hours worked in excess of the Employee's regularly scheduled shift. This does not apply to switching shifts that were authorized by the Department Head.
- B) An employee may request that each hour of time eligible for overtime under this Article, in lieu of payment, be accumulated as compensatory time at the rate of 1½ hours for each eligible hour, provided the maximum compensatory hour balance for each employee shall at no time exceed 140 hours. An

employee may carry a maximum of 80 hours of compensatory time from year to year. Compensatory time accrued in any amount up to of 40 hours may be cashed out two (2) times each year; June 1 and December 1 of each year at the employee's current base pay rate.

- C) The City will attempt to utilize seniority when offering overtime. The City retains the right to schedule.

## ARTICLE 10 – HOLIDAYS

- A) Full-time employees shall be paid for the following 13 holidays (based on 8-hour holidays):

New Year's Day	Labor Day
Martin Luther King Day	Columbus Day
President's Day	Veteran's Day
Good Friday	Thanksgiving Day
Memorial Day	Christmas Day
Juneteenth	1 Floating Holiday/Calendar Year
Fourth of July	

- B) Employees who work on a holiday shall be compensated at the rate of one and one-half (1 ½) times the employee's current rate of pay and the employee shall receive 8 hours of paid holiday time at the current rate of pay in place of the holiday.

An employee who starts their shift on a holiday shall be eligible for holiday pay for the entire shift.

All holidays will be paid in the pay period that it was earned in. A Floating holiday (8 hours) must be taken off during the calendar year and will not be compensated in any other way.

- C) In order to qualify for the holiday pay provided by this Article a regular employee must work his/her last scheduled workday immediately before and his/her first scheduled work day immediately following the holiday, unless his/her failure to do so is for a reason acceptable to the Employer.
- D) A paid holiday which occurs during a regular employee's vacation or sick leave shall not be charged against said vacation or sick leave.
- E) Should the City be mandated to give all employees any day not list in Section 10.1 as a holiday, Employees will receive that same day as a holiday.

## ARTICLE 11 – VACATIONS

A) Regular Employees shall earn vacation benefits on the following basis:

<b>Length of Service – Based on Anniversary Date</b>	<b>Total Vacation Available</b>
Hire Date	80.00 hours
1 Year	88.00 hours
2 Years	96.00 hours
3 Years	112.00 hours
4 Years	130.00 hours
5 – 9 Years	138.00 hours
10 – 14 Years	182.00 hours
15 or more years	200.00 hours

\* New hire Employees vacation time will be credited by prorated amount based on hire date.

- B) Annual vacation is credited for Employees on January 1<sup>st</sup> annually.
- C) All vacation hours shall be approved by the Chief of Police, designee, prior to the use of any hours.
- D) Employees are allowed to carryover up to one hundred twenty (120) hours of earned but unused vacation into each new calendar year.
- E) Any vacation accumulated and not authorized to be carried over shall be paid to the employee at the applicable rate of pay by year end.
- F) Vacation time accrued, but not used at the end of employment will be paid to the employee at the employee’s regular rate of pay. Should an Employee end employment prior to the end of the calendar year, any banked vacation time not earned for that calendar year, shall be paid back to the City, prorated.

## ARTICLE 12 – SICK LEAVE

- A) Sick leave with pay shall be earned by each regular and probationary employee at the rate of eight (8) hours for each month of service or major fraction thereof. Sick leave shall accumulate up to a maximum of eight hundred and ninety-six (896) hours.
- B) Employees who reach and maintain the maximum accumulation of 896 hours are eligible to collect fifteen (\$15) per month. They may add this amount to their monthly paychecks, or they may add to their savings plan in the City. New employees hired after January 1, 2020, shall not be eligible for this monthly benefit.

- C) Upon voluntary separation from the City with at least twenty (20) years of service, or PERA retirement eligible and two (2) weeks of prior notice, employees will be paid for unused sick leave in an amount of up to four hundred eighty (480) hours of the employee’s unused and accrued sick time at the time of departure from City Service.

### ARTICLE 13 – SEVERANCE

Upon voluntary separation from the City with at least twenty (20) years of service, or PERA retirement eligible and two (2) weeks of prior notice, employees hired before January 1, 2020, will receive a one (1) time payment by the City in an amount of up to six (6) months of the City’s standard monthly contribution normally paid for an employee’s monthly benefits for single medical, dental and life insurance coverage (dependent/spousal coverage excluded).

### ARTICLE 14 – A DEATH IN FAMILY- EMERGENCY LEAVE

In the event of a death of an employee’s immediate family, “Immediate family” is defined as mother, father, siblings, spouse, children, stepparents, foster children, grandparents, grandchildren and spouse’s mother, father, siblings, children, grandparents and grandchildren. An employee will be granted a leave of absence without loss of pay for not more than three days, consisting of the day of the funeral and *either* one day preceding and one day following the funeral, *or* two days preceding *or* two days following, the funeral. These emergency days shall not affect the employee’s vacation or sick leave days. Emergency leave may also be granted for extreme critical illness at the discretion of the Administrator

### ARTICLE 15 – INSURANCE

- A) The employer will provide and contribute to a group hospital/medical health insurance coverage plan for each full-time employee and their dependents. The City’s contributions and plan components for calendar year 2024 are as follows:

<u>Single Health Insurance:</u>	<u>2024</u>
Employer Monthly Premium Contribution	80.0%
Annual Employer HSA Contribution	\$ <del>1,125,500</del> /yr
<del>Annual Employee Deductible</del>	<del>\$2,250/yr</del>
<u>Family Health Insurance:</u>	<u>2024</u>
Employer Monthly Premium Contribution	80.0%
Annual Employer HSA Contribution	\$ <del>2,2501,000</del> /yr
<del>Annual Employee Deductible</del>	<del>\$4,500/yr</del>

- B) Single and family dental insurance shall be paid for by the Employer.
- C) The Employer shall provide term life insurance in the amount of \$35,000 for the employee, \$5,000 for the spouse and \$2,500 for each dependent.

- D) Should an insurance committee be created to examine providers and review coverage, the Union will be allowed to have a member participate and cooperate on the committee.
- E) The City agrees to cover one half (1/2) of the administration fees for the Health Savings Account (HSA) plan.
- F) The City agrees to provide the employees with a flex benefit plan for daycare. The City agrees to cover one half (1/2) of the administration fees for the Flex Plan.
- ~~G) There will not be an employer initiated reduction in the aggregate value of benefits in the low cost plan in effect as of 2011 unless the Union agrees to such a reduction.~~
- G) In the event the Traditional health insurance plan and/or associated employer HSA contribution in place at the time of contract settlement no longer becomes available is changed causing a reduction in the aggregate value or other health insurance options are offered through health care providers both parties agree to reopen the contract for the sole purpose of discussing Health Insurance contributions to be paid by the Employee and the Employer.

## ARTICLE 16 – PROBATIONARY PERIODS, SENIORITY

- A) All newly hired employees shall serve a twelve (12) month probationary period, and all rehired employees shall serve a six (6) month probationary period, during which time they may be terminated at the sole discretion of the Employer.
- B) Upon completion of the probationary period employees shall become regular Employees within the meaning of this Agreement and shall have seniority dating from the beginning date of their Continuous employment.
- C) In the event of a layoff or recall, seniority shall govern provided:
1. The senior employee is qualified to perform the work involved:
  2. No regular employee shall be laid off while probationary employees are employed.
- D) Recall rights under this provision will continue for twelve (12) months after layoff. Recalled employees shall have ten (10) working days after notification of recall rights.

## ARTICLE 17 – DISCIPLINE

- A) The Employer will discipline employees for just cause only. Discipline will be in one or more of the following forms:
1. Oral reprimands
  2. Written reprimands
  3. Suspension

- 4. Demotion, or
- 5. Discharge

- B) Suspensions, demotions and discharge will be in written form.
- C) Written reprimands, notices of suspensions, and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by Signature of the employee. Employees and the Union will receive a copy of such reprimands and/or notices.
- D) Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.
- E) Discharges will be preceded by a five (5) day suspension without pay.
- F) Employees will not be questioned concerning an investigation or disciplinary action unless the employee has been given an opportunity to have a Union Representative present at such questions.
- G) Grievances relating to this Article shall be initiated by the Union in Step 2 of the Grievance procedure under Article VII.

## ARTICLE 18 – WAGES

- A) All employees shall be paid in accordance with Schedule “A” attached hereto and made a part of this Agreement.
- B) The Employee who is acting as the School Resource Officer (SRO), per the Police Chief, shall receive an additional \$2/hour during the school year, as defined by the first day of class for students and the last day of class for students.
- C) The employee shall be entitled to the three (3) hour minimum compensation for a regularly scheduled court appearance in which the officer reports to the courthouse. Employee shall be entitled to the three (3) hour minimum when a regularly scheduled court appearance is cancelled without twenty-four (24) hours advanced notice.
- D) An employee required to use his/her personal automobile for official city business shall be reimbursed at the current federal rate.
- E) Employees shall be paid on the last workday preceding a holiday or weekend if the scheduled payday falls on a holiday or weekend.

## ARTICLE 19 – LONGEVITY

Each Employee shall receive longevity pay in addition to regular base rate of pay paid as a lump sum on their anniversary date yearly as per the following schedule:

- After 8 years of service: 0.50% of annual estimated wage (hourly rate X 2080)
- After 10 years of service: 0.75%
- After 15 years of service: 1%
- After 20 years of service: 2%
- After 25 years of service: 3%
- After 30 years of service: 4%

## ARTICLE 20 – POST LICENSE

Employer to pay Post License as per current practice.

## ARTICLE 21 – WAIVER

- A) Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment to the extent inconsistent with the provisions of this Agreement, are hereby superseded.
- B) The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The Employer and the Union each voluntarily and unqualifiedly waives the right to meet to negotiate regarding any and all terms and conditions in this Agreement, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

## ARTICLE 22 – SAVINGS CLAUSE

This Agreement is subject to the laws of the United States, the State of Minnesota, and the City of New Prague. In the event any provision of this Agreement shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provisions shall be voided. All other provisions of this Agreement shall continue in full force and effect. The voided provisions may be renegotiated at the written request of either party.



## ARTICLE 23 – UNIFORM ALLOWANCE

The Employer shall pay each employee an annual uniform allowance of ~~\$1,065.00~~. \$1,115.00 in 2025 and \$1,165.00 in 2026

The Employer shall provide a new employee with the following clothing and equipment:

3	Badges	1	Raincoat
2	Nametags (uniform/coat)	1	Leather Belt and Accessories
2 pr	Collar Brass	1 pr	Winter Boots
3	Short Sleeve Shirts	1 pr	Summer Boots
3	Long Sleeve Shirts	1	Class A Hat
3	Pants	1	Winter Hat
2	Ties	1	Phone
1	Winter Coat	1	Ballistics Vest
1	Light Coat/Jacket		

Upon separation the employee shall return badges, collar brass, and phone to the Department Head.

A probationary employee will not receive a uniform allowance until the probation period has been successfully served. Upon serving probation, a pro-rated uniform allowance shall be given to the officer on the next pay period following the end of probation for the remainder of the calendar year.

## ARTICLE 24 – P.O.S.T. TRAINING

The Employer shall:

1. Be responsible for providing training required by the P.O.S.T. Board to maintain license as a Certified Police Officer.
2. Pay employee for all time spent in such training at the applicable rate.
3. Reimburse employees for all reasonable costs incurred in obtaining such training, including but not limited to, mileage, meals and lodging.

Prior to attendance of training session, approval must be obtained from the Chief of Police and the City Administrator.

ARTICLE 25 – DURATION

This Agreement shall be effective from January 1, 2024~~5~~, until December 31, 202~~6~~4, and shall remain in effect from year to year thereafter unless either party shall give written notice sixty (60) days prior to any anniversary date of their desire to amend or terminate this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 18<sup>th</sup> ~~2<sup>nd</sup>~~-day of ~~November~~January, 2024.

CITY OF NEW PRAGUE

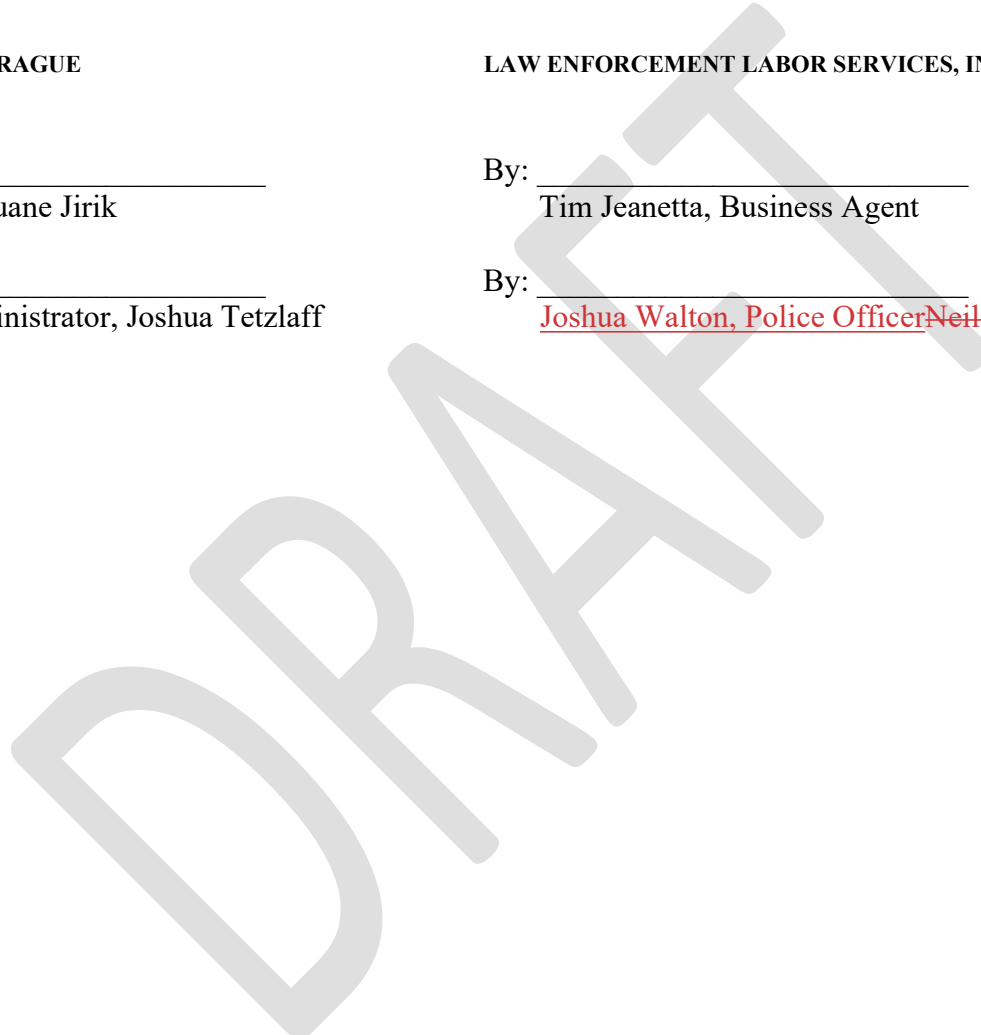
LAW ENFORCEMENT LABOR SERVICES, INC.

By: \_\_\_\_\_  
Mayor, Duane Jirik

By: \_\_\_\_\_  
Tim Jeanetta, Business Agent

By: \_\_\_\_\_  
City Administrator, Joshua Tetzlaff

By: \_\_\_\_\_  
Joshua Walton, Police Officer~~Neil Flum, Police Sergeant~~



# Schedule A

<b>Police Officer</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>
Effective	January 1, 2025 <sup>4</sup>	<u>January 1, 2026</u>
Step 1	<u>\$37.09</u> <del>\$35.66</del>	<u>\$38.57</u>
Step 2	<u>\$38.57</u> <del>\$37.09</del>	<u>\$40.12</u>
Step 3	<u>\$40.11</u> <del>\$38.57</del>	<u>\$41.72</u>
Step 4	<u>\$41.71</u> <del>\$40.11</del>	<u>\$43.38</u>
Step 5	<u>\$43.39</u> <del>\$41.72</del>	<u>\$45.12</u>
Step 6	<u>\$45.13</u> <del>\$43.39</del>	<u>\$46.93</u>
Step 7	<u>\$46.92</u> <del>\$45.12</del>	<u>\$48.80</u>
Step 8	<u>\$48.81</u> <del>\$46.93</del>	<u>\$50.76</u>
<b>Police Detective</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>
Effective	January 1, 2025 <sup>4</sup>	<u>January 1, 2026</u>
Step 1	<u>\$40.42</u> <del>\$38.87</del>	<u>\$42.04</u>
Step 2	<u>\$42.04</u> <del>\$40.42</del>	<u>\$43.72</u>
Step 3	<u>\$43.72</u> <del>\$42.04</del>	<u>\$45.47</u>
Step 4	<u>\$45.47</u> <del>\$43.72</del>	<u>\$47.29</u>
Step 5	<u>\$47.29</u> <del>\$45.47</del>	<u>\$49.18</u>
Step 6	<u>\$49.18</u> <del>\$47.29</del>	<u>\$51.15</u>
Step 7	<u>\$51.15</u> <del>\$49.18</del>	<u>\$53.19</u>
Step 8	<u>\$53.20</u> <del>\$51.15</del>	<u>\$55.32</u>
<b>Police Sergeant</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>
Effective	January 1, 2025 <sup>4</sup>	<u>January 1, 2026</u>
Step 1	<u>\$44.06</u> <del>\$42.37</del>	<u>\$45.83</u>
Step 2	<u>\$45.82</u> <del>\$44.06</del>	<u>\$47.66</u>
Step 3	<u>\$47.66</u> <del>\$45.83</del>	<u>\$49.57</u>
Step 4	<u>\$49.57</u> <del>\$47.66</del>	<u>\$51.55</u>
Step 5	<u>\$51.55</u> <del>\$49.57</del>	<u>\$53.61</u>
Step 6	<u>\$53.61</u> <del>\$51.55</del>	<u>\$55.76</u>
Step 7	<u>\$55.75</u> <del>\$53.61</del>	<u>\$57.98</u>
Step 8	<u>\$57.99</u> <del>\$55.76</del>	<u>\$60.31</u>

Field Training Officer - to receive 1-hour compensatory time per 10 hours of Field Training completed, (or fraction thereof).

Effective July 1, 1992, and thereafter, on dates of COLA increase, 50% of the COLA increase may be withheld for just cause by the department from an officer. Thereafter an officer will be reviewed every six months until a satisfactory rating is obtained. Once a satisfactory rating is obtained for the prior six-month period an officer will be placed at the contract rate equivalent to their years of service for the current six-month period.

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

**Application Fee (non-refundable)**

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

**ORGANIZATION INFORMATION**

Organization Name: Church of St Wenceslaus Previous Gambling Permit Number: X-X-70005-22-054

Minnesota Tax ID Number, if any: 8348249 Federal Employer ID Number (FEIN), if any: 41-0695519

Mailing Address: 215 Main Street East

City: New Prague State: MN Zip: 56071 County: Scott

Name of Chief Executive Officer (CEO): Fr. Eugene Theisen

CEO Daytime Phone: 952 758-3225 CEO Email: eugene.theisen@npcatholic.org  
(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): \_\_\_\_\_

**NONPROFIT STATUS**

Type of Nonprofit Organization (check one):

Fraternal  Religious  Veterans  Other Nonprofit Organization

**Attach a copy of one of the following showing proof of nonprofit status:**

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

**A current calendar year Certificate of Good Standing**  
Don't have a copy? Obtain this certificate from:  
MN Secretary of State, Business Services Division  
60 Empire Drive, Suite 100  
St. Paul, MN 55103  
Secretary of State website, phone numbers:  
[www.sos.state.mn.us](http://www.sos.state.mn.us)  
651-296-2803, or toll free 1-877-551-6767

**IRS income tax exemption (501(c)) letter in your organization's name**  
Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

**IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**  
If your organization falls under a parent organization, attach copies of both of the following:  
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and  
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

**GAMBLING PREMISES INFORMATION**

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Church of St Wenceslaus

Physical Address (do not use P.O. box): 215 Main Street East, New Prague, MN 56071

Check one:

City: New Prague Zip: 56071 County: Scott

Township: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Date(s) of activity (for raffles, indicate the date of the drawing): January 29 2025

Check each type of gambling activity that your organization will conduct:

Bingo  Paddiewheels  Pull-Tabs  Tipboards  Raffle

**Gambling equipment** for bingo paper, bingo boards, raffle boards, paddiewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to [www.mn.gov/gcb](http://www.mn.gov/gcb) and click on **Distributors** under the **List of Licensees** tab, or call 651-539-1900.

**LG220 Application for Exempt Permit**

**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)**

**CITY APPROVAL  
for a gambling premises  
located within city limits**

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).
- The application is denied.

Print City Name: City of New Prague

Signature of City Personnel: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**The city or county must sign before submitting application to the Gambling Control Board.**

**COUNTY APPROVAL  
for a gambling premises  
located in a township**

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.
- The application is denied.

Print County Name: \_\_\_\_\_

Signature of County Personnel: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**TOWNSHIP (if required by the county)**  
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: \_\_\_\_\_

Signature of Township Officer: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)**

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: Fr. Eugene Theisen Date: 31 Oct 2024  
(Signature must be CEO's signature; designee may not sign)

Print Name: Fr. Eugene Theisen

**REQUIREMENTS**

- Complete a separate application for:**
- all gambling conducted on two or more consecutive days; or
  - all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

**Financial report to be completed within 30 days after the gambling activity is done:**  
A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

**MAIL APPLICATION AND ATTACHMENTS**

**Mail application with:**

- \_\_\_\_\_ a copy of your proof of nonprofit status; and
- \_\_\_\_\_ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**. Make check payable to **State of Minnesota**.

**To:** Minnesota Gambling Control Board  
1711 West County Road B, Suite 300 South  
Roseville, MN 55113

**Questions?**  
Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.



FFICIAL

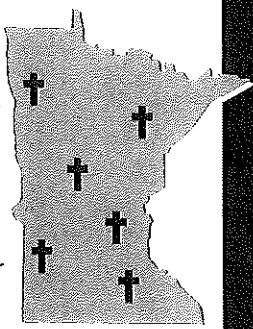


2020

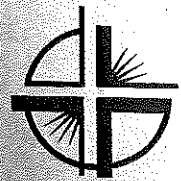
MINNESOTA



ATHOLIC  
DIRECTORY



Published by the Office of Communications, Archdiocese of St. Paul and Minneapolis



**Catholic Finance**  
CORPORATION  
*Financial Advisor to Catholic Institutions*

CROOKSTON • DULUTH • NEW ULM • SAINT CLOUD • SAINT PAUL & MINNEAPOLIS • WINONA / ROCHESTER

Archdiocese of  
Saint Paul and Minneapolis

St. Paul & Minneapolis Catholic Directory, 53

8701 36th Ave. N, New Hope 55427-1769 (763) 544-3352, Fax 544-3435 Little Church: 13015 Rockford Rd., Plymouth trasmussen@stjosephparish.com ~ www.stjosephparish.com

- Rev. Terry Rassmussen (763) 559-0318 trasmussen@stjosephparish.com • Deacon Robert Bramwell

MASSES: Parish Center-New Hope • Sat, 4:30 p.m. • Sun: 10 a.m., 6 p.m. • Weekday: Tue, 5:30 p.m.; Wed, Thu, 8:30 a.m.

Little Church-Plymouth • Sun: 8, 9:30 a.m.

SACRAMENT OF RECONCILIATION: Parish Center-New Hope • 1st Sat of Month, 3:30-4:30 p.m.

NEW MARKET Scott Co.

ST. NICHOLAS & 51 Church St., Elko New Market 55054 (952) 461-2403 www.stncc.net www.facebook.com/stncc.net

- Rev. Patrick Barnes

MASSES: • Sat, 5 p.m. • Sun: 8, 10 a.m. • Weekday: Tue-Sat, 8 a.m.

SACRAMENT OF RECONCILIATION: • Tue-Fri, 7:35-7:50 a.m.; Wed, 4:45-5:30 p.m.; Sat, 8:35 a.m., 3:30-4:40 p.m.

SCHOOL: Holy Cross See SCHOOLS section

NEW PRAGUE Scott Co.

ST. BENEDICT, see St. Benedict ST. WENCESLAUS &

St. Wenceslaus campus: 215 Main St. E, New Prague 56071-1837 (952) 758-3225, Fax 758-2960 www.npcatholic.org St. Scholastica campus 31525 181st Ave., Heidelberg 56071 (952) 758-4292

Parish records available at St. Wenceslaus

St. John the Evangelist campus: 20087 Hub Dr., Union Hill 56071 (952) 758-4642

- Rev. Eugene Theisen, Parochial Administrator, (952) 758-0469 eugene.theisen@npcatholic.org

MASSES:

St. Wenceslaus campus: • Sat, 5 p.m. (4 p.m. DST) • Sun: 8:30, 10:30 a.m.

SACRAMENT OF RECONCILIATION:

- Sat, 4-4:30 p.m. (3-3:30 p.m. DST)

St. Scholastica Campus:

- Sat, 8:15 p.m. (Nov-Apr) • Sun, 10 a.m., 7:30 p.m. (Nov-Apr)

SCHOOL: St. Wenceslaus See SCHOOLS section

NEW TRIER Dakota Co.

ST. MARY

St. Mary's Church 23315 Northfield Blvd. Hampton 55031 parishoffice@stmathias.com

- Rhonda Rother Parish Business Administrator • Rev. Cole Kracke

MASSES:

- Sun, 8 a.m. • Weekday: Fri, 7:30 a.m.; 1st Sat, 8:30 a.m.

PARISHES

Diocese of New Ulm

Diocese of Crookston

Diocese of Duluth

**Internal Revenue Service**  
**P.O. Box 2508**  
**Cincinnati, OH 45201**

**Department of the Treasury**

**Date: June 2, 2017**

**Person to Contact:**

R. Meyer ID# 0110429

**Toll Free Telephone Number:**

877-829-5500

United States Conference of Catholic  
 Bishops  
 3211 4<sup>th</sup> Street, NE  
 Washington, DC 20017-1194

**Group Exemption Number:**

0928

Dear Sir/Madam:

This responds to your June 2, 2017, request for information regarding the status of your group tax exemption.

Our records indicate that you were issued a determination letter in March 1946, that you are currently exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(i).

With your request, you provided a copy of the *Official Catholic Directory for 2017*, which includes the names and addresses of the agencies and instrumentalities and the educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories, and possessions that are subordinate organizations under your group tax exemption. Your request indicated that each subordinate organization is a non-profit organization, that no part of the net earnings thereof inures to the benefit of any individual, and that no substantial part of their activities is for promotion of legislation. You have further represented that none of your subordinate organizations is a private foundation under section 509(a), although all subordinates do not all share the same sub-classification under section 509(a). Based on your representations, the subordinate organizations in the *Official Catholic Directory for 2017* are recognized as exempt under section 501(c)(3) of the Code under GEN 0928.

Donors may deduct contributions to you and your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to them or for their use are deductible for federal estate and gifts tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the Code.

Subordinate organizations under a group exemption do not receive individual exemption letters. Most subordinate organizations are not separately listed in Publication 78 or the EO Business Master File. Donors may verify that a subordinate organization is included

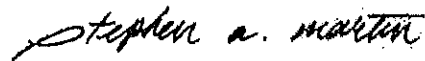


in your group exemption by consulting the *Official Catholic Directory*, the official subordinate listing approved by you, or by contacting you directly. IRS does not verify the inclusion of subordinate organizations under your group exemption. See IRS Publication 4573, *Group Exemption*, for additional information about group exemptions.

Each subordinate organization covered in a group exemption should have its own EIN. Each subordinate organization must use its own EIN, not the EIN of the central organization, in all filings with IRS.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

A handwritten signature in black ink that reads "Stephen A. Martin". The signature is written in a cursive style with a large initial 'S' and 'M'.

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:
• conducts lawful gambling on five or fewer days, and
• awards less than \$50,000 in prizes during a calendar year.
If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is \$100; otherwise the fee is \$150.
Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name: Church of St Wenceslaus
Previous Gambling Permit Number: X- X-70005-22-054
Minnesota Tax ID Number, if any: 8348249
Federal Employer ID Number (FEIN), if any: 41-0695519
Mailing Address: 215 Main Street East
City: New Prague State: MN Zip: 56071 County: Scott
Name of Chief Executive Officer (CEO): Fr. Eugene Theisen
CEO Daytime Phone: 952 758-3225 CEO Email: eugene.theisen@npcatholic.org
Email permit to (if other than the CEO):

NONPROFIT STATUS

Type of Nonprofit Organization (check one):
[ ] Fraternal [x] Religious [ ] Veterans [ ] Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)
[ ] A current calendar year Certificate of Good Standing
[ ] IRS income tax exemption (501(c)) letter in your organization's name
[x] IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Church of St Wenceslaus
Physical Address (do not use P.O. box): 215 Main Street East, New Prague, MN 56071
Check one:
[x] City: New Prague Zip: 56071 County: Scott
[ ] Township: Zip: County:
Date(s) of activity (for raffles, indicate the date of the drawing): June 6 2025

Check each type of gambling activity that your organization will conduct:
[ ] Bingo [ ] Paddlewheels [ ] Pull-Tabs [ ] Tipboards [x] Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to www.mn.gov/gcb and click on Distributors under the List of Licensees tab, or call 651-539-1900.

# LG220 Application for Exempt Permit

## LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

### CITY APPROVAL for a gambling premises located within city limits

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).
- The application is denied.

Print City Name: City of New Prague

Signature of City Personnel: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**The city or county must sign before submitting application to the Gambling Control Board.**

### COUNTY APPROVAL for a gambling premises located in a township

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.
- The application is denied.

Print County Name: \_\_\_\_\_

Signature of County Personnel: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**TOWNSHIP (if required by the county)**  
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

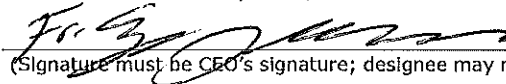
Print Township Name: \_\_\_\_\_

Signature of Township Officer: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

### CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature:  Date: 31 OCT 2024  
(Signature must be CEO's signature; designee may not sign)

Print Name: Fr. Eugene Theisen

### REQUIREMENTS

- Complete a separate application for:**
- all gambling conducted on two or more consecutive days; or
  - all gambling conducted on one day.
- Only one application is required if one or more raffle drawings are conducted on the same day.
- Financial report to be completed within 30 days after the gambling activity is done:**  
A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.
- Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

### MAIL APPLICATION AND ATTACHMENTS

- Mail application with:**
- \_\_\_\_\_ a copy of your proof of nonprofit status; and
  - \_\_\_\_\_ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**. Make check payable to **State of Minnesota**.
- To:** Minnesota Gambling Control Board  
1711 West County Road B, Suite 300 South  
Roseville, MN 55113
- Questions?**  
Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

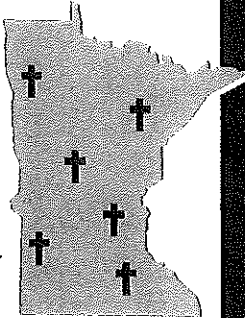


FFICIAL

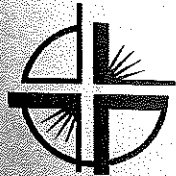


2020

MINNESOTA  
CATHOLIC  
DIRECTORY



Published by the Office of Communications, Archdiocese of St. Paul and Minneapolis



**Catholic Finance**  
CORPORATION  
*Financial Advisor to Catholic Institutions*

GROOKSTON • DULUTH • NEW ULM • SAINT CLOUD • SAINT PAUL & MINNEAPOLIS • WINONA / ROCHESTER

Archdiocese of  
Saint Paul and Minneapolis

St. Paul & Minneapolis

Catholic Directory

8701 36th Ave. N, New Hope  
55427-1769  
(763) 544-3352, Fax 544-3435

Little Church:  
13015 Rockford Rd., Plymouth  
trasmussen@stjosephparish.com  
www.stjosephparish.com

- Rev. Terry Rassmussen  
(763) 559-0318  
trasmussen@stjosephparish.com
- Deacon Robert Bramwell

MASSSES:

Parish Center-New Hope

- Sat, 4:30 p.m.
- Sun: 10 a.m., 6 p.m.
- Weekday: Tue, 5:30 p.m.; Wed, Thu, 8:30 a.m.

Little Church-Plymouth

- Sun: 8, 9:30 a.m.

SACRAMENT OF RECONCILIATION:

Parish Center-New Hope

- 1st Sat of Month, 3:30-4:30 p.m.

NEW MARKET  
Scott Co.

ST. NICHOLAS &

51 Church St., Elko New Market 55054  
(952) 461-2403  
www.stncc.net  
www.facebook.com/stncc.net

- Rev. Patrick Barnes

MASSSES:

- Sat, 5 p.m.
- Sun: 8, 10 a.m.
- Weekday: Tue-Sat, 8 a.m.

SACRAMENT OF RECONCILIATION:

- Tue-Fri, 7:35-7:50 a.m.; Wed, 4:45-5:30 p.m.; Sat, 8:35 a.m., 3:30-4:40 p.m.

SCHOOL: Holy Cross

See SCHOOLS section

NEW PRAGUE  
Scott Co.

ST. BENEDICT, see St. Benedict

ST. WENCESLAUS &

St. Wenceslaus campus:  
215 Main St. E, New Prague  
56071-1837

(952) 758-3225, Fax 758-2960

www.npcatholic.org

St. Scholastica campus

31525 181st Ave., Heidelberg 56071

(952) 758-4292

Parish records available at St. Wenceslaus

St. John the Evangelist campus:

20087 Hub Dr., Union Hill 56071

(952) 758-4642

- Rev. Eugene Theisen, Parochial Administrator, (952) 758-0469  
eugene.theisen@npcatholic.org

MASSSES:

St. Wenceslaus campus:

- Sat, 5 p.m. (4 p.m. DST)
- Sun: 8:30, 10:30 a.m.

SACRAMENT OF RECONCILIATION:

- Sat, 4-4:30 p.m. (3-3:30 p.m. DST)

St. Scholastica Campus:

- Sat, 8:15 p.m. (Nov-Apr)
- Sun, 10 a.m., 7:30 p.m. (Nov-Apr)

SCHOOL: St. Wenceslaus

See SCHOOLS section

NEW TRIER  
Dakota Co.

ST. MARY

St. Mary's Church  
23315 Northfield Blvd.  
Hampton 55031  
parishoffice@stmathias.com

- Rhonda Rother  
Parish Business Administrator
- Rev. Cole Kracke

MASSSES:

- Sun, 8 a.m.
- Weekday: Fri, 7:30 a.m.; 1st Sat, 8:30 a.m.

PARISHES

Diocese of New Ulm

Diocese of Crookston

Diocese of Duluth

**Internal Revenue Service**  
**P.O. Box 2508**  
**Cincinnati, OH 45201**

**Department of the Treasury**

**Date: June 2, 2017**

**Person to Contact:**

R. Meyer ID# 0110429

**Toll Free Telephone Number:**

877-829-5500

United States Conference of Catholic  
 Bishops  
 3211 4<sup>th</sup> Street, NE  
 Washington, DC 20017-1194

**Group Exemption Number:**

0928

Dear Sir/Madam:

This responds to your June 2, 2017, request for information regarding the status of your group tax exemption.

Our records indicate that you were issued a determination letter in March 1946, that you are currently exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(i).

With your request, you provided a copy of the *Official Catholic Directory for 2017*, which includes the names and addresses of the agencies and instrumentalities and the educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories, and possessions that are subordinate organizations under your group tax exemption. Your request indicated that each subordinate organization is a non-profit organization, that no part of the net earnings thereof inures to the benefit of any individual, and that no substantial part of their activities is for promotion of legislation. You have further represented that none of your subordinate organizations is a private foundation under section 509(a), although all subordinates do not all share the same sub-classification under section 509(a). Based on your representations, the subordinate organizations in the *Official Catholic Directory for 2017* are recognized as exempt under section 501(c)(3) of the Code under GEN 0928.

Donors may deduct contributions to you and your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to them or for their use are deductible for federal estate and gifts tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the Code.

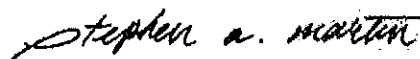
Subordinate organizations under a group exemption do not receive individual exemption letters. Most subordinate organizations are not separately listed in Publication 78 or the EO Business Master File. Donors may verify that a subordinate organization is included

in your group exemption by consulting the *Official Catholic Directory*, the official subordinate listing approved by you, or by contacting you directly. IRS does not verify the inclusion of subordinate organizations under your group exemption. See IRS Publication 4573, *Group Exemption*, for additional information about group exemptions.

Each subordinate organization covered in a group exemption should have its own EIN. Each subordinate organization must use its own EIN, not the EIN of the central organization, in all filings with IRS.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

A handwritten signature in cursive script that reads "Stephen A. Martin".

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements



118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

**MEMORANDUM**

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** JOSHUA TETZLAFF, CITY ADMINISTRATOR  
**SUBJECT:** THC VIOLATION APPEAL – 1319 WOODFIRE TAVERN  
**DATE:** NOVEMBER 14, 2024

On August 26, 2024, 1319 Woodfire Tavern allegedly violated the City’s THC Ordinance No. 121.03(A) for serving THC products without a license. I send an administrative citation to them on September 13, 2024, which is the procedure for such offense laid out in our ordinance, outlining the violation and the next steps, which include either paying a fine or appealing the citation. 1319 Woodfire Tavern requested a hearing to appeal the citation.

While this hearing was initially on the November 4, 2024, agenda, I made a mistake in communicating that hearing date with 1319 Woodfire Tavern. I have since communicated with 1319 Woodfire Tavern and the appeal was rescheduled to Monday, November 18, 2024.

I have attached the documents related to the citation. The Council’s decision in this matter is to either uphold the citation or to rescind the citation.

Of note, once the Office of Cannabis Management is fully operational at the State-level, the State will take over all low-dose hemp licensing, which is what this would fall under in the future.

**Recommendation**

Due to my initial sending of the violation, and this being an appeal to my decision, I do not have a formal recommendation.





# City of New Prague

In the Counties of Scott & Le Sueur

118 CENTRAL AVENUE NORTH · NEW PRAGUE, MINNESOTA 56071 · PHONE (952) 758-4401  
www.ci.new-prague.mn.us

**Joshua M. Tetzlaff**  
City Administrator

Section 4, Item a.

September 13, 2024

Mona Schultz  
1319 Woodfire Tavern  
125 Main Street E  
New Prague, MN 56071

Re: 125 Main Street E, New Prague, MN Tetrahydrocannabinol (THC) Ordinance Violation

Dear Ms. Schultz:

On August 26, 2024, the New Prague Police Department visited 1319 Woodfire Tavern located at 125 Main Street E in New Prague, MN.

After speaking with staff, it was confirmed that your business was offering the sale of tetrahydrocannabinol (THC) beverages without a license, which is in violation of New Prague City Ordinance Section 121.03(A). Incident report #24004687, dated August 26, 2024, has been attached.

In accordance with the New Prague City Ordinance Section 121.09, Administrative Penalties, the penalty for a first (1<sup>st</sup>) violation to the ordinance shall be an Administrative Penalty of \$300.00.

Also attached to this letter is a copy of the Administrative Citation for this alleged offense along with a copy of the City of New Prague's Tetrahydrocannabinol Products Ordinance, with the Administrative Penalty section (121.09 and 121.10) highlighted. Your company has the option of choosing to pay the administrative fee for this alleged violation by forwarding a check for \$300.00, as shown in Section 121.09 and 121.10, within twenty (20) days of receipt of this letter to: City of New Prague, Attn: City Administrator, 118 Central Avenue N., New Prague, MN 56071.

In the alternative, should you decide that you would rather appeal this Administrative Penalty in accordance with Section 121.10 Administrative Penalty Procedure of the New Prague City Code, please feel free to contact my office to schedule this hearing before City Council.

Lastly, if you elect to neither pay the Administrative Penalty nor appeal the Administrative Penalty (no later than 20 days after receipt of the citation), the City of New Prague will seek prosecution of this matter as a criminal offense.



Should you have any questions concerning this matter, please feel free to contact either Police Chief Tim Applen or myself at (952) 758-4401.

Sincerely,

Joshua M. Tetzlaff  
City Administrator

Cc: Police Chief Applen  
City Attorney Riggs

Enclosures:

- Incident Report #24004687
- Administrative Citation
- Tetrahydrocannabinol Products Ordinance

**ADMINISTRATIVE CITATION**

**CITY OF NEW PRAGUE**

**BUSINESS:** 1319 Woodfire Tavern

**ADDRESS:** 125 Main Street E  
New Prague, MN 56071

**DATE OF VIOLATION:** August 26, 2024

**TIME OF VIOLATION:** 1:23 P.M.

**LOCATION OF VIOLATION:** 1319 Woodfire Tavern  
125 Main Street E  
New Prague, MN 56071

**VIOLATION:** Ordinance No. 121.03(A)

**VIOLATION DESCRIPTION:** Offering the sale of tetrahydrocannabinol (THC) beverages without a license.

**ADMINISTRATIVE PENALTY:** First Violation within the preceding 36-month period - Three Hundred Dollars (\$300.00) in accordance with City of New Prague Code of Ordinances Sections 121.09.

**RIGHT TO BE HEARD:** If, within 20 days after receipt of this Citation, a licensee accused of violating this chapter so requests, a hearing shall be scheduled before the City Council, the time and place of which shall be published and provided to the accused violator in accordance with City Code of Ordinances Section 121.10.

The undersigned, being duly authorized by the City of New Prague, believes that the Licensee named in this Administrative Citations, upon reviewing information provided by the New Prague Police Department, did commit the above described violation.

\_\_\_\_\_  
Joshua M. Tetzlaff  
City Administrator

Date: September 13, 2024



THC distributor Utepils to inquire about city regulations for retail THC sales. Schultz indicated at that time there were no ordinances in place, she said that she spoke with a previous city employee who told her that the city would send them information if regulations changed. Schultz said that all of the THC beverages had been pulled from the coolers and was no longer being sold/offered for sale. I checked with city staff and verified that a THC application had not been submitted to the city. I checked the State of Minnesota Low Potency Hemp Derived Product sales registration and found that 1319 Woodfire Tavern had not registered as retailer. At approximately 5:15 p.m. I went to the 1319 Woodfire Tavern and spoke with staff who indicated they were the bar manager. I inquired on the sale of THC beverages, the manager indicated that they had been selling THC seltzers, but had pulled them from the cooler on Monday 8/26/24 and were no longer selling/offering for sale the THC beverages. I asked to inspect the THC product they were previously selling. I walked to the storage area and was provided with three different cans of THC beverage. I inspected each and found that they were labeled appropriately and would be legal for retail sale with proper licensing. I spoke additionally with staff and advised that the sales of the seltzers would be prohibited until a city license was obtained and registration with the state was completed. Staff indicated that they understood and had been told the same by the owners.

On 8/27/24 at approximately 10:30 a.m. I called Mona Schultz and spoke with her regarding the sale of THC beverages. Mona explained that she was not a stakeholder any longer in the business but was the CFO and managed books and licensing for the restaurant. Mona indicated that she contacted the city in August or September of 2023 to inquire about THC sales after being notified by the State of Minnesota to inquire locally about any potential additional licensing requirements. Mona apologized and indicated that she may have missed something in the registration process and tries to watch New Prague City Council meetings to stay abreast of current happenings. She was told that at that time there was not an ordinance in place prohibiting the sales. She said that she spoke with a previous employee who told her that if something changed that the city would notify her. The City of New Prague established the THC ordinance in November of 2022. I explained that the City typically doesn't reach out businesses to ensure that they have licensure for their businesses and that that businesses are responsible for following requirements for licensure for sale of products and services. The exception would be if the business previously had a license and a renewal notice was sent, such as alcohol and tobacco licenses. Mona again said that she must have missed something in the process as she did not apply for a City license. I asked Mona if she had registered with the State of Minnesota Low Potency Hemp Derived Product sales registration. Mona said that she had not registered, but would do so as soon as she was able. I explained the THC sales violation and Mona indicated that she understood. I informed her that the issue would be brought to the City Council on 9/3/24 for review of an administrative fine as defined by City Ordinance chapter 121 in the amount of \$300.

On 8/26/24 city staff provided me with an application for Tetrahydrocannabinols (THC) establishment license for 1319 Woodfire Tavern. I received the application and reviewed it. A background check was completed on interested parties to the business and no disqualifiers were identified. In reviewing Ordinance 121 one potential disqualifier is a conviction of a violation or any provision of the ordinance. I have reached out to the City Attorney for additional clarification on the violation and potential disqualifier for THC licensure.

Additionally, on 8/28/24 at approximately 1:15 PM I received a copy of 1319 Hemp Derived Cannabinoid Product Business Registration. This information will be kept on file with the city.

Section 4, Item a.

[Empty rectangular box for content]

## CHAPTER 121: TETRAHYDROCANNABINOL PRODUCTS

### Section

- 121.01 Findings and purpose
- 121.02 Definitions
- 121.03 License required
- 121.04 License fee
- 121.05 Prohibited sales
- 121.06 Mobile sales
- 121.07 Compliance checks
- 121.08 Responsibility
- 121.09 Administrative penalties
- 121.10 Administrative penalty procedure

### § 121.01 FINDINGS AND PURPOSE.

The purpose of this chapter is to regulate the sale of legalized adult-use of any product that contains tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under M.S. § 151.72 for the following reasons:

- (A) The city recognizes that, based on the most reliable and up-to-date scientific evidence, the rapid introduction of newly legalized adult-use THC products, presents a significant potential threat to the public health, safety, and welfare of the residents of New Prague, and particularly to youth.
- (B) The city has the opportunity to be proactive and make decisions that will mitigate this threat and reduce exposure of young people to the products or to the marketing of these products and improve compliance among THC product retailers with laws prohibiting the sale or marketing of THC products to minors.
- (C) A local regulatory system for THC product retailers is appropriate to ensure that retailers comply with THC product laws and business standards of the city to protect the health, safety, and welfare of our youth and most vulnerable residents.
- (D) M.S. § 151.72 requires THC product retailers to check the identification of purchasers to verify that they are at least 21 years of age, comply with certain packaging and labeling requirements to protect children and youth, and meet certain potency and serving size requirements.
- (E) State law authorizes the Board of Pharmacy to adopt product and testing standards in part to curb the illegal sale and distribution of THC products and ensure the safety and compliance of commercially available THC products in the State of Minnesota.
- (F) State law does not preempt the authority of a local jurisdiction to adopt and enforce local ordinances to regulate THC product businesses including, but not limited to, local zoning and land use requirements and business license requirements.
- (G) A requirement for a THC product retailer license will not unduly burden legitimate business activities of retailers who sell or distribute THC products to adults but will allow the city to regulate the operation of lawful businesses to discourage violations of state and local THC product-related laws.

(H) In making these findings and enacting this chapter, it is the intent of the City Council responsible THC product retailing, allowing legal sale and access without promoting increases in use, and to discourage violations of THC product-related laws, especially those which prohibit or discourage the marketing, sale or distribution of THC products to youth under 21 years of age.

Section 4, Item a.

(Ord. 331, passed 11-7-22)

### § 121.02 DEFINITIONS.

For the purposes of this chapter, the following words and phrases shall have the meaning hereinafter ascribed to them:

**APPLICANT.** A person, as defined herein, who completes or signs an application for a license to sell licensed products individually or on behalf of a business.

**BUSINESS.** The business of selling licensed products.

**COMPLIANCE CHECKS.** The system the city uses to investigate and ensure that those authorized to sell licensed products are following and complying with the requirements of this article. Compliance checks may also be conducted by the city or other units of government for educational, research, and training purposes, or for investigating or enforcing federal, state, or local laws and regulations relating to licensed products.

**EXCLUSIVE LIQUOR STORE.** An establishment that meets the definition of exclusive liquor store in M.S. § 340A.101(10).

**LICENSE HOLDER OR LICENSEE.** The owner of the business licensed to sell licensed products.

**LICENSED PRODUCT OR THC PRODUCT.** Any product that contains tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under M.S. § 151.72.

**MOVEABLE PLACE OF BUSINESS.** Any form of business operated out of a kiosk, truck, van, automobile, or other type of vehicle or transportable shelter and not a fixed address storefront or other permanent type of structure authorized for sales transactions.

**PERSON.** Includes one or more natural persons, a partnership, limited liability company, corporation, including a foreign, domestic, or nonprofit corporation, a trust, a political subdivision of the state or any other business organization.

**RETAIL ESTABLISHMENT.** Any place of business where licensed products are available for sale to the general public, including, but not be limited to, grocery stores, tobacco products shops, convenience stores, gasoline service stations, bars, and restaurants.

**SALE.** Any transfer of goods for money, trade, barter, or other consideration.

**SELF-SERVICE MERCHANDISING.** Open displays of licensed products in any manner where any person has access to the licensed products without the assistance or intervention of the licensee or the licensee's employee. Assistance or intervention means the actual physical exchange of the licensed product between the customer and the licensee or employee.

**VENDING MACHINE.** Any mechanical, electric, or electronic, or other type of device that dispenses licensed products upon the insertion of money, tokens, or other form of payment directly into the machine by the person seeking to purchase the licensed product.

(Ord. 331, passed 11-7-22)

### § 121.03 LICENSE REQUIRED.

(A) No person shall sell or offer to sell any licensed product without having obtained a license to do so from the city.



(1) No license shall be issued to a movable place of business as per § 121.06. Only businesses shall be eligible to be licensed under this chapter.

(2) No license shall be issued to an exclusive liquor store as defined in M.S. § 340A.101(10).

(B) (1) An application for a license to sell licensed products shall be made on a form provided by the city. The application shall include, at a minimum, the full name of the applicant, the applicant's residential and business address and telephone numbers, the name of the proposed license holder, the business location for which the license is sought, and any additional information the city deems necessary. The completed application along with the license fee shall be submitted to the City Administrator who shall forward the application to the City Council for action at its next regularly scheduled City Council meeting. If the City Administrator or their designee determines that an application is incomplete, they shall return the application to the applicant with notice of deficiencies.

(2) A business applicant, at the time of application, shall furnish the city with a list of all persons that have an interest of 5% or more in the business. The list shall name all owners and show the interest held by each, either individually or beneficially for others. It is the duty of each business licensee to notify the City Administrator in writing of any change in ownership in the business. Any change in the ownership or control of the business shall be deemed equivalent to a transfer of the license, and any such license shall be revoked 30 days after any such change in ownership or control unless the licensee has notified the City Council of the change in ownership by submitting a new license application for the new owners, and the City Council has approved the transfer of the license by appropriate action. Any time an additional investigation is required because of a change in ownership or control of a business, the licensee shall pay an additional investigation fee to be determined by the city. The city may at any reasonable time examine the transfer records and minute books of any business licensee to verify and identify the owners, and the city may examine the business records of any other licensee to the extent necessary to disclose the interest which persons other than the licensee have in the licensed business. The City Council may revoke any license issued upon its determination that a change of ownership of a licensee has actually resulted in the change of control of the licensed business so as materially to affect the integrity and character of its management and its operation, but no such action shall be taken until after a hearing by the City Council on notice to the licensee.

(C) The City Council may either approve or deny the license, or may delay action for a reasonable period of time as is required to permit the city to complete any investigation of the application or the applicant deemed necessary. If approved, a license shall be issued to the applicant. If denied, a notice of denial shall be issued to the applicant at the business address provided on the application along with the reasons for the denial. The notice shall also inform the applicant of their right to appeal the City Council's decision. If a license is mistakenly issued or renewed to an applicant or license holder, it shall be revoked by the City Council upon the discovery that the person, applicant or license holder was ineligible for the license under this section. If a license application is denied, the earliest an applicant may reapply is 12 months from the date the license is denied.

(D) All licenses are issued for a period of one year. The license period is from January 1 to December 31. The initial license term will expire at the end of the calendar year during which the license was issued.

(E) Any license issued under this section may be revoked or suspended, as provided in § 121.09, or as specifically provided elsewhere in this chapter.

(F) All licenses issued under this section shall be valid only on the business premises for which the license was issued and only for the person to whom the license was issued. No transfer of any license to another location or person shall be valid without the prior approval of the City Council.

(G) Every license shall be conspicuously posted at the place of business for which the license is issued, and shall be exhibited to any person upon request.

(H) The renewal of a license under this section shall be handled in the same manner as an application. The request for renewal shall be made at least 30 but not more than 60 days before the expiration of the current license. The issuance of a license under this chapter shall be considered a privilege and not an absolute right of the applicant, and shall not entitle the holder to an automatic renewal of the license.

(J) The following shall be grounds for denying the issuance or renewal of a license under this section. The following is not exhaustive or exclusive:

(1) The applicant is under the age of 21.

(2) The applicant has been convicted within the past five years of a violation of any provisions of this chapter or a violation of a federal, state, or local law, ordinance provision, or other regulation relating to licensed products, but not including possession or sale of license products.

(3) The applicant has had a license to sell licensed products suspended or revoked during the 12 months preceding the date of application, or the applicant has or had an interest in another premises, authorized to sell licensed products, whether in the city or in another jurisdiction, that has had a license to sell products suspended or revoked during the same time period, provided the applicant had an interest in the premises at the time of the revocation or suspension, or at the time of the violation that led to the revocation or suspension.

(4) The applicant is a business that does not have an operating officer or manager who is eligible pursuant to the provisions of this chapter.

(5) The applicant is the spouse of a person ineligible for a license pursuant to the provisions of divisions (J)(2) and (3) of this section or who, in the judgement of the Council, is not the real party in interest or beneficial owner of the business to be operated, under the license.

(6) The applicant fails to provide any information required on the city license application, or provides false or misleading information.

(7) The applicant or license holder has outstanding fines, penalties or property taxes owed to the city.

(8) The location of the business is not within a commercial or industrial district where retail is allowed.

(K) The city shall conduct a background investigation on all new applications and applications to transfer a license. The city may conduct a background and financial check on an application for a renewal of a license if it is in the public interest to do so. If a license is mistakenly issued or renewed to a person, it shall be revoked upon the discovery that the person was ineligible for the license under this article and the city shall provide the person with a notice of revocation, along with information on the right to appeal.

(Ord. 331, passed 11-7-22)

#### **§ 121.04 LICENSE FEE.**

The license fee shall be determined by the City Council, and shall be paid at the time of application. License fees are not prorated.

(Ord. 331, passed 11-7-22)

#### **§ 121.05 PROHIBITED SALES.**

(A) No person shall sell, offer to sell, give away, furnish or otherwise deliver any licensed product:

(1) By means of any type of vending machine; or

(2) By any other means, or to any other person prohibited by federal, state, or other ordinance provisions or other regulation.

Section 4, Item a.

(B) No person shall sell, offer to sell, give away, furnish or otherwise deliver any licensed product to any person under the age of 21.

(1) Licensees shall verify by means of government issued photographic identification that the purchaser is at least 21 years of age. Verification is not required for a person over the age of 30. That the person appeared to be 30 years of age or older does not constitute a defense to a violation of this section.

(2) Notice of the legal sales age and age verification requirement must be posted prominently and in plain view at all times at each location where licensed products are offered for sale. The required signage, which will be provided to the licensee by the city, must be posted in a manner that is clearly visible to anyone who is or is considering making a purchase.

(C) No person shall distribute samples of any licensed product free of charge or at a nominal cost.

(D) No person shall sell, offer to sell, give away, furnish or otherwise deliver any licensed product by means of self-service merchandising or by any means whereby the customer may have access to the items without having to request the items from the license holder, their agents, or employees. All licensed products shall be stored behind a counter or other area not freely accessible to customers.

(Ord. 331, passed 11-7-22)

#### **§ 121.06 MOBILE SALES.**

No license shall be issued for the sale of licensed products at a movable place of business, including, but not limited to motorized vehicles, mobile sales kiosks or trailers.

(Ord. 331, passed 11-7-22)

#### **§ 121.07 COMPLIANCE CHECKS.**

(A) All licensed premises shall be open to inspection by the city police or other authorized city officials during regular business hours. From time to time, but at least once per year, the city shall conduct unannounced compliance checks at licensed premises by engaging persons at least 17 years of age but under the age of 21, who, with prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase licensed products while under the direct supervision of law enforcement or other city employee. No person used in compliance checks shall attempt to use a false identification misrepresenting the person's age, and all persons lawfully engaged in a compliance check shall answer all questions about their age asked by the licensee or his or her employee and shall produce any identification, if any exists, for which he or she is asked. Nothing in this section shall prohibit any other compliance checks authorized by state or federal laws for educational, research or training purposes or required for the enforcement of a particular state or federal law.

(B) Additionally, from time to time, the city will conduct inspection to determine compliance with any or all other aspects of this chapter.

(Ord. 331, passed 11-7-22)

#### **§ 121.08 RESPONSIBILITY.**

All licensees are responsible for the actions of their employees in regard to the sale, offer to sell, and furnishing of licensed products on the licensed premises. The sale, offer to sell, or furnishing of any licensed product by an employee shall be considered an act of the licensee. Nothing in this section shall be construed as prohibiting the city from also subjecting the employee to any civil penalties that the city deems to be appropriate under this chapter, state or federal law, or other applicable law or regulation.

(Ord. 331, passed 11-7-22)

Section 4, Item a.

### **§ 121.09 ADMINISTRATIVE PENALTIES.**

(A) If a licensee or employee of a licensee sells, gives, or otherwise furnishes licensed products to a person under the age of 21 years, or violates any other provision of this chapter, the licensee shall be charged an administrative penalty of \$300. An administrative penalty of \$600 shall be imposed for a second violation at the same location within 36 months after the initial violation. For a third or any subsequent violation at the same location within 36 months after the initial violation, an administrative penalty of \$1,000 shall be imposed and the licensee shall lose the licensee's authorization to sell licensed products for a period of not less than 30 days nor more than one year. The loss of authorization shall be accomplished by a combination, if necessary, of a suspension of the licensee's then existing authorization and an order prohibiting renewal of the licensee's license for the prescribed period. No suspension, revocation or other penalty may take effect until the licensee has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before the City Council. A decision that a violation has occurred must be in writing.

(B) An individual who sells, gives, or otherwise furnishes licensed products to a person under the age of 21 years shall be charged an administrative penalty of \$50. No penalty may be imposed until the individual has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before the City Council. A decision that a violation has occurred must be in writing.

(Ord. 331, passed 11-7-22)

### **§ 121.10 ADMINISTRATIVE PENALTY PROCEDURE.**

(A) Upon discovery of a suspected violation under § 121.09, the alleged violator shall be issued, either personally or by mail, a citation that sets forth the alleged violation and the administrative penalty for the violation, and informs the alleged violator of his or her right to be heard on the accusation.

(B) If, within 20 days after receipt of a citation, a person accused of violating this chapter so requests, a hearing shall be scheduled, the time and place of which shall be provided to the accused violator.

(C) The City Council, or any other person as the Council may by resolution designate, shall serve as the hearing officer.

(D) If the hearing officer determines that a violation of this chapter did occur, that decision, along with the hearing officer's reasons for finding a violation and the penalty to be imposed under § 121.09, shall be recorded in writing, a copy of which shall be provided to the accused violator. Likewise, if the hearing officer finds that no violation occurred or finds grounds for not imposing any penalty, the findings shall be recorded and a copy provided to the accused violator.

(E) Appeals of any decision made by the hearing officer shall be filed in the district court for the county in which the violator resides in accordance with applicable laws.

(F) Nothing in this section shall prohibit the city from seeking prosecution as a criminal offense for any alleged violation of this chapter.

(G) Each violation shall constitute a separate offense, and for violations that are ongoing by their nature, each day that such violation continues shall constitute a separate offense.

(Ord. 331, passed 11-7-22)



# MEMORANDUM

**TO:** Joshua Tetzlaff, City of New Prague  
**FROM:** Rebecca Kurtz and Keith Dahl, Ehlers  
**DATE:** November 13, 2024  
**SUBJECT:** Financing Options for Police Facility

---

The City of New Prague is considering options for replacing the Police Station and constructing a new facility adjacent to the current fire and ambulance facility (the “Project”). Based on preliminary estimates, the Project is anticipated to be \$12 million, and it is anticipated the City will receive bids in February 2025.

In our experience Public Safety facilities can be challenging projects to fund in large part because the only revenue source for the project is property taxes and possibly a small amount of grant funding.

In these types of projects, costs become a key component because of the reliance on property taxes. While we encourage the City to explore grant opportunities, in our experience, grant opportunities are limited. In addition, while the Legislature may provide assistance for public safety facilities, in our experience, these funds would need to be secured prior to the project moving forward. Typically, State funds cannot be used for reimbursement after a project is complete.

As we have begun to explore options for funding assistance, we reviewed the Community Facilities Direct Loan and Grant Program through the USDA. This program provides low interest loans and grants for essential community facilities. Based on preliminary discussions, due to the City’s median household income, it is unlikely the City would qualify for this program. We will continue to explore other possible options.

### Financing Options

In order for a City to issue debt, the City needs to comply with Minnesota State Statutes. While there are options on the type of debt that can be issued to fund this Project, ultimately, the bonds are secured by ad valorem taxes.

The following is a summary of the State statutes that allow the issuance of debt for a police station, as well as key points for each approach:



Financing Options	Referendum G.O. Bonds	Capital Improvement G.O. Bonds	EDA Lease Revenue Bonds
Minn. Statutes	Section 475	Section 475.521	Section 465.71
Bond Process	<ul style="list-style-type: none"> <li>▪ Council calls for an election (special or at the time of the general election)</li> <li>▪ Notice of Election published</li> <li>▪ Election held</li> <li>▪ Majority voting in election determines if bonds can be issued</li> </ul>	<ul style="list-style-type: none"> <li>▪ Staff prepares CIP Plan</li> <li>▪ Council calls a public hearing</li> <li>▪ Holds public hearing</li> <li>▪ CIP Plan approval requires 3/5ths Council membership approval</li> <li>▪ Wait 30 days after hearing to see if reverse referendum petition filed</li> <li>▪ Bonds can be issued if no petition filed</li> </ul>	<ul style="list-style-type: none"> <li>▪ EDA agrees to issue bonds for project</li> <li>▪ City enters into lease with EDA for term of bonds</li> <li>▪ Annually the City agrees to budget to make payment to EDA to cover bonds.</li> <li>▪ EDA issues bonds based on City lease</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>▪ May issue General Obligation (G.O.) bonds</li> <li>▪ G.O. Bonds have lowest interest rate and issuance cost</li> <li>▪ Property taxes levied on tax capacity to pay bonds</li> <li>▪ Subject to Net Debt limit of 3% of Assessors Estimated Market Value</li> </ul>	<ul style="list-style-type: none"> <li>▪ May issue G.O.</li> <li>▪ G.O. Bonds have lowest interest rate and issuance cost</li> <li>▪ Property Taxes levied on tax capacity to pay bonds</li> <li>▪ Subject to 3% Net Debt limit</li> <li>▪ Annual levy for debt service cannot exceed .16% of market value (\$1,587,833 based on Pay 2024)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ability to issue Lease Revenue bonds can be accomplished with a simple majority Council vote</li> <li>▪ Payment annually budgeted as part of operating budget and then levied on tax capacity to pay bonds</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>▪ Subject to referendum success</li> <li>▪ May be difficult to issue bonds under a different authority if referendum not successful and project needed</li> <li>▪ Requires 84-day notification to County Auditor</li> <li>▪ Ballot Question assumes entire payment paid by taxes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Potentially subject to referendum success if a petition signed by voters of at least 5% of the votes cast in the last municipal general election is received within 30 days after the public hearing</li> <li>▪ May be difficult to issue Lease Revenue Bonds if referendum not successful and project needed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not subject to referendum or petition</li> <li>▪ Credit rating one step lower than a G.O.</li> <li>▪ Lease Revenue Bonds typically have higher interest rate (.50-.75%) and higher issuance cost</li> <li>▪ May require debt reserve</li> <li>▪ May need economic development district public hearing</li> <li>▪ Leases of \$1,000,000+ are subject to 3% Net Debt limit</li> </ul>



### Financing Term

It is our understanding that the City has been exploring a bond issue with a 25-year term. Using current interest rates plus 25 basis points, we are estimating annual debt service payments of \$818,000 with a total interest cost of \$8.2 million. We will continue to monitor the market and provide updates as rates change over the next months.

Under Minnesota Statutes, the City could issue debt with a maximum 30-year term. While this is not as common in Minnesota, it is common in the marketplace across the county. Under this scenario, the estimated annual debt service would be decrease, but the interest expense would increase.

I will be at the meeting to address any questions.

**City of New Prague, Minnesota**  
**Estimated Tax Impact**  
**October 30, 2024**

BOND ISSUANCE INFORMATION	
Bond Issue Amount	\$12,665,000
Number of Years	25
Average Interest Rate	4.66%
Estimated Bond Rating	S&P AA
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2024	\$11,371,733
Debt Levy @ 105% - Average	909,013
Estimated Tax Capacity Rate:	
Payable - 2024 Without Proposed Bonds	42.427%
Payable - 2024 With Proposed Bonds	50.420%
Estimated Tax Rate Increase	7.994%

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current City Tax	Proposed Tax Increase*	Proposed City Tax	Annual	Monthly	Daily
Residential Homestead	\$ 250,000	\$ 14,740	\$ 235,260	\$ 2,353	\$ 998.13	\$ 188.06	\$ 1,186.18	\$188.06	\$15.67	\$0.52
	275,000	12,490	262,510	2,625	1,113.74	209.84	1,323.58	209.84	17.49	0.57
	300,000	10,240	289,760	2,898	1,229.35	231.62	1,460.97	231.62	19.30	0.63
	325,000	7,990	317,010	3,170	1,344.96	253.41	1,598.37	253.41	21.12	0.69
	350,000	5,740	344,260	3,443	1,460.57	275.19	1,735.76	275.19	22.93	0.75
	375,000	3,490	371,510	3,715	1,576.19	296.97	1,873.16	296.97	24.75	0.81
	400,000	1,240	398,760	3,988	1,691.80	318.75	2,010.55	318.75	26.56	0.87
	425,000	-	425,000	4,250	1,803.13	339.73	2,142.86	339.73	28.31	0.93
450,000	-	450,000	4,500	1,909.19	359.71	2,268.91	359.71	29.98	0.99	
475,000	-	475,000	4,750	2,015.26	379.70	2,394.96	379.70	31.64	1.04	
Commercial/Industrial	\$ 100,000	\$ -	\$ 100,000	\$ 1,500	\$ 636.40	\$ 119.90	\$ 756.30	\$119.90	\$9.99	\$0.33
	200,000	-	200,000	3,250	1,378.86	259.79	1,638.65	\$259.79	\$21.65	\$0.71
	300,000	-	300,000	5,250	2,227.39	419.66	2,647.06	\$419.66	\$34.97	\$1.15
	400,000	-	400,000	7,250	3,075.92	579.54	3,655.46	\$579.54	\$48.29	\$1.59
	500,000	-	500,000	9,250	3,924.45	739.41	4,663.86	739.41	61.62	2.03
	1,000,000	-	1,000,000	19,250	8,167.10	1,538.77	9,705.87	1,538.77	128.23	4.22
Apartments (4 or more units)	\$ 200,000	\$ -	\$ 200,000	\$ 2,500	\$ 1,060.66	\$ 199.84	\$ 1,260.50	\$199.84	\$16.65	\$0.55
	300,000	-	300,000	3,750	1,590.99	299.76	1,890.75	299.76	24.98	0.82
	500,000	-	500,000	6,250	2,651.66	499.60	3,151.26	499.60	41.63	1.37
Agricultural Homestead **	\$ 150,000	\$ 23,740	\$ 126,260	\$ 1,263	\$ 535.68	\$ 100.93	\$ 636.60	\$100.93	\$8.41	\$0.28
	400,000	23,740	376,260	2,513	1,066.01	200.85	1,266.86	200.85	16.74	0.55
	500,000	23,740	476,260	3,013	1,278.14	240.82	1,518.96	240.82	20.07	0.66
	600,000	23,740	576,260	3,513	1,490.27	280.78	1,771.06	280.78	23.40	0.77
	800,000	23,740	776,260	4,513	1,914.54	360.72	2,275.26	360.72	30.06	0.99
	1,000,000	23,740	976,260	5,513	2,338.80	440.66	2,779.46	440.66	36.72	1.21
Agricultural Non-Homestead (dollars per acre)	\$ 1,500	\$ -	\$ 1,500	\$ 15	\$ 6.36	\$ 1.20	\$ 7.56	\$1.20	\$0.10	\$0.00
	2,000	-	2,000	20	8.49	1.60	10.08	1.60	0.13	0.00
	2,500	-	2,500	25	10.61	2.00	12.61	2.00	0.17	0.01
Seasonal/Recreation Residential	\$ 100,000	\$ -	\$ 100,000	\$ 1,000	\$ 424.27	\$ 79.94	\$ 504.20	\$79.94	\$6.66	\$0.22
	200,000	-	200,000	2,000	848.53	159.87	1,008.40	159.87	13.32	0.44
	300,000	-	300,000	3,000	1,272.80	239.81	1,512.60	239.81	19.98	0.66
	400,000	-	400,000	4,000	1,697.06	319.74	2,016.80	319.74	26.65	0.88

\* The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.

\*\* For agricultural homestead property, a value of \$150,000 was assumed for the house, garage and one acre.



# City of New Prague, Minnesota

\$12,665,000 General Obligation Bonds, Series 2025  
Assumes Current Market Non-BQ AA Rates plus 75bps

## Sources & Uses

Dated 05/01/2025 | Delivered 05/01/2025

### Sources Of Funds

Par Amount of Bonds	\$12,665,000.00
<b>Total Sources</b>	<b>\$12,665,000.00</b>

### Uses Of Funds

Total Underwriter's Discount (1.100%)	139,315.00
Costs of Issuance	100,000.00
Deposit to Capitalized Interest (CIF) Fund	421,235.63
Deposit to Project Construction Fund	12,000,000.00
Rounding Amount	4,449.37
<b>Total Uses</b>	<b>\$12,665,000.00</b>

# City of New Prague, Minnesota

## \$12,665,000 General Obligation Bonds, Series 2025

Assumes Current Market Non-BQ AA Rates plus 75bps

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/01/2025	-	-	-	-	-
02/01/2026	-	-	421,235.63	421,235.63	421,235.63
08/01/2026	-	-	280,823.75	280,823.75	-
02/01/2027	305,000.00	3.650%	280,823.75	585,823.75	866,647.50
08/01/2027	-	-	275,257.50	275,257.50	-
02/01/2028	315,000.00	3.450%	275,257.50	590,257.50	865,515.00
08/01/2028	-	-	269,823.75	269,823.75	-
02/01/2029	325,000.00	3.500%	269,823.75	594,823.75	864,647.50
08/01/2029	-	-	264,136.25	264,136.25	-
02/01/2030	335,000.00	3.550%	264,136.25	599,136.25	863,272.50
08/01/2030	-	-	258,190.00	258,190.00	-
02/01/2031	350,000.00	3.600%	258,190.00	608,190.00	866,380.00
08/01/2031	-	-	251,890.00	251,890.00	-
02/01/2032	360,000.00	3.650%	251,890.00	611,890.00	863,780.00
08/01/2032	-	-	245,320.00	245,320.00	-
02/01/2033	375,000.00	3.750%	245,320.00	620,320.00	865,640.00
08/01/2033	-	-	238,288.75	238,288.75	-
02/01/2034	390,000.00	3.850%	238,288.75	628,288.75	866,577.50
08/01/2034	-	-	230,781.25	230,781.25	-
02/01/2035	405,000.00	3.900%	230,781.25	635,781.25	866,562.50
08/01/2035	-	-	222,883.75	222,883.75	-
02/01/2036	420,000.00	4.000%	222,883.75	642,883.75	865,767.50
08/01/2036	-	-	214,483.75	214,483.75	-
02/01/2037	435,000.00	4.050%	214,483.75	649,483.75	863,967.50
08/01/2037	-	-	205,675.00	205,675.00	-
02/01/2038	455,000.00	4.100%	205,675.00	660,675.00	866,350.00
08/01/2038	-	-	196,347.50	196,347.50	-
02/01/2039	470,000.00	4.150%	196,347.50	666,347.50	862,695.00
08/01/2039	-	-	186,595.00	186,595.00	-
02/01/2040	490,000.00	4.500%	186,595.00	676,595.00	863,190.00
08/01/2040	-	-	175,570.00	175,570.00	-
02/01/2041	515,000.00	4.600%	175,570.00	690,570.00	866,140.00
08/01/2041	-	-	163,725.00	163,725.00	-
02/01/2042	540,000.00	4.650%	163,725.00	703,725.00	867,450.00
08/01/2042	-	-	151,170.00	151,170.00	-
02/01/2043	565,000.00	4.750%	151,170.00	716,170.00	867,340.00
08/01/2043	-	-	137,751.25	137,751.25	-
02/01/2044	590,000.00	4.800%	137,751.25	727,751.25	865,502.50
08/01/2044	-	-	123,591.25	123,591.25	-
02/01/2045	620,000.00	4.850%	123,591.25	743,591.25	867,182.50
08/01/2045	-	-	108,556.25	108,556.25	-
02/01/2046	650,000.00	4.850%	108,556.25	758,556.25	867,112.50
08/01/2046	-	-	92,793.75	92,793.75	-
02/01/2047	680,000.00	4.900%	92,793.75	772,793.75	865,587.50
08/01/2047	-	-	76,133.75	76,133.75	-
02/01/2048	715,000.00	4.900%	76,133.75	791,133.75	867,267.50
08/01/2048	-	-	58,616.25	58,616.25	-
02/01/2049	750,000.00	4.950%	58,616.25	808,616.25	867,232.50
08/01/2049	-	-	40,053.75	40,053.75	-
02/01/2050	785,000.00	4.950%	40,053.75	825,053.75	865,107.50
08/01/2050	-	-	20,625.00	20,625.00	-
02/01/2051	825,000.00	5.000%	20,625.00	845,625.00	866,250.00
<b>Total</b>	<b>\$12,665,000.00</b>	<b>-</b>	<b>\$9,399,400.63</b>	<b>\$22,064,400.63</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$201,558.75
Average Life	15.915 Years
Average Coupon	4.6633553%
Net Interest Cost (NIC)	4.7324741%
True Interest Cost (TIC)	4.7181401%
Bond Yield for Arbitrage Purposes	4.6146137%
All Inclusive Cost (AIC)	4.7935040%

### IRS Form 8038

Net Interest Cost	4.6633553%
Weighted Average Maturity	15.915 Years

Series 2025A GO CIP Bonds | SINGLE PURPOSE | 10/30/2024 | 9:26 AM



# City of New Prague, Minnesota

**\$12,665,000 General Obligation Bonds, Series 2025**  
 Assumes Current Market Non-BQ AA Rates plus 75bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total
02/01/2026	-	-	421,235.63	421,235.63	(421,235.63)	-	-
02/01/2027	305,000.00	3.650%	561,647.50	866,647.50	-	866,647.50	909,979.88
02/01/2028	315,000.00	3.450%	550,515.00	865,515.00	-	865,515.00	908,790.75
02/01/2029	325,000.00	3.500%	539,647.50	864,647.50	-	864,647.50	907,879.88
02/01/2030	335,000.00	3.550%	528,272.50	863,272.50	-	863,272.50	906,436.13
02/01/2031	350,000.00	3.600%	516,380.00	866,380.00	-	866,380.00	909,699.00
02/01/2032	360,000.00	3.650%	503,780.00	863,780.00	-	863,780.00	906,969.00
02/01/2033	375,000.00	3.750%	490,640.00	865,640.00	-	865,640.00	908,922.00
02/01/2034	390,000.00	3.850%	476,577.50	866,577.50	-	866,577.50	909,906.38
02/01/2035	405,000.00	3.900%	461,562.50	866,562.50	-	866,562.50	909,890.63
02/01/2036	420,000.00	4.000%	445,767.50	865,767.50	-	865,767.50	909,055.88
02/01/2037	435,000.00	4.050%	428,967.50	863,967.50	-	863,967.50	907,165.88
02/01/2038	455,000.00	4.100%	411,350.00	866,350.00	-	866,350.00	909,667.50
02/01/2039	470,000.00	4.150%	392,695.00	862,695.00	-	862,695.00	905,829.75
02/01/2040	490,000.00	4.500%	373,190.00	863,190.00	-	863,190.00	906,349.50
02/01/2041	515,000.00	4.600%	351,140.00	866,140.00	-	866,140.00	909,447.00
02/01/2042	540,000.00	4.650%	327,450.00	867,450.00	-	867,450.00	910,822.50
02/01/2043	565,000.00	4.750%	302,340.00	867,340.00	-	867,340.00	910,707.00
02/01/2044	590,000.00	4.800%	275,502.50	865,502.50	-	865,502.50	908,777.63
02/01/2045	620,000.00	4.850%	247,182.50	867,182.50	-	867,182.50	910,541.63
02/01/2046	650,000.00	4.850%	217,112.50	867,112.50	-	867,112.50	910,468.13
02/01/2047	680,000.00	4.900%	185,587.50	865,587.50	-	865,587.50	908,866.88
02/01/2048	715,000.00	4.900%	152,267.50	867,267.50	-	867,267.50	910,630.88
02/01/2049	750,000.00	4.950%	117,232.50	867,232.50	-	867,232.50	910,594.13
02/01/2050	785,000.00	4.950%	80,107.50	865,107.50	-	865,107.50	908,362.88
02/01/2051	825,000.00	5.000%	41,250.00	866,250.00	-	866,250.00	909,562.50
<b>Total</b>	<b>\$12,665,000.00</b>	<b>-</b>	<b>\$9,399,400.63</b>	<b>\$22,064,400.63</b>	<b>(421,235.63)</b>	<b>\$21,643,165.00</b>	<b>\$22,725,323.25</b>

## Significant Dates

Dated	5/01/2025
First Coupon Date	2/01/2026

## Yield Statistics

Bond Year Dollars	\$201,558.75
Average Life	15.915 Years
Average Coupon	4.6633553%
Net Interest Cost (NIC)	4.7324741%
True Interest Cost (TIC)	4.7181401%
Bond Yield for Arbitrage Purposes	4.6146137%
All Inclusive Cost (AIC)	4.7935040%



**City of New Prague, Minnesota**  
**Estimated Tax Impact**  
**October 31, 2024**

BOND ISSUANCE INFORMATION	
Bond Issue Amount	\$12,665,000
Number of Years	25
Average Interest Rate	4.66%
Estimated Bond Rating	S&P AA
PROPERTY TAX INFORMATION	
Proposed Net Tax Capacity - Payable 2025	\$11,848,237
Debt Levy @ 105% - Average	909,013
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	44.847%
Payable - 2025 With Proposed Bonds	52.519%
Estimated Tax Rate Increase	7.672%

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current City Tax	Proposed Tax Increase*	Proposed City Tax	Annual	Monthly	Daily
Residential Homestead	\$ 250,000	\$ 24,050	\$ 225,950	\$ 2,260	\$ 1,013.32	\$ 173.35	\$ 1,186.67	\$173.35	\$14.45	\$0.47
	275,000	21,800	253,200	2,532	1,135.53	194.26	1,329.78	194.26	16.19	0.53
	300,000	19,550	280,450	2,805	1,257.73	215.17	1,472.90	215.17	17.93	0.59
	325,000	17,300	307,700	3,077	1,379.94	236.07	1,616.01	236.07	19.67	0.65
	350,000	15,050	334,950	3,350	1,502.15	256.98	1,759.13	256.98	21.41	0.70
	375,000	12,800	362,200	3,622	1,624.36	277.88	1,902.24	277.88	23.16	0.76
	400,000	10,550	389,450	3,895	1,746.57	298.79	2,045.36	298.79	24.90	0.82
	425,000	8,300	416,700	4,167	1,868.77	319.70	2,188.47	319.70	26.64	0.88
450,000	6,050	443,950	4,440	1,990.98	340.60	2,331.59	340.60	28.38	0.93	
475,000	3,800	471,200	4,712	2,113.19	361.51	2,474.70	361.51	30.13	0.99	
Commercial/Industrial	\$ 100,000	\$ -	\$ 100,000	\$ 1,500	\$ 672.71	\$ 115.08	\$ 787.79	\$115.08	\$9.59	\$0.32
	200,000	-	200,000	3,250	1,457.53	249.34	1,706.87	\$249.34	\$20.78	\$0.68
	300,000	-	300,000	5,250	2,354.47	402.79	2,757.25	\$402.79	\$33.57	\$1.10
	400,000	-	400,000	7,250	3,251.41	556.23	3,807.64	\$556.23	\$46.35	\$1.52
	500,000	-	500,000	9,250	4,148.35	709.67	4,858.02	709.67	59.14	1.94
	1,000,000	-	1,000,000	19,250	8,633.05	1,476.89	10,109.93	1,476.89	123.07	4.05
Apartments (4 or more units)	\$ 200,000	\$ -	\$ 200,000	\$ 2,500	\$ 1,121.18	\$ 191.80	\$ 1,312.98	\$191.80	\$15.98	\$0.53
	300,000	-	300,000	3,750	1,681.76	287.71	1,969.47	287.71	23.98	0.79
	500,000	-	500,000	6,250	2,802.94	479.51	3,282.45	479.51	39.96	1.31
Agricultural Homestead **	\$ 150,000	\$ 33,050	\$ 116,950	\$ 1,170	\$ 524.49	\$ 89.73	\$ 614.21	\$89.73	\$7.48	\$0.25
	400,000	33,050	366,950	2,420	1,085.07	185.63	1,270.70	185.63	15.47	0.51
	500,000	33,050	466,950	2,920	1,309.31	223.99	1,533.30	223.99	18.67	0.61
	600,000	33,050	566,950	3,420	1,533.54	262.35	1,795.89	262.35	21.86	0.72
	800,000	33,050	766,950	4,420	1,982.01	339.07	2,321.08	339.07	28.26	0.93
	1,000,000	33,050	966,950	5,420	2,430.48	415.79	2,846.27	415.79	34.65	1.14
Agricultural Non-Homestead (dollars per acre)	\$ 1,500	\$ -	\$ 1,500	\$ 15	\$ 6.73	\$ 1.15	\$ 7.88	\$1.15	\$0.10	\$0.00
	2,000	-	2,000	20	8.97	1.53	10.50	1.53	0.13	0.00
	2,500	-	2,500	25	11.21	1.92	13.13	1.92	0.16	0.01
Seasonal/Recreation Residential	\$ 100,000	\$ -	\$ 100,000	\$ 1,000	\$ 448.47	\$ 76.72	\$ 525.19	\$76.72	\$6.39	\$0.21
	200,000	-	200,000	2,000	896.94	153.44	1,050.38	153.44	12.79	0.42
	300,000	-	300,000	3,000	1,345.41	230.16	1,575.57	230.16	19.18	0.63
	400,000	-	400,000	4,000	1,793.88	306.89	2,100.77	306.89	25.57	0.84

\* The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.

\*\* For agricultural homestead property, a value of \$150,000 was assumed for the house, garage and one acre.

# City of New Prague, Minnesota

\$12,665,000 General Obligation Bonds, Series 2025  
Assumes Current Market Non-BQ AA Rates plus 75bps

## Sources & Uses

Dated 05/01/2025 | Delivered 05/01/2025

### Sources Of Funds

Par Amount of Bonds	\$12,665,000.00
<b>Total Sources</b>	<b>\$12,665,000.00</b>

### Uses Of Funds

Total Underwriter's Discount (1.100%)	139,315.00
Costs of Issuance	100,000.00
Deposit to Capitalized Interest (CIF) Fund	421,235.63
Deposit to Project Construction Fund	12,000,000.00
Rounding Amount	4,449.37
<b>Total Uses</b>	<b>\$12,665,000.00</b>

## City of New Prague, Minnesota

\$12,665,000 General Obligation Bonds, Series 2025

Assumes Current Market Non-BQ AA Rates plus 75bps

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
05/01/2025	-	-	-	-	-	-	-
02/01/2026	-	-	421,235.63	421,235.63	(421,235.63)	-	-
08/01/2026	-	-	280,823.75	280,823.75	-	280,823.75	-
02/01/2027	305,000.00	3.650%	280,823.75	585,823.75	-	585,823.75	866,647.50
08/01/2027	-	-	275,257.50	275,257.50	-	275,257.50	-
02/01/2028	315,000.00	3.450%	275,257.50	590,257.50	-	590,257.50	865,515.00
08/01/2028	-	-	269,823.75	269,823.75	-	269,823.75	-
02/01/2029	325,000.00	3.500%	269,823.75	594,823.75	-	594,823.75	864,647.50
08/01/2029	-	-	264,136.25	264,136.25	-	264,136.25	-
02/01/2030	335,000.00	3.550%	264,136.25	599,136.25	-	599,136.25	863,272.50
08/01/2030	-	-	258,190.00	258,190.00	-	258,190.00	-
02/01/2031	350,000.00	3.600%	258,190.00	608,190.00	-	608,190.00	866,380.00
08/01/2031	-	-	251,890.00	251,890.00	-	251,890.00	-
02/01/2032	360,000.00	3.650%	251,890.00	611,890.00	-	611,890.00	863,780.00
08/01/2032	-	-	245,320.00	245,320.00	-	245,320.00	-
02/01/2033	375,000.00	3.750%	245,320.00	620,320.00	-	620,320.00	865,640.00
08/01/2033	-	-	238,288.75	238,288.75	-	238,288.75	-
02/01/2034	390,000.00	3.850%	238,288.75	628,288.75	-	628,288.75	866,577.50
08/01/2034	-	-	230,781.25	230,781.25	-	230,781.25	-
02/01/2035	405,000.00	3.900%	230,781.25	635,781.25	-	635,781.25	866,562.50
08/01/2035	-	-	222,883.75	222,883.75	-	222,883.75	-
02/01/2036	420,000.00	4.000%	222,883.75	642,883.75	-	642,883.75	865,767.50
08/01/2036	-	-	214,483.75	214,483.75	-	214,483.75	-
02/01/2037	435,000.00	4.050%	214,483.75	649,483.75	-	649,483.75	863,967.50
08/01/2037	-	-	205,675.00	205,675.00	-	205,675.00	-
02/01/2038	455,000.00	4.100%	205,675.00	660,675.00	-	660,675.00	866,350.00
08/01/2038	-	-	196,347.50	196,347.50	-	196,347.50	-
02/01/2039	470,000.00	4.150%	196,347.50	666,347.50	-	666,347.50	862,695.00
08/01/2039	-	-	186,595.00	186,595.00	-	186,595.00	-
02/01/2040	490,000.00	4.500%	186,595.00	676,595.00	-	676,595.00	863,190.00
08/01/2040	-	-	175,570.00	175,570.00	-	175,570.00	-
02/01/2041	515,000.00	4.600%	175,570.00	690,570.00	-	690,570.00	866,140.00
08/01/2041	-	-	163,725.00	163,725.00	-	163,725.00	-
02/01/2042	540,000.00	4.650%	163,725.00	703,725.00	-	703,725.00	867,450.00
08/01/2042	-	-	151,170.00	151,170.00	-	151,170.00	-
02/01/2043	565,000.00	4.750%	151,170.00	716,170.00	-	716,170.00	867,340.00
08/01/2043	-	-	137,751.25	137,751.25	-	137,751.25	-
02/01/2044	590,000.00	4.800%	137,751.25	727,751.25	-	727,751.25	865,502.50
08/01/2044	-	-	123,591.25	123,591.25	-	123,591.25	-
02/01/2045	620,000.00	4.850%	123,591.25	743,591.25	-	743,591.25	867,182.50
08/01/2045	-	-	108,556.25	108,556.25	-	108,556.25	-
02/01/2046	650,000.00	4.850%	108,556.25	758,556.25	-	758,556.25	867,112.50
08/01/2046	-	-	92,793.75	92,793.75	-	92,793.75	-
02/01/2047	680,000.00	4.900%	92,793.75	772,793.75	-	772,793.75	865,587.50
08/01/2047	-	-	76,133.75	76,133.75	-	76,133.75	-
02/01/2048	715,000.00	4.900%	76,133.75	791,133.75	-	791,133.75	867,267.50
08/01/2048	-	-	58,616.25	58,616.25	-	58,616.25	-
02/01/2049	750,000.00	4.950%	58,616.25	808,616.25	-	808,616.25	867,232.50
08/01/2049	-	-	40,053.75	40,053.75	-	40,053.75	-
02/01/2050	785,000.00	4.950%	40,053.75	825,053.75	-	825,053.75	865,107.50
08/01/2050	-	-	20,625.00	20,625.00	-	20,625.00	-
02/01/2051	825,000.00	5.000%	20,625.00	845,625.00	-	845,625.00	866,250.00
<b>Total</b>	<b>\$12,665,000.00</b>	<b>-</b>	<b>\$9,399,400.63</b>	<b>\$22,064,400.63</b>	<b>(421,235.63)</b>	<b>\$21,643,165.00</b>	<b>-</b>

### Significant Dates

Dated	5/01/2025
First Coupon Date	2/01/2026

### Yield Statistics

Bond Year Dollars	\$201,558.75
Average Life	15.915 Years
Average Coupon	4.663353%
Net Interest Cost (NIC)	4.7324741%
True Interest Cost (TIC)	4.7181401%
Bond Yield for Arbitrage Purposes	4.6146137%
All Inclusive Cost (AIC)	4.7935040%

### IRS Form 8038

Net Interest Cost	4.663353%
Weighted Average Maturity	15.915 Years

Series 2025A GO CIP Bonds | SINGLE PURPOSE | 10/31/2024 | 2:11 PM



# City of New Prague, Minnesota

**\$12,665,000 General Obligation Bonds, Series 2025**  
 Assumes Current Market Non-BQ AA Rates plus 75bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total
02/01/2026	-	-	421,235.63	421,235.63	(421,235.63)	-	-
02/01/2027	305,000.00	3.650%	561,647.50	866,647.50	-	866,647.50	909,979.88
02/01/2028	315,000.00	3.450%	550,515.00	865,515.00	-	865,515.00	908,790.75
02/01/2029	325,000.00	3.500%	539,647.50	864,647.50	-	864,647.50	907,879.88
02/01/2030	335,000.00	3.550%	528,272.50	863,272.50	-	863,272.50	906,436.13
02/01/2031	350,000.00	3.600%	516,380.00	866,380.00	-	866,380.00	909,699.00
02/01/2032	360,000.00	3.650%	503,780.00	863,780.00	-	863,780.00	906,969.00
02/01/2033	375,000.00	3.750%	490,640.00	865,640.00	-	865,640.00	908,922.00
02/01/2034	390,000.00	3.850%	476,577.50	866,577.50	-	866,577.50	909,906.38
02/01/2035	405,000.00	3.900%	461,562.50	866,562.50	-	866,562.50	909,890.63
02/01/2036	420,000.00	4.000%	445,767.50	865,767.50	-	865,767.50	909,055.88
02/01/2037	435,000.00	4.050%	428,967.50	863,967.50	-	863,967.50	907,165.88
02/01/2038	455,000.00	4.100%	411,350.00	866,350.00	-	866,350.00	909,667.50
02/01/2039	470,000.00	4.150%	392,695.00	862,695.00	-	862,695.00	905,829.75
02/01/2040	490,000.00	4.500%	373,190.00	863,190.00	-	863,190.00	906,349.50
02/01/2041	515,000.00	4.600%	351,140.00	866,140.00	-	866,140.00	909,447.00
02/01/2042	540,000.00	4.650%	327,450.00	867,450.00	-	867,450.00	910,822.50
02/01/2043	565,000.00	4.750%	302,340.00	867,340.00	-	867,340.00	910,707.00
02/01/2044	590,000.00	4.800%	275,502.50	865,502.50	-	865,502.50	908,777.63
02/01/2045	620,000.00	4.850%	247,182.50	867,182.50	-	867,182.50	910,541.63
02/01/2046	650,000.00	4.850%	217,112.50	867,112.50	-	867,112.50	910,468.13
02/01/2047	680,000.00	4.900%	185,587.50	865,587.50	-	865,587.50	908,866.88
02/01/2048	715,000.00	4.900%	152,267.50	867,267.50	-	867,267.50	910,630.88
02/01/2049	750,000.00	4.950%	117,232.50	867,232.50	-	867,232.50	910,594.13
02/01/2050	785,000.00	4.950%	80,107.50	865,107.50	-	865,107.50	908,362.88
02/01/2051	825,000.00	5.000%	41,250.00	866,250.00	-	866,250.00	909,562.50
<b>Total</b>	<b>\$12,665,000.00</b>	<b>-</b>	<b>\$9,399,400.63</b>	<b>\$22,064,400.63</b>	<b>(421,235.63)</b>	<b>\$21,643,165.00</b>	<b>\$22,725,323.25</b>

## Significant Dates

Dated	5/01/2025
First Coupon Date	2/01/2026

## Yield Statistics

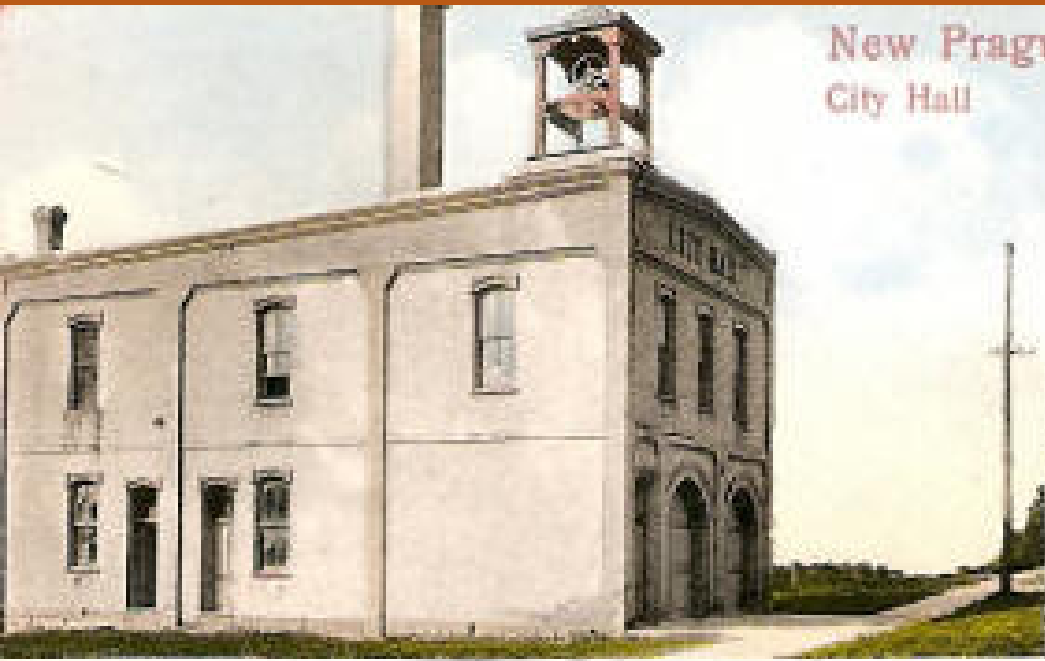
Bond Year Dollars	\$201,558.75
Average Life	15.915 Years
Average Coupon	4.6633553%
Net Interest Cost (NIC)	4.7324741%
True Interest Cost (TIC)	4.7181401%
Bond Yield for Arbitrage Purposes	4.6146137%
All Inclusive Cost (AIC)	4.7935040%



# New Prague

MINNESOTA

Section 7, Item c.



New Prague, Minn.  
City Hall



Z. C. B. J. Opera House



New Prague Flouring Mill Co.



Main Street looking East

**POLICE FACILITY SCHEMATIC DESIGN**  
Council Design Update  
October 21, 2024





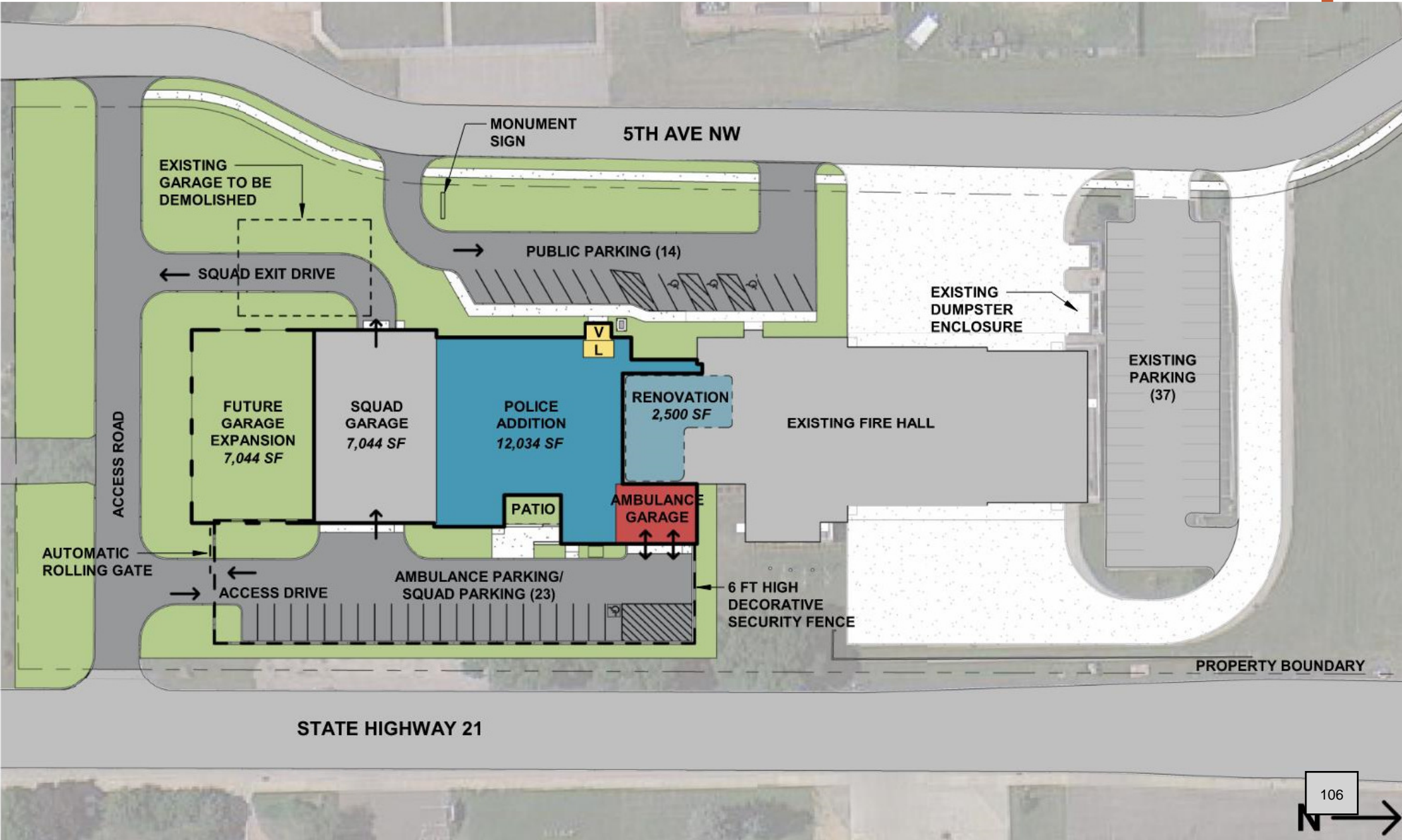
### Architectural/Engineering Design:

- Schematic Design
- **Design Development**
  - Refinement of building plan
  - Site plan refinement/review with local agency
  - Material palette selection
  - Identification of code issues
  - Mechanical, electrical, plumbing coordination
- Construction Documents
- Bidding
- Construction (Contract) Administration
- Furniture Design
- Equipment Design



# CITY OF NEW PRAGUE POLICE FACILITY SCHEMATIC DESIGN

## Public Safety Facility Site Plan





# CITY OF NEW PRAGUE POLICE FACILITY SCHEMATIC DESIGN

## Public Safety Facility Addition to Fire Station



### DEPARTMENT LEGEND

- PUBLIC SHARED SPACES
- ADMINISTRATION/RECORDS
- PATROL/INVESTIGATIONS
- EVIDENCE
- STAFF SUPPORT
- AMBULANCE
- CIRCULATION
- VEHICLE STORAGE/BUILDING SUPPORT



CITY OF NEW PRAGUE  
POLICE FACILITY SCHEMATIC DESIGN

Concept Renderings

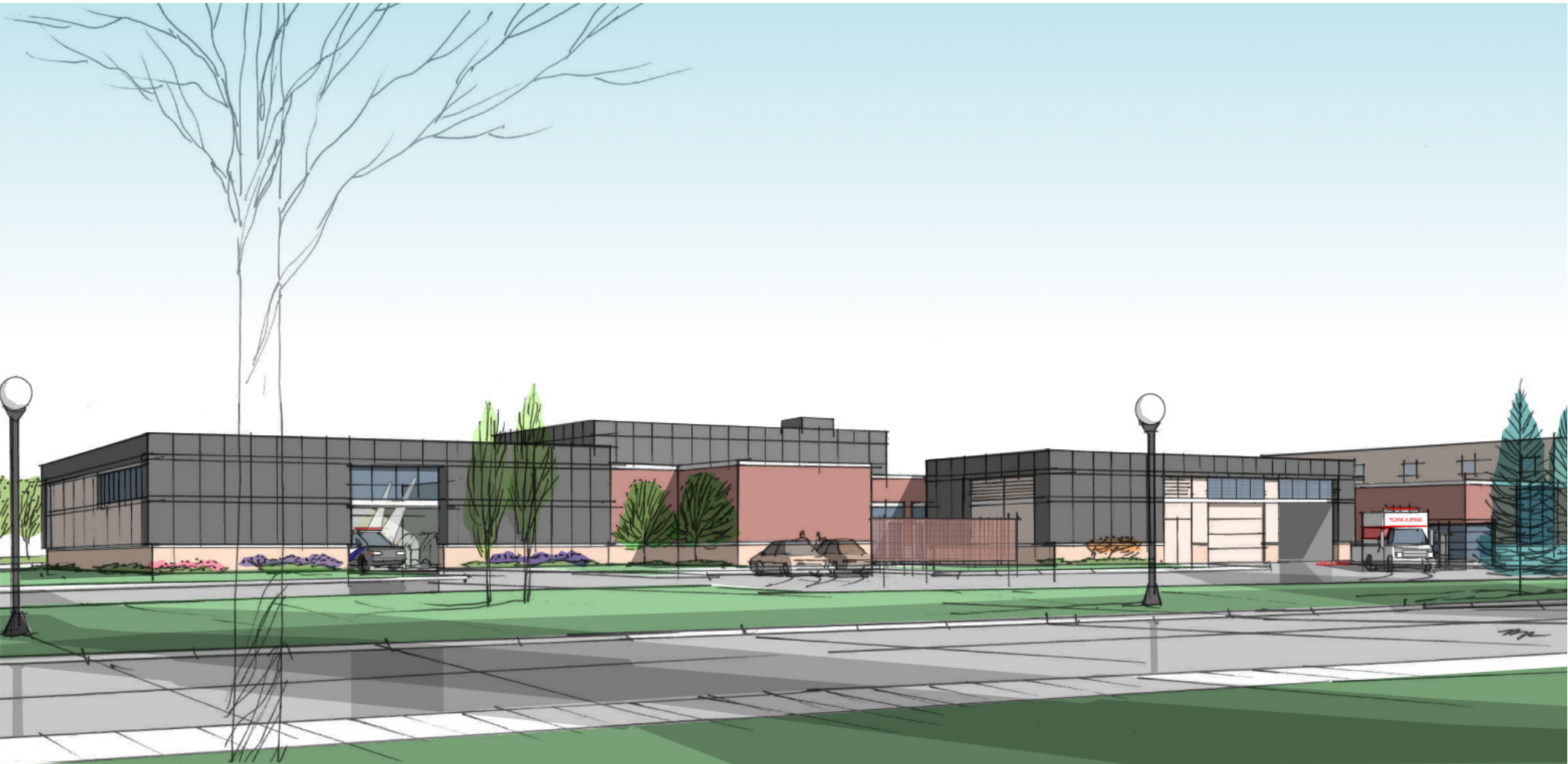


Concept Sketch (View from 5<sup>th</sup> Ave W)



CITY OF NEW PRAGUE  
POLICE FACILITY SCHEMATIC DESIGN

Concept Renderings



Concept Sketch (View from 4<sup>th</sup> Ave. NW/ HWY 1)



CITY OF NEW PRAGUE  
POLICE FACILITY SCHEMATIC DESIGN

Concept Renderings



Concept Sketch (View from 5<sup>th</sup> Ave 110 W)



CITY OF NEW PRAGUE  
POLICE FACILITY SCHEMATIC DESIGN

Concept Renderings



Concept Sketch (View from squad parking looking toward ambulance garage)



CITY OF NEW PRAGUE  
POLICE FACILITY SCHEMATIC DESIGN

Concept Renderings



*Concept Sketch (View from squad parking entrance looking toward squad garage)*





CITY OF NEW PRAGUE  
POLICE FACILITY SCHEMATIC DESIGN

Budget

PROJECT BUDGET		ORIGINAL BUDGET (11/06/2023)	SD BUDGET (08/06/2024)	DD BUDGET (10/21/2024)
<b>CONSTRUCTION</b>				
Police Addition and Renovation				
	General Conditions, Permits, Fees, Escalation, Etc.	Incl.	\$ 2,000,000	\$ 1,350,000
	Civil	Incl.	\$ 1,160,000	\$ 990,000
	Architectural/Structural	Incl.	\$ 4,355,000	\$ 4,975,000
	Mechanical	Incl.	\$ 1,585,000	\$ 1,570,000
	Electrical	Incl.	\$ 900,000	\$ 515,000
	<b>SUBTOTAL CONSTRUCTION COSTS</b>	<b>\$ 9,400,000</b>	<b>\$ 10,000,000</b>	<b>\$ 9,400,000</b>
<b>FEES, TESTING, MISC. PROJECT COSTS</b>				
	Architectural Fees	\$ 658,000	\$ 658,000	\$ 658,000
	Reimbursable Expenses	\$ 24,000	\$ 24,000	\$ 24,000
	Site Surveys	\$ 6,000	\$ 6,424	\$ 6,850
	Geotechnical	\$ 12,000	\$ 12,000	\$ 16,100
	Plan Review/Inspection Fee	\$ 50,000	\$ 60,000	\$ 60,000
	Special Structural Inspections	\$ 25,000	\$ 25,000	\$ 25,000
	Commissioning	\$ 40,000	\$ 40,000	\$ 40,000
	Project Contingency	\$ 940,000	\$ 499,576	\$ 725,050
	<b>SUBTOTAL FEES AND TESTING</b>	<b>\$ 1,755,000</b>	<b>\$ 1,325,000</b>	<b>\$ 1,555,000</b>
<b>FURNITURE &amp; EQUIPMENT / TECHNOLOGY COSTS</b>				
	Furniture Allowance	\$ 600,000	\$ 600,000	\$ 600,000
	Low Voltage Allowance	\$ 150,000	\$ 150,000	\$ 150,000
	Tech Allowance	\$ 200,000	\$ 200,000	\$ 200,000
	FFE Contingency	\$ 95,000	\$ 95,000	\$ 95,000
	<b>SUBTOTAL FURNITURE &amp; EQUIPMENT</b>	<b>\$ 1,045,000</b>	<b>\$ 1,045,000</b>	<b>\$ 1,045,000</b>
	<b>TOTAL PROJECT COST</b>	<b>\$ 12,200,000</b>	<b>\$ 12,370,000</b>	<b>\$ 12,000,000</b>



CITY OF NEW PRAGUE  
POLICE FACILITY SCHEMATIC DESIGN

Schedule

- ~~• Department Meetings: Dec 2023-Jan 2024~~
- ~~• Core Group Meetings: Dec 2023-Feb 2024 (as needed)~~
- ~~• Estimate: February – March 2024~~
- ~~• Council Approval: March 2024~~
- ~~• Design Development: July – October 2024~~

- Construction Documents : October – December 2024
- Bidding: January 2025
- Construction: February 2025 to October 2025

*Pending Approval of Council*



CITY OF NEW PRAGUE  
POLICE FACILITY SCHEMATIC DESIGN

Question?

**QUESTIONS?**



118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

---

---

**MEMORANDUM**

---

---

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**CC:** JOSHUA M. TETZLAFF, CITY ADMINISTRATOR

**FROM:** KEN ONDICH, PLANNING / COMMUNITY DEVELOPMENT DIRECTOR  
TIM APPLIN, POLICE CHIEF

**SUBJECT:** INTRODUCTION OF ORDINANCES RELATING TO CANNABIS – ZONING  
ORDINANCE AMENDMENT #354 AND CITY CODE AMENDMENT #355

**DATE:** NOVEMBER 14, 2024

---

As the Council is aware, in 2023 (and later amended in July of 2024) an interim ordinance (#338 and amended as #350), also known as a moratorium, was approved until January 1, 2025 (unless repealed earlier) so that the City can further study the effect of the state’s new law regarding cannabis, specifically related to cannabis businesses regarding time/place/manner restrictions.

Staff has been working with Scott Riggs and Joe Sathe of Kennedy & Graven to draft amendments to the zoning ordinance and to the city code that would meet the requirements of Minnesota Statute Chapter 342.

The Zoning Ordinance amendment was reviewed with a public hearing being held at the October 23<sup>rd</sup> Planning Commission meeting. The Planning Commission recommended language be added to the Zoning Ordinance requiring a 250’ buffer from schools to all cannabis business (not just retailers). The proposed ordinance reflects this recommendation which was forwarded on a 4-0 vote. Staff did amend the ordinance since the Planning Commission reviewed it by adding cannabis delivery businesses, cannabis event organizer and lower-potency hemp edible retailer as permitted uses along with retailer as they are essentially office or retail uses and would fit into the districts rather than only being allowed in the industrial zoning district as conditional uses (which staff believed was excessive upon further review).

The City Code amendment was also generally reviewed by the Planning Commission but they did not hold a public hearing for their review of that amendment as it is not their purview to do so for a non-zoning related ordinance amendment.

Notable provisions of the ordinances include:

- 250’ buffer from schools to all cannabis businesses (not just retailers)
- Hours of operation for retailers to match liquor establishments
- One compliance check before operations (to verify hours of operation for example) and one annual compliance check (minimum) to assess age verification requirements by Police Department

- Limit of 2 retail registrations in the City (does not include lower-potency hemp edibles).
- Manufacturing related cannabis uses are limited to the I-1 Light Industrial Zoning District.

**Recommendation**

Staff would like the Council to conduct a first reading and introduce both proposed ordinances at tonight's meeting.

**Attachments:**

1. Proposed Zoning Ordinance Amendment #354
2. Proposed City Code Amendment #355

**ORDINANCE NO. 354  
CITY OF NEW PRAGUE**

**AN ORDINANCE AMENDING VARIOUS SECTIONS OF THE ZONING ORDINANCE  
RELATED TO CANNABIS**

**THE CITY COUNCIL OF THE CITY OF NEW PRAGUE, SCOTT AND LESUEUR,  
COUNTIES, MINNESOTA ORDAINS:**

**SECTION 1.** The following sections of the City of New Prague Zoning Ordinance is hereby amended by deleting the ~~stricken~~ material and adding the underlined material as follows:

The following will be added to Section 302 Definitions:

Cannabis business has the same meaning as M.S. §342.01.

Cannabis cultivation business means a business with a cannabis cultivator license, medical cannabis cultivator license, or cultivation endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis delivery business means a business with a cannabis delivery service license or delivery service endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis event organizer means a business with a cannabis event organizer license or event organization endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis manufacturing business means a business with a cannabis manufacturer license, or manufacturing endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis retail business means a business with a cannabis retailer license, medical cannabis retailer license, lower-potency hemp edible retailer license, or retail endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis testing business means a business with a cannabis testing facility license or testing endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis transportation business means a business with a cannabis transporter license or transportation endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis wholesaling business means a business with a cannabis wholesaler license or wholesaling endorsement from the State of Minnesota Office of Cannabis Management.

Lower-potency hemp edible retailer means a business with a lower-potency hemp edible retailer license from the Office of Cannabis Management.

Lower-potency hemp edible manufacturer means a business with a lower-potency hemp edible manufacturer license from the Office of Cannabis Management.

**SECTION 2.** The City of New Prague Zoning Ordinance is hereby amended by adding the double-underlined language to Zoning Code, section 714 – Home Occupations, as follows:

6. Cannabis businesses and hemp businesses shall not be permitted as home occupations.

**SECTION 3:** The City of New Prague Zoning Ordinance is hereby amended by adding the double underlined language to Zoning Code, section 608 – B-1 Central Business District, (2) – Permitted Uses as follows:

- T. Cannabis retail business
- U. Cannabis delivery business
- V. Cannabis event organizer
- W. Lower-potency hemp edible retailer

**SECTION 4:** The City of New Prague Zoning Ordinance is hereby amended by adding the double underlined language to Zoning Code, section 609 – B-2 Community Commercial District, (2) – Permitted Uses as follows:

- Q. Cannabis retail business
- R. Cannabis delivery business
- S. Cannabis event organizer
- T. Lower-potency hemp edible retailer

**SECTION 5:** The City of New Prague Zoning Ordinance is hereby amended by adding the double underlined language to Zoning Code, section 610 – B-3 Highway Commercial District, (2) – Permitted Uses, as follows:

- R. Cannabis retail business
- S. Cannabis delivery business
- T. Cannabis event organizer
- U. Lower-potency hemp edible retailer

**SECTION 6:** The City of New Prague Zoning Ordinance is hereby amended by adding the double underlined language to Zoning Code, section 611 – I-1 Light Industrial District, (4) – Conditional Uses as follows:

N. Cannabis cultivation business, cannabis manufacturing business, cannabis wholesaling business, cannabis testing business, cannabis retail business, cannabis event organizer, and lower-potency hemp edible manufacturer or retailer. Cannabis retail businesses and Lower-Potency hemp edible retailers may not exceed 30% of the gross floor area of the building or 5,000 sq ft; whichever comes first.

**SECTION 7:** The City of New Prague Zoning Ordinance is hereby amended by adding the double underlined language to Zoning Code, as new section 746 titled “Cannabis Businesses” as follows:

746 Cannabis Businesses

Cannabis businesses may not be located within 250 feet of a school as established in City Code, section 121.14 (H).

**SECTION 8. Effective Date.** This ordinance shall take effect upon its passage and publication, in accordance with Section 3.13 of the City Charter.

Introduced to the City Council of the City of New Prague, Minnesota, this 18th day of November, 2024.

The required 10 days posted notice was completed on the City Website and City Hall Bulletin Board on November 19th, 2024.

Passed by the City Council of the City of New Prague, Minnesota, this 2nd day of December, 2024 and to be published on the 12th day of December, 2024.

\_\_\_\_\_  
Duane J. Jirik, Mayor  
State of Minnesota )

)ss. (CORPORATE ACKNOWLEDGMENT)

County of Scott & Le Sueur )

Subscribed and sworn before me, a Notary Public this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public

ATTEST: \_\_\_\_\_  
Joshua M. Tetzlaff, City Administrator  
State of Minnesota )

)ss. (CORPORATE ACKNOWLEDGMENT)

County of Scott & Le Sueur )

Subscribed and sworn before me, a Notary Public this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public



**ORDINANCE NO. 355  
CITY OF NEW PRAGUE**

**AN ORDINANCE ESTABLISHING REGULATIONS RELATED TO CANNABIS AND  
HEMP PRODUCTS IN THE CITY OF NEW PRAGUE**

**THE CITY COUNCIL OF THE CITY OF NEW PRAGUE, SCOTT AND LESUEUR,  
COUNTIES, MINNESOTA ORDAINS:**

**SECTION 1. :**

***Tetrahydrocannabinol Products***

- 121.01 Findings and purpose
- 121.02 Definitions
- 121.03 License required
- 121.04 License fee
- 121.05 Prohibited sales
- 121.06 Mobile sales
- 121.07 Compliance checks
- 121.08 Responsibility
- 121.09 Administrative penalties
- 121.10 Administrative penalty procedure

**Cannabis and Hemp Businesses**

- 121.11 Findings and Purpose
- 121.12 Definitions
- 121.13 Pre-License Certification of Cannabis Businesses
- 121.14 Retailer Registration
- 121.15 Registration Enforcement.
- 121.16 Compliance Checks
- 121.17 Advertising
- 121.18 Hours of Operation
- 121.19 Distances from Certain Properties
- 121.20 Temporary Cannabis Events
- 121.21 Penalties Administration and Enforcement
- 121.22 Administrative Penalties and Administrative Penalties Procedure

**SECTION 2: Chapter 121** of the City Code of the City of New Prague is hereby amended by adding the double-underlined language as follows:

**121.03 License Required**

(A) No person shall sell or offer to sell any licensed product without having obtained a license to do so from the city. However, businesses that have received a license to sell lower-potency hemp edibles, as defined in M.S. § 342.01, from the Minnesota Office of Cannabis

DOCSOPEN\NE300\2\979353.v4-10/17/24

Management and have registered with the city pursuant to City Code, § 121.11-121.22, are not required to obtain a city license to sell lower-potency hemp edibles.

**SECTION 3:** Chapter 121 of the City Code of the City of New Prague is hereby amended by adding new sections 121.11-121.22 language as follows:

**121.11 Findings and Purpose**

The City of New Prague makes the following legislative findings:

(A) The purpose of this chapter is to protect the public health, safety, welfare in the city by implementing regulations pursuant to M.S. Ch. 342 related to cannabis and hemp businesses within the city.

(B) In making these findings and enacting this chapter, it is the intent of the City Council to ensure responsible product retailing, allowing legal sale and access without promoting increases in use, and to discourage violations of cannabis and hemp related laws.

(C) The city finds and concludes that these regulations are appropriate and lawful, that the proposed amendments will promote the community's interest in reasonable stability in the development and redevelopment of the city for now and in the future, and that the regulations are in the public interest and for the public good.

**121.12 Definitions**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Applicant* means an entity with a license issued by the OCM that is applying for an initial registration or for registration renewal.

*The Act* means M.S. Ch. 342, as is may be amended from time to time.

*Cannabis Business* has the same meaning as defined in M.S. § 342.01

*Cannabis Retailer* means a business with a cannabis retailer license or cannabis retail endorsement from OCM.

*Hemp Business* shall have the definition in M.S. § 342.01

*Lower-Potency Hemp Retailer* means every lower-potency hemp edible retail business that is licensed under the Act and required to register with the City under Minnesota Statutes, section 342.22.

*OCM* means the Minnesota Office of Cannabis Management.

DOCSOPEN\NE300\2\979353.v4-10/17/24

*Potential Licensee* means an applicant that has not received a license from the OCM.

*Retailer* means every business that is licensed under the Act and required to register with the City under M.S. § 342.22. Including cannabis businesses and lower-potency hemp edible retailers.

*School* means a public school, as defined in section 120A.05, subdivisions 9, 11, 13, and 17, or a nonpublic school, or church or religious organization in which a child is provided instruction in compliance with this section and section 120A.24, but does not include a home school.

### **121.13 Pre-License Certification of Cannabis Businesses**

(A) The City Administrator is authorized to certify whether a proposed Cannabis Business complies with the city's zoning ordinances, this chapter, and if applicable, with state fire code and building code pursuant to M.S. § 342.13.

(B) Potential licensees are responsible for requesting and scheduling any inspections related to building and fire code. Potential licensees may contact the city to have building and fire inspections conducted prior to the city receiving the request for certification from the OCM. If a potential licensee is not able to have any building or fire code inspection complete within the 30 days allowed under the statute, the city will not certify the application.

(C) If the potential licensee requires a conditional use permit or other zoning approval, the potential licensee must have obtained such an approval prior to the city receiving a request for zoning certification. Failure to obtain the required approval will result in the city informing the OCM that the potential licensee has not met local zoning code requirements.

(D) For retailers, receiving a pre-license certification does not ensure the retailer will receive a registration under § 122.14.

### **121.14 Retailer Registration**

(A) *Retail Registration Required.* Before making retail sales to customers or patients, a retailer must register with the city. Making retail sales to customers or patients without an active registration is prohibited.

(B) *Civil Penalties.* Subject to M.S. § 342.22, subd. 5(e) the city may impose a civil penalty, as specified in the city's fee schedule, for making a sale to a customer or patient without a valid registration from the city and a valid license from the OCM.

(C) *Timeline for Approval.* Applications will be considered complete when all materials in § 121.14 (F) are received by the city, including payment of the required application fee. If the city determines that the application is incomplete, it shall notify the applicant of the deficiencies.

(D) *Processing Registrations.*

DOCSOPEN\NE300\2\979353.v4-10/17/24

- (1) Applications will be processed on a first-come, first-served basis based on the city receiving a complete application and payment of all fees.
  - (2) The date a certification under § 122.13 is issued will have no impact on the applicant’s registration processing and is not an indication that the retail registration limit in § 122.14 (E) has been met.
  - (3) Once an application is considered complete, the City Clerk shall inform the applicant as such, process the application fees, and forward the application to the City Administrator, or their designee, for approval or denial.
- (E) *Retail Registration Limits.* The city will issue two registrations to cannabis retailers in the city.
- (F) *Application.* The applicant must submit a registration application or renewal form provided by the city. The form may be amended from time to time by the City Administrator, but must include or be accompanied by:

- (1) Name of the property owner
- (2) Name of the applicant
- (3) Address and parcel ID for the property for which the registration is sought
- (4) Certification that the applicant complies with the requirements of this chapter
- (5) *Fee Required.* At the time of initial application, and prior to the city’s consideration of any renewal application, each retailer must pay, as established in the city’s fee schedule, the following fees:
  - (a) At the time of initial registration:
    - i. An initial registration fee. The initial registration fee will pay for the costs of registration and the cost of the first year of operation.
    - ii. The renewal fee for the second year of operation.
  - (b) At the time of the first annual renewal (prior to the second year of operation), no fee will be due.
  - (c) At the time of the second annual renewal, and each year thereafter, the renewal fee must be paid prior to the city issuing any renewal registration.
  - (d) Initial registration fee and renewal registration fees are nonrefundable.
- (6) Proof of taxes, assessments, utility charges of other financial claims of the city of the state are current.

DOCSOPEN\NE300\2\979353.v4-10/17/24

(7) A copy of a valid state license or written notice of OCM license preapproval.

(G) *Preliminary Compliance Check.* The City shall conduct a preliminary compliance check on every retailer to ensure compliance with this chapter and any other regulations established pursuant to M.S. § 342.13. The preliminary compliance check must be complete prior to the city issuing the retail registration.

(H) *Reasons for Denial.* The City shall not issue a registration or renewal if any of the following conditions are true:

- (1) The applicant has not submitted a complete application.
- (2) The applicant does not comply with the requirements of this chapter.
- (3) The applicant does not comply with applicable zoning and land use regulations.
- (4) The applicant is found to not comply with the requirements of the Act or this chapter at the preliminary compliance check.
- (5) The maximum number of registrations, pursuant to § 122.14 (E), have been issued by the city.
- (6) The applicant does not have a valid license or license preapproval from the OCM.

(I) *Issuing the Registration or Renewal.* The city shall issue the registration or renewal if the retailer meets the requirements of this chapter, including that none of the reasons for denial in § 122.14 (H) are true.

(J) *Nontransferable.* A registration is not transferable to another person, entity, or location.

(H) *Distance Requirement.* The city prohibits the establishment and operation of a cannabis business within 250 feet of a school. The distance will be measured from the potential licensee's proposed business location based on the location of schools on the date the city receives the request from the OCM for certification pursuant to § 121.12. Buffer distances will be measured using the City's GIS mapping system from property line to property line where each use is located. Nothing in this section shall prohibit a cannabis business from continuing to operate at the same location if a school, day care, residential treatment facility, or park feature establishes within the buffer.

### **121.15 Registration Enforcement.**

(A) *Generally.* The City Council may impose a fine or suspend a registration under this chapter on a finding that the registered business has failed to comply with the requirements of this chapter or any applicable statute or regulation.

(B) *Notice and Right to Hearing.* Prior to imposing a fine or suspending any registration under this chapter, the city shall provide the registered business with written notice of

DOCSOPEN\NE300\2\979353.v4-10/17/24

the alleged violations and inform the registered business of its right to a hearing on the alleged violation.

1. Notice shall be delivered in person or by regular mail to the address of the registered business and shall inform the registered business of its right to a hearing. The notice will indicate that a response must be submitted within ten (10) business days of receipt of the notice, or the right to a hearing will be waived.
2. The registered business will be given an opportunity for a hearing before the City Administrator, or their designee, before final action to fine or suspend a registration. Provided, the registered business has submitted a written application for appeal within ten (10) business days after the notice was served. The City Administrator, or their designee, shall give due regard to the frequency and seriousness of the violations, the ease with which such violations could have been cured or avoided and good faith efforts to comply and shall issue a decision to fine or suspend, the registration only upon written findings. Within ten (10) business days of the City Administrator, or their designee, order, the decision may be appealed to the City Council.
3. If no request for a hearing is received within ten (10) days following the service of the notice, the matter shall be submitted to the City Council for imposition of the fine and/or suspension.

(C) *Emergency.* If, in the discretion of the city, a registered business poses an imminent threat to the health or safety of the public, the City Administrator may immediately suspend the registration and provide notice of the right to hold a subsequent hearing as prescribed in part (B) of this section.

(D) *Reinstatement.* The city may reinstate a registration if it determines that the violations have been resolved. The city shall reinstate a registration if the OCM determines the violations have been resolved.

### 121.16 Compliance Checks

The City shall complete at minimum one compliance check per calendar year of every registered business to assess if the business meets age verification requirements, as required under M.S. § 342.22, subd. 4(b) and M.S. § 342.24 and any applicable cannabis or hemp regulations adopted by the city.

The city shall conduct, at minimum, one unannounced age verification compliance check per calendar year. The city may conduct additional compliance checks at its discretion. Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp

DOCSOPEN\NE300\2\979353.v4-10/17/24

edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the city.

Any failures under this section are a basis for enforcement action and must be reported to the OCM.

**121.17 Advertising.**

Signage is subject to the City’s sign code and M.S. 342.62, subd. 4.

**121.18 Hours of Operation.**

Cannabis Retailers are prohibited from engaging in the retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 1:00am -8:00am Monday-Saturday and 1:00am-10:00am on Sunday.

**121.19 Temporary Cannabis Events.**

- (A) Cannabis event organizers receive a permit from the city to hold a temporary cannabis event within the city. Cannabis event organizers must apply for the permit on a form provided by the city and pay an application fee as established in the city’s fee schedule.
- (B) Temporary cannabis events are subject to all applicable requirements of the City Code, including under Chapter 95 – Regulations Pertaining to Large Assemblies.
- (C) Temporary cannabis events are prohibited on city property.
- (D) No more than three temporary cannabis events may occur at a single location in the same calendar year.

**121.21 Penalties Administration and Enforcement**

Any violation of the provisions of this chapter or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Each day each violation continues or exists, constitutes a separate offense. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance. Violations may also be addressed using the administrative penalties process in §121.22

Violation of this chapter shall be grounds for enforcement against any business license issued by the City.

**121.22 Administrative Penalties and Administrative Penalty Procedure**

(A) If a retailer or employee of a retailer fails a compliance check or violates any other provision of this chapter, the business shall be charged an administrative penalty of \$300. An administrative penalty of \$600 shall be imposed for a second violation at the same location within 36 months after the initial violation. For a third or any subsequent violation at the same location within 36 months after the initial violation, an administrative penalty of \$1,000 shall be imposed.

DOCSOPEN\NE300\2\979353.v4-10/17/24

(B) An individual who makes a retail sale in to a person under the age of 21 years, resulting in a failed compliance check, that individual shall be charged an administrative penalty of \$50.

(C) *Procedure.*

(1) Upon discovery of a suspected violation under this chapter, the alleged violator shall be issued, either personally or by mail, a citation that sets forth the alleged violation and the administrative penalty for the violation, and informs the alleged violator of his or her right to be heard on the accusation.

(2) If, within twenty (20) days after receipt of a citation, a person accused of violating this chapter so requests, a hearing shall be scheduled, the time and place of which shall be provided to the accused violator.

(3) The City Council, or any other person as the Council may by resolution designate, shall serve as the hearing officer.

(4) If the hearing officer determines that a violation of this chapter did occur, that decision, along with the hearing officer's reasons for finding a violation and the penalty to be imposed under this section, shall be recorded in writing, a copy of which shall be provided to the accused violator. Likewise, if the hearing officer finds that no violation occurred or finds grounds for not imposing any penalty, the findings shall be recorded and a copy provided to the accused violator.

(5) Appeals of any decision made by the hearing officer shall be filed in the district court for the county in which the violator resides in accordance with applicable laws.

(6) Nothing in this section shall prohibit the city from seeking prosecution as a criminal offense for any alleged violation of this chapter and shall not prohibit the city from taking action under the Act.

(7) Each violation shall constitute a separate offense, and for violations that are ongoing by their nature, each day that such violation continues shall constitute a separate offense.

**SECTION 4. INTERIM ORDINANCE TERMINATION.** Upon the Effective Date of this Ordinance, Interim Ordinance #338 and as amended as #350, shall automatically terminate.

**SECTION 5. EFFECTIVE DATE.** This ordinance shall take effect upon its passage and publication, in accordance with Section 3.13 of the City Charter.

Introduced to the City Council of the City of New Prague, Minnesota, this 18th day of November, 2024.

The required 10 days posted notice was completed on the City Website and City Hall Bulletin Board on November 19th, 2024.

Passed by the City Council of the City of New Prague, Minnesota, this 2nd day of December, 2024 and to be published on the 12th day of December, 2024.



DOCSOPEN\NE300\2\979353.v4-10/17/24

\_\_\_\_\_  
Duane J. Jirik, Mayor

*State of Minnesota*            )  
  )ss.  
*County of Scott & Le Sueur*    )

(CORPORATE ACKNOWLEDGMENT)

*Subscribed and sworn before me, a Notary Public this \_\_\_\_\_ day of \_\_\_\_\_, 2024.*

\_\_\_\_\_  
Notary Public

ATTEST: \_\_\_\_\_  
          Joshua M. Tetzlaff, City Administrator

*State of Minnesota*            )  
  )ss.  
*County of Scott & Le Sueur*    )

(CORPORATE ACKNOWLEDGMENT)

*Subscribed and sworn before me, a Notary Public this \_\_\_\_\_ day of \_\_\_\_\_, 2024.*

\_\_\_\_\_  
Notary Public



118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

**MEMORANDUM**

**TO:** MAYOR AND CITY COUNCILMEMBERS  
**FROM:** JOSHUA TETZLAFF, CITY ADMINISTRATOR  
**SUBJECT:** MAYORAL TERM  
**DATE:** NOVEMBER 14, 2024

**\* UPDATE \***

At the last City Council meeting, the City Council held a public hearing for the public share its thoughts on changing the mayoral term starting in 2026 for two-years to four-years. No comment was given from members of the public. The City Council then voted unanimously to pass the ordinance on first reading.

**\* PREVIOUS MEMO \***

At its regular meeting in August 2024, the Charter Commission voted unanimously by those present to change the City Charter for the New Prague mayor to serve a term of four years, instead of the two-year term that is currently stated.

Through this process, the Charter Commission has two paths. The Charter Commission can either have the change go to the ballot to be voted on by residents, or it can send the question to the City Council. For the change to pass at the City Council level, the vote would need to be unanimous. Upon recommendation from City Attorney Scott Riggs, the Charter Commission decided by resolution to send the question to the City Council for vote.

The section that this applies to is Section 2.03 of the City Charter. This section currently reads:

Section 2.03. City Council Composition and Election. The City Council shall be composed of a Mayor and four (4) Council members elected at large. Each City Council member shall serve a term of four (4) years and have until the successor is elected and qualifies. The Mayor shall serve for a term of two (2) years and until the successor is elected and qualifies.

When reviewing surrounding communities, it is pretty split on how many have mayors elected to two-year terms and how many have mayors elected to four-year terms. The surrounding counties are as follows:

SCOTT COUNTY

- Shakopee – 4
- Prior Lake – 4
- Jordan – 4
- Savage – 4
- Belle Plaine – 2

LE SUEUR COUNTY

- Le Sueur – 4
- Le Center – 2
- Waterville – 2
- Montgomery – 2
- Kasota – 2
- Cleveland – 2

RICE COUNTY

- Faribault – 4
- Northfield – 4
- Morristown – 2
- Dundas – 4
- Nerstrand – 2
- Lonsdale – 2

The main advantage that I see of this is that with a new mayor in a two-year term, it may take almost two years before the mayor starts to feel comfortable in their duties before they have to defend their position. The City does not require this of the other elected positions, instead allowing those members to learn and grow in their role over a four year time period.

Other than allowing more people to consistently run for mayor, which is an argument that could be used to say that all Council positions should be two-year terms instead of four-year terms, I do not believe there is a good argument for the mayor to be on a two year term cycle while the councilmembers are on four year cycles.

Of note, changing the mayoral term will not affect the 2024 elections. Due to timelines required by the State, a change now in the Charter for Mayoral terms would take effect with the 2026 election.

**Recommendation**

I recommend approving the First Reading of Ordinance #352, Amending Chapter 2 of the City Charter.

Pursuant to Minnesota Statutes Section 410.12, subd. 7, the City Council of the City of New Prague has adopted the following ordinance by a unanimous vote. The ordinance shall become effective 90 days after its publication.

**CITY OF NEW PRAGUE  
ORDINANCE NO. 352**

**AN ORDINANCE AMENDING THE NEW PRAGUE CITY CHARTER  
BY AMENDING CHAPTER 2 OF THE CITY CHARTER**

**THE CITY OF NEW PRAGUE ORDAINS:**

**SECTION 1.** The City Council of the City of New Prague, upon recommendation of and from the City of New Prague Charter Commission, has hereby determined that Chapter 2 of the City Charter be amended by adopting the following changes, deletions, and amendments of or from the following chapters and sections of the New Prague City Charter:

**Section 2.03. CITY COUNCIL COMPOSITION AND ELECTION.** The City Council shall be composed of a Mayor and four (4) Council members elected at large. The Mayor and each Each City Council member shall serve a term of four (4) years and until the successor is elected and qualifies. ~~The Mayor shall serve for a term of two (2) years and until the successor is elected and qualifies.~~

**SECTION 2.** This ordinance shall take effect ninety days after the date of its publication.

Read by the City Council of the City of New Prague on this 21<sup>st</sup> day of October, 2024.

Read and passed by the City Council of the City of New Prague on this 4<sup>th</sup> day of November, 2024.

By: \_\_\_\_\_  
Duane J. Jirik, Mayor

ATTEST:

\_\_\_\_\_  
Joshua M. Tetzlaff, City Administrator



118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

---

---

**MEMORANDUM**

---

---

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** JOSHUA M. TETZLAFF, CITY ADMINISTRATOR  
KEN ONDICH, PLANNING / COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** POSSIBLE TAX ABATEMENT FOR +/- 166 UNIT MARKET RATE APARTMENT BUILDING – AS PROPOSED BY YELLOW TREE  
**DATE:** NOVEMBER 14, 2024

---

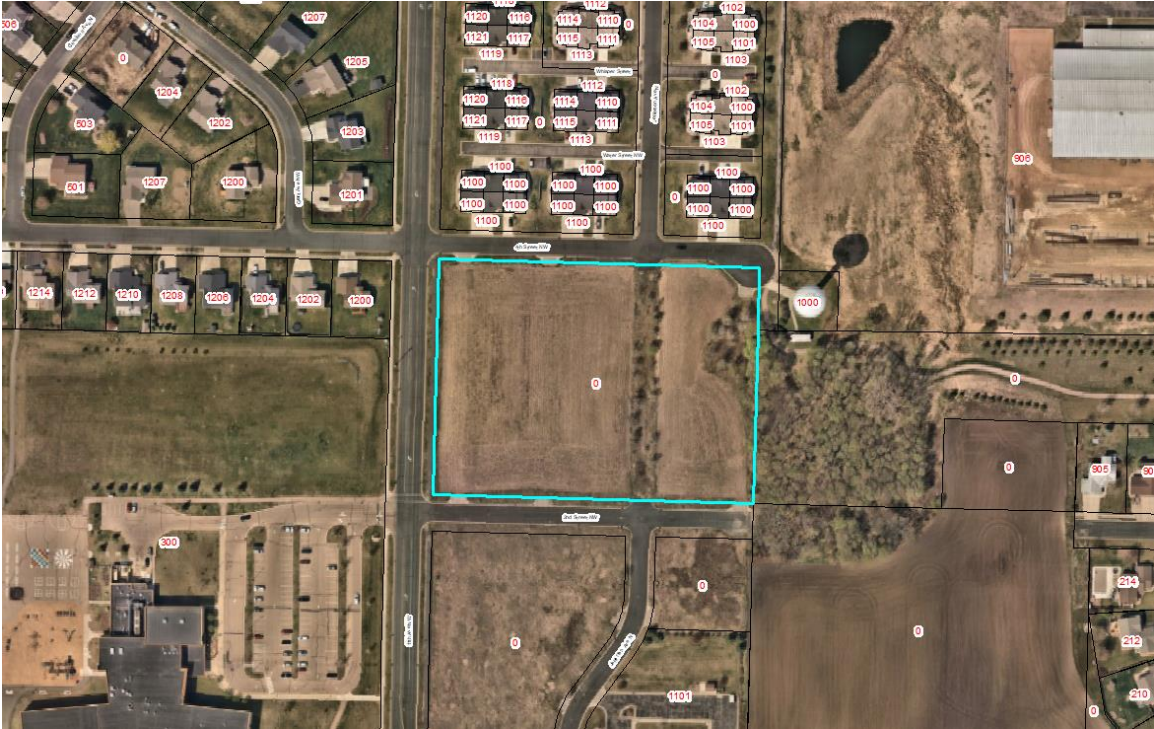
At the City Council meeting on September 3<sup>rd</sup>, 2024, Yellow Tree introduced their possible +/- 155-unit (later revised to 166 units) market rate apartment development that could occur on PID 25.113.0050 (Outlot C, Raven Stream Village Third Addition) which is a 4.86-acre vacant lot near Raven Stream Elementary. At the meeting, the City Council expressed interest in the project and a possible tax abatement and directed staff to contact Scott County and School District regarding their possible interest in participating in the tax abatement. The County indicated they do not participate in housing tax abatements and the school district staff indicated it was unlikely they would participate.

That said, staff continued discussions with Yellow Tree, and narrowed down the request for tax abatement to a 75% abatement of City taxes only, for a 15-year period which would not exceed more than \$2,072,895. A public hearing regarding the abatement request was held at the City Council meeting on November 4<sup>th</sup>, 2024. Three public comments were received (Brook Sticha, Austin Reville and Brian Paulson) in addition to submitted e-mails/letters. The City Council ultimately voted to postpone consideration of the resolution which would have approved the tax abatement so that staff and the developer could update information and analysis based on a revised proforma for a 166 unit project.

Staff and the developer have continued discussions and reviewed updated information which is included in the packet for tonight’s meeting. Attached is a memo from Mikaela Huot with Baker Tilly, who is the City’s financial consultant, regarding the tax abatement request and how said request could be accommodated per the noted terms which have been revised to a blended 75% rate which more closely resembles the approach taken with the Ebert abatement request which was a blended 66%. The revised abatement amount would total \$2,071,999.

As a refresher, the current owner of the property is JRD Holdings, LLC with whom Yellow Tree has a purchase agreement. The property is currently zoned RM Medium Density Residential and has utilities directly adjacent to the site. Since the property is currently an outlot, it does need to be platted and the site would also need to be rezoned to RH High Density Residential which would match the City’s

Comprehensive Plan designation for the site to accommodate +/- 166 units (the plan attached to this memo shows possibly an additional 18 rental townhome units, but both are subject to change).



The current estimated mix of units is as follows which staff believes would be attractive as a housing option for the City in general as well as for some new families which could benefit the School District’s enrollment and revenues.

APARTMENTS UNIT COUNT BY TYPE	
UNIT TYPE	COUNT
1BR	52
1BR+D	49
2BR	42
3BR	10
ALC	13
ROOF	1
<b>Unit Count: 167</b>	

In terms of school age children that would live in the apartments, approximately 23 would be K-12 age students (based on a national average of .14 students per apartment unit in buildings with 20 or more units).

Staff believes that the apartment building would provide the City with needed rental units, particularly for those seeking some additional amenities and that the long-term tax benefits to the City would far

outweigh the short-term abatement of property taxes. Staff also believes that the project does need abatement for the project to move forward based on Baker Tilly's analysis, but also notes that in order for the project to financially work, additional adjustments to the project need to be made by the developer for viability.

**Staff Recommendation**

Approval of the attached abatement resolution approving a blended 75% abatement of City taxes over a 15 year time period not to exceed \$2,071,999.



# Memo

---

**To:** Ken Ondich, City of New Prague  
Joshua Tetzlaff, City of New Prague

**From:** Mikaela Huot, Director, BTMA

**Date:** November 18, 2024

**Subject:** Summary of Financial Analysis and Tax Abatement Revenue Projections for Proposed 166-Unit Multifamily Market Rate Housing Project (Yellow Tree)

---

## Executive Summary

The City of New Prague (the "City") has received a request for tax abatement assistance from Yellow Tree (the "developer") to assist with financing a portion of the costs associated with construction of an approximate 166-unit multifamily residential rental market rate housing development in the City. *The initial unit count was 155 and has since been refined to be closer to 166 total housing units.* The total development cost of the project is estimated to be \$42,699,000 and Scott County assessor's office has provided a taxable value range of \$200,000 to \$210,000 average per unit providing a total value for the project between from \$33,200,000 - \$34,860,000. The developer requested tax abatement assistance from the City (including requests for potential participation from Scott County and New Prague Area Schools) that would provide additional cash flow to the project as necessary to meet minimum debt coverage and equity returns. The developer's initial request was for up to 75% of the annual tax abatements from the City, County and School District resulting in total tax abatements of \$4.3 million over 15 years.

Tax abatement is a financing tool the City may consider utilizing to provide cash flow assistance and close a funding gap for a project. All or a portion of the incremental taxes generated from the new development may be rebated back to the developer. Actual tax abatement amounts are subject to 1) generation of taxes by each participating entity and 2) approval by respective Board/Council. Terms of tax abatement assistance based on individual Board/Council approvals are included within a tax abatement agreement and provide for maximum number of years and abatement amounts. Each taxing entity chooses to participate on its own following a public hearing that is noticed more than ten days prior to the public hearing.

Prior to granting a tax abatement, a finding is made to determine that the benefits gained equal or exceed the cost and that the granting of a tax abatement is in the public interest. There is not a statutorily required 'but-for test; however, many communities consider incorporating a determination that the project as proposed would not proceed without public assistance (meeting the "but-for" test) as well as consideration of increased market value of the property to be developed. When reviewing requests for financial assistance it is important to understand how the level of financial assistance would impact the ability of the project to proceed as proposed and maximize new value created on the current project site.

Review of the sources and uses and operating proforma based on the developer assumptions with pay-as-you-go assistance as compared to no assistance provides an understanding of financial feasibility for this project and need for public assistance. The purpose of the analysis is to test the level of assistance that may be needed using



those assumptions and if the recommended structure is reasonable while remaining consistent with the City's objectives for new development projects.

Without financial assistance, the project would not be feasible due to the projected cash flow projections. Without assistance, the projected cash flow is less than what would be necessary to support the level of debt financing and equity investment required for this type of project. The analysis indicates that the provided financing structure without assistance would not be financially viable without one or more of the following: 1) reduction in project costs 2) additional annual cash flow (tax abatement revenues, reduced financing rates or equity returns), and/or 3) additional funding sources.

Annual tax abatements pledged by the City would enhance cash flow of the project. However, as described further in the Financial Needs (Pro forma Analysis) section of this memo, the City's share of tax abatement revenues is not sufficient to close the financing gap. The developer is requesting assistance from the City and subject to approvals, will continue to explore solutions to close the funding gap. Solutions may include reduction in total development costs, increased equity to reduce debt financing to a level supported by cash flows, potential interest rate savings and other sources. Without tax abatement pledged by the City, the project is not expected to be financially feasible. While not closing the gap, public assistance from the City is projected to have a positive impact on the project performance as compared to no assistance.

The City had discussions with both the School District and Scott County regarding possible tax abatement assistance. It is our understanding that Scott County's tax abatement policy does not allow for participation in housing projects. The School District has indicated it is not interested in participating in multiple tax abatement project requests. As a result, the tax abatement structure for consideration of the granting of a tax abatement for the project is based on the City, County and School District share with the following scale:

- Years 1-5: 100% City and 0% School District and County
- Years 6-10: 75% City and 0% School District and County
- Years 11-15: 50% City and 0% School District and County
- Average blended percentage of participation by City is 75% over 15 years
- Total maximum abatement for City is \$2,071,999

The purpose of this memorandum is to provide a summary of the financial review of the proposed project including sources and uses and operating pro forma as provided by the developer to assist with understanding need for public assistance as well as provide tax abatement revenue projections based on up to 75% participation levels by the City. The other taxing entities have indicated they do not wish to participate so any tax abatement assistance would be based on city share only. Should the City choose to provide assistance to the project, all or a portion of the annual tax abatement revenues generated by the City's share of taxes from the new project would be remitted back to the developer to provide additional cash flow.

#### **Developer Request for Assistance**

The developer requested assistance from the City (with both County and School District support) through tax abatement in an estimated annual amount of approximately \$385,560 for years 1-5, \$289,170 for years 6-10 and \$192,780 for years 11-15 based on total taxes due of \$465,000 upon project stabilization. Total tax abatement assistance over 15 years assuming a blended participation of 75% resulted in a request of \$4,337,550. The total development costs are approximately \$42,669,000. Upfront funding sources to support development costs include construction financing and developer equity. The primary loan is approximately 70% of total funding sources and investor equity would be 30%. We would expect to see the primary debt financing percent in the range of 60-75%, subject to availability of net operating income to meet minimum debt coverage requirements and repay annual debt service with the remaining sources as secondary mortgage, equity, grants, etc. The overall project performance without assistance is lower than what lenders and investors would tolerate (i.e. minimum debt coverage requirements and equity returns are not met), thus resulting in a financial gap. Due to the current market environment and interest rates, annual debt service payments are higher with increased interest costs and resulting lower overall funding amounts.

Total project costs that cannot be supported solely by the project alone typically justify the need for public financial assistance and allow the project to proceed as proposed. In addition, current market conditions of increased interest rates requiring reduced debt financing and increased equity amounts have resulted in higher funding gaps. Tax abatement from the City would provide an additional funding source to the project that would facilitate the developer being able to obtain an appropriate level of upfront debt and equity funding and meet minimum debt coverage and investor return metrics. Summary of the sources and uses of funds is illustrated in Table 1 below.

The recommendation for a reasonable level of public assistance is balanced by a combination of public benefit and projected financial cash flow performance of the project, public policy guidelines/considerations and potential financial parameters as further outlined below:

- Return on Investment: *(City benefits)*
- Purchase price and other development costs: *(reasonable ranges and supported by project)*
- Public to private investment: *(public participation limit of 10%)*
- Public assistance and private equity: *(public does not exceed private equity)*
- Extraordinary costs: *(new development)*
- Financial gap: *(limit on private debt and equity)*
- Market conditions *(financing limitations)*
- Term of assistance: *(up to 15-20 years)*
- Other identified public improvements: *(case by case basis to be determined)*

**Sources and Uses of Funds**

The proposed total development cost of the project is estimated to be \$42,699,000 and is summarized below.

**Table 1: Sources and Uses of Funds**

Sources		Uses			Percent	Per Unit
Bank Loan	29,889,300	70.00%	Land	1,100,000	2.58%	6,627
Equity	12,809,700	30.00%	Construction	34,860,000	81.64%	210,000
Grants		0.00%	Construction Contingency	1,000,000	2.34%	6,024
Deferred Developer Fee		0.00%	Arch / Structural Eng	525,000	1.23%	3,163
Public Assistance		0.00%	Legal	85,000	0.20%	512
			Leasing / Marketing	200,000	0.47%	1,205
			Fees and Permits	500,000	1.17%	3,012
			Construction Period Interest	2,000,000	4.68%	12,048
			Closing Fees	500,000	1.17%	3,012
			Appraisal / Phase I / Geotech	25,000	0.06%	151
			Market Study	4,000	0.01%	24
			FF&E	150,000	0.35%	
			Operating Reserve	250,000	0.59%	
			Developer Fee	1,500,000	3.51%	
<b>Total</b>	<b>42,699,000</b>	<b>100.00%</b>	<b>Total</b>	<b>42,699,000</b>	<b>100.00%</b>	<b>245,777</b>

**Operating Assumptions**

The developer provided a breakdown of the projected revenues from the individual unit types for the residential housing units based on number of bedrooms (studio, 1, 1+, 2, 2+ and 3-bedrooms). The estimated range is rents for each unit type of \$1,275, \$1,400, \$1,650, \$1,900, and \$2,300. The estimated operating revenues and expenditures include 3% annual inflationary increases and 5% stabilized vacancy rates (revenues). Total operating expense ratio for the residential project component is approximately 41% annually. Assumptions

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ©2024 Baker Tilly Municipal Advisors, LLC

utilized for the operating proforma are generally reasonable as compared to industry standards and may warrant additional analysis as the project proceeds.

Unit Type	Unit #	SF/Unit	Rent/SF	Rent/Unit
Studio	13	600	2.13	1,275
1 Bedroom	52	705	1.99	1,400
1 Bedroom plus	49	900	1.83	1,650
2 Bedroom	42	1188	1.60	1,900
3 Bedroom	10	1336	1.72	2,300

### Tax Abatement Analysis

The following assumptions were used to estimate the amount of projected tax abatement revenues based on the respective taxing entity participants:

- Total project area
  - Parcel ID: 24.113.0050
- Total estimated base value of \$131,200
  - Assumed existing land value would be calculated as 'base'
- Estimated total taxable value upon completion (including base)
  - \$34,860,000 classified as residential rental
  - 166 units valued at \$210,000 per unit
- Maximum term of tax abatement
  - 15 years with 3 taxing entity participation (City, County and School District)
  - 20 years with 1 or 2 taxing entity participation
- Anticipated term of tax abatement based on initial review
  - Up to 15 years with 75% blended share City participation
    - Years 1-5: 100%
    - Years 6-10: 75%
    - Years 11-15: 50%
  - Sliding scale (reduced percentages in future years anticipated for all scenarios subject to further analysis and discussion)
- Construction commences in 2025 and is completed in 2026
  - 100% assessed in January of 2027 for taxes payable in 2028
- Tax rates, class rates and future market values remain constant
  - Tax rates
    - City share: 42.427%
  - 1.25% class rates for residential rental
  - 0% annual market value inflator

**Table 2: Tax Abatement Revenue Estimates**

Tax Abatement Revenue Projections	
Total Estimated Taxable Value	\$34,860,000
Scenario 1: City Only Participation Blended 75% 15 Years	
City Share Annual Tax Abatement Years 1-5	\$184,178
City Share Annual Tax Abatement Years 6-10	\$138,193
City Share Annual Tax Abatement Years 11-15	\$92,089
Estimated City Share (15 Years)	\$2,071,999

There is a statutory limit on the total amount of property taxes that may be abated by a political subdivision on an annual basis. The City's annual property tax abatement may not exceed (1) ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (2) \$200,000, whichever is greater. We estimate the total City share of tax abatement from this project could be up to \$184,178 with 100% participation based on a taxable value of \$34,860,000. We recommend consideration for both existing abatements and potential future abatements as it relates to the City's maximum participation level on an ongoing basis. The City's 2024 taxable net tax capacity is \$11,371,733 allowing for the City's total annual tax abatement capacity of approximately \$1,137,173 and would be expected to adjust each year subject to the City's net tax capacity.

### **Project Financing**

There are generally two ways in which assistance can be provided for most projects, either upfront or on a pay-as-you-go basis. With upfront financing, the City would finance a portion of the applicant's initial project costs through the issuance of bonds or as an internal loan. Future tax abatements would be levied for collection by the City and used to pay debt service on the bonds or repayment of the internal loan. With pay-as-you-go financing, the developer would finance all project costs upfront and would be reimbursed over time for a portion of those costs as revenues are available.

Pay-as-you-go-financing is generally more acceptable than upfront financing for the City because it shifts the risk for repayment to the developer. If revenues are less than originally projected, the developer receives less and therefore bears the risk of not being reimbursed the full amount of their financing. However, in some cases pay as you go financing may not be financially feasible. With bonds, the City would still need to make debt service payments and would have to use other sources to fill any shortfall of revenues. With internal financing, the City reimburses the loan with future revenue collections and may risk not repaying itself in full if revenues are not sufficient. The City has historically financed projects as pay-as-you-go for reimbursement to the developer of eligible costs. The request for assistance as related to this project would be as annual reimbursement/remittance based on a determination of a certain percentage of pledged annual abatements.

### **Financial Needs (Pro forma Analysis)**

The developer has stated that without tax abatement assistance, the project as proposed would not occur. Based on the developer's stated position relative to the need for assistance, the City could provide tax abatement assistance. We recommend, however, that the City review the provided assumptions to consider if the project needs assistance and, if so, what an appropriate level may be based on the information submitted by the developer.

Following thorough evaluation of the project as provided allows the City to be prepared to make an informed decision based on the likelihood of the project needing assistance, as well as the appropriate level of assistance. To complete this analysis, we reviewed the ten-year operating project proformas, showing a result if the project received financial assistance as requested and did not receive assistance. Analysis of the proformas includes a review of the development budget, projected operating revenues and expenditures, and the project's capacity to support annual debt service on debt financing. The purpose of evaluating the operating proformas is to understand the potential cash flow performance through initial development of the project and the annual operations of the project over a 10-year period to assist with determining if the project is financially feasible and in need of public participation.

Measuring project feasibility is typically accomplished by analyzing a combination of 1) projected rate of return – both annual and cumulative and 2) estimated debt coverage ratio (DCR). Internal rate of return (IRR) analysis illustrates the projected return to the investor(s) using the available cash flow after payment of operating expenses and debt repayment as a measurement to the initial equity investment. Industry standards for certain development types indicate the level of investment a developer is willing to make based on projected returns from the project. Should the projected annual and cumulative returns fall below those standards, the project would require a reduced level of equity participation and/or increased cash flow to be feasible. Debt Coverage Ratio (DCR) is a calculation detailing the ratio by which operating income exceeds the debt payments for the project. If the DCR is greater than 1.0 it indicates the project has operating income that is greater than the debt-service

payment by some margin; conversely if the DCR is less than 1.0, it indicates the project is incapable of meeting its debt-service payment and would need to seek additional revenue sources in order to pay its debt.

For a project to be considered financially feasible and likely to secure private financing, lenders will require net operating income (NOI) that exceeds the debt-service amount by a specific threshold. This is a test based on a stabilized year of revenue. Typically, we see lenders identifying a desired threshold for DCR of 1.15-1.25. The developer's financing terms include Loan to Cost (LTC) of 70% meaning the remaining 30% of project costs will need to be funded by investor/developer equity – subject to rate of return – and may include request for public assistance.

Table 3 below provides a summary of the project's cash flow proforma including operating revenues and expenses, net operating income, estimated annual debt service payments and projected debt service coverage ratios. There are 4 scenarios illustrating the estimated impacts of tax abatement assistance and additional adjustments that would be required for the project to proceed as proposed.

Scenario 1:

Without any tax abatement assistance and current financing assumptions, the DCR is projected to be considerably lower than 1.0x and at 0.86x meaning the debt financing amount of 70% LTC would not be achievable and would need to be reduced to an amount significantly less to be financially feasible. The resulting equity investment would need to be increased by an equal amount to achieve feasibility.

Scenario 2:

The initial request for tax abatement assistance assumed a blended 75% participation from all taxing entities (City, County and School District) with 100% tax abatement first 5 years. The estimated annual tax abatement revenue of \$385,560 would have resulted in an increased DCR of 1.02x. This still results in a debt financing amount of 70% LTC not being achievable and would need to be reduced to be financially feasible. The resulting equity investment would need to be increased by an equal amount to achieve feasibility.

Scenario 3:

Modified tax abatement scenario assuming City-only tax abatement assistance with a blended 75% participation and 100% tax abatement first 5 years. The estimated annual tax abatement revenue of \$184,178 would result in an increased DCR of 0.94x. This still results in a debt financing amount of 70% LTC not being achievable and would need to be reduced to be financially feasible. The resulting equity investment would need to be increased by an equal amount to achieve feasibility.

Scenario 4:

Modified tax abatement scenario assuming City-only tax abatement assistance with a blended 75% participation and 100% tax abatement first 5 years to equal estimated annual tax abatement revenue of \$184,178. This scenario also assumes a reduction in interest rates on the developer's permanent financing to a level that may be considered feasible while striving to meet minimum DCR requirements of 1.15x – 1.25x, subject to lender criteria. This scenario may not require additional equity investment, subject to actual feasible. This illustration is hypothetical only as an effort to understand alternate options for achieving financial feasibility beyond city tax abatement. Additional remedies to achieve financial feasibility may include reduction in total development costs, reduction in operating expenses, increase in operating revenues or alternate funding sources.

**Table 3: Summary Project Operating Proforma**

	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>
	<b>No Assistance</b>	<b>Original Request</b>	<b>Recommendation</b>	<b>Recommendation with Modification</b>
Total Rental Income	3,112,485	3,112,485	3,112,485	3,112,485
Total Recurring Tenant Fees	393,011	393,011	393,011	393,011
Total Non-Recurring Tenant Fees	68,602	68,602	68,602	68,602
Total Other Revenue	15,000	15,000	15,000	15,000
<b>Total Revenues</b>	<b>3,589,097</b>	<b>3,589,097</b>	<b>3,589,097</b>	<b>3,589,097</b>
<b>Plus: Tax Abatement</b>	<b>-</b>	<b>385,560</b>	<b>184,178</b>	<b>184,178</b>
Total Administrative Expense	37,366	37,366	37,366	37,366
Total Management Fee	143,564	143,564	143,564	143,564
Total Amenities Expenses	18,350	18,350	18,350	18,350
Total Marketing Expenses	68,890	68,890	68,890	68,890
Total Personnel Expenses	274,191	274,191	274,191	274,191
Total Utilities	246,840	246,840	246,840	246,840
Total Repair & Maintenance Expense	112,878	112,878	112,878	112,878
Total Turnover Expenses	21,260	21,260	21,260	21,260
Total On-Call Services Expense	10,521	10,521	10,521	10,521
Total Property Expenses	75,000	75,000	75,000	75,000
Total Property Taxes	465,000	465,000	465,000	465,000
<b>Total Operating Expenses</b>	<b>1,473,860</b>	<b>1,473,860</b>	<b>1,473,860</b>	<b>1,473,860</b>
<b>Net Operating Income</b>	<b>2,115,238</b>	<b>2,500,798</b>	<b>2,299,416</b>	<b>2,299,416</b>
<b>Annual Debt Service Payments</b>	<b>2,446,773</b>	<b>2,446,773</b>	<b>2,446,773</b>	<b>1,943,184</b>
<b>Annual Cash Flow</b>	<b>(331,535)</b>	<b>54,025</b>	<b>(147,357)</b>	<b>356,231</b>
<b>Estimated Debt Coverage</b>	<b>0.86</b>	<b>1.02</b>	<b>0.94</b>	<b>1.18</b>

**Conclusion**

The developer has requested financial assistance as related to construction of a new 166-unit multifamily housing project that would include 13 studios, 52 1-bedroom units, 49 1-plus den units, 42 2-bedroom units, and 10 3-bedroom units. The total development cost for the project is \$42,699,000 and the request for financial assistance is annual tax abatement in an estimated annual amount of \$299,650 (based on 75% participation from all three taxing entities). The other taxing entities have declined participation resulting in a revised request to the City of up to 75% of blended tax abatement over 15 years.

The project capital stack includes 70% debt financing (based on LTC ratio) with remaining 30% funded through developer/investor equity. Public assistance through tax abatement would assist with closing the financial gap as it would provide additional cash flow to support the debt financing repayment and equity investment. The developer is seeking financial assistance from the City. Through submission of the tax abatement request and

supporting financial information, the developer has indicated that the project would not occur as proposed without financial assistance from the City due to the project not meeting minimum debt financing coverage requirements and resulting below market rates of equity returns due to increased equity investment thresholds.

Following analysis of the developer's financing assumptions and considering current market environment, without financial assistance, the project would not be financially feasible. While the potential City tax abatement participation would enhance cash flow and is projected to have a positive impact on the project performance, it alone would not be sufficient to meet minimum debt coverage requirements. The projected debt coverage ratios are projected to be below industry standards, meaning the level of achievable debt would need to be reduced and required increased equity funding. The analysis indicates that the provided financing structure would not be financially viable without one or more of the following: 1) reduction in project costs 2) additional annual cash flow (tax abatement revenues, reduced financing rates or equity returns), and/or 3) additional funding sources.

With public assistance through tax abatement assistance with additional annual cash flow, the project is projected to achieve higher debt coverage and returns. The developer will need to pursue additional strategies to achieve a financially feasible scenario to allow for the project to have sufficient cash flow after debt service and provide reasonable equity returns. There are ranges of what would be considered market returns and are generally subject to the project type, market indicators, investor demands and financing structure. The level of public assistance is expected to have positive impact on projected returns for the project.

Considered parameters for level of public assistance include the following:

- Return on Investment: *(City benefits)*
- Purchase price and other development costs: *(reasonable ranges and supported by project)*
- Public to private investment: *(public participation limit of 10%)*
- Public assistance and private equity: *(public does not exceed private equity)*
- Extraordinary costs: *(new development)*
- Financial gap: *(limit on private debt and equity)*
- Market conditions *(financing limitations)*
- Term of assistance: *(up to 15-20 years)*
- Other identified public improvements: *(case by case basis to be determined)*

The developer has requested tax abatement from the City as a method of providing additional cash flow revenues required to achieve financial feasibility. Assistance may be provided through a pledge of annual tax abatement to provide additional cash flow to support debt repayment, enhance cash flow and increase the developer's return. We typically review both the annual (upon stabilization) and longer-term (10-year period) investment returns to understand financial performance and verification of need for public assistance, as well as identifying those costs considered extraordinary to the project.

Thank you for the opportunity to be of assistance to the City of New Prague. Please contact me at 651-223-3036 or [mikaela.huot@bakertilly.com](mailto:mikaela.huot@bakertilly.com) with any questions or to discuss.

## **Definition of Tax Abatement**

Any political subdivision, including statutory cities, home rule charter cities, towns, counties, and school districts, is authorized to abate property taxes on selected parcels or defer the payments of the taxes and abate the interest and penalty that otherwise would apply, if:

- The benefits gained equal or exceed the cost to the political subdivision or the abatement phases in a property tax increase, and
- The abatement is in the public interest because it will:
  - increases or preserves the tax base;
  - provides employment opportunities;
  - provides or helps acquire or construct public facilities;
  - helps redevelop or renew blighted areas;
  - helps provide access to services;
  - finances or provides for public infrastructure;
  - phase in a property tax increase on the parcel resulting from an increase of 50% or more in one year on the estimated market value of the parcel, other than an increase due to improvement of the parcel; or
  - stabilize the tax base through equalization of property tax revenues for a specified time period with respect to a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100.

Cities, counties, and school districts as combined jurisdictions may grant an abatement for no longer than 15 years (8 year maximum if no initial duration is specified), or for no longer than 20 years if two or fewer jurisdictions participate.

No back-to-back abatements. Eight years must pass before a new abatement can be applied.

In any given year, the total amount of property taxes abated by a political subdivision for all parcels may not exceed the greater of (1) 10% of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (2) \$200,000.

The State will not reimburse school districts for lost taxes resulting from abatement.

Property in a tax increment financing district is not eligible for abatement; however, a tax abatement can be established following a tax increment district (as the proposed financing structure for this project).



**Projected Tax Abatement Report**

**City of New Prague, Minnesota  
 Proposed Tax Abatement Assistance  
 155 Unit Apartment Complex  
 Draft Abatement Revenues: \$34.875M new taxable value**

Annual Period Ending	Total Market Value <sup>(1)</sup>	Total Net Tax Capacity <sup>(2)</sup>	Less: Non-Abated Net Tax Capacity <sup>(3)</sup>	Retained Captured Net Tax Capacity	Times: Tax Capacity Rate <sup>(4)</sup>	Estimated Annual Property Taxes	Maximum Tax Abatement City * 42.43%	Maximum Tax Abatement County * 26.13%	Maximum Tax Abatement School * 20.26%	Estimated Project Abatement	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
12/31/28	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	184,178
12/31/29	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	184,178
12/31/30	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	184,178
12/31/31	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	184,178
12/31/32	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	184,178
12/31/33	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	138,133
12/31/34	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	138,133
12/31/35	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	138,133
12/31/36	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	138,133
12/31/37	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	138,133
12/31/38	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	92,089
12/31/39	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	92,089
12/31/40	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	92,089
12/31/41	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	92,089
12/31/42	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	92,089
						\$5,967,885		\$2,071,999	\$0	\$0	\$2,071,999

<sup>(1)</sup> Total estimated market value based on preliminary value estimate following review by County Assessor very preliminary and subject to further review. Includes 0% annual market value inflator  
<sup>(2)</sup> Total net tax capacity based on rental class rate of 1.25%  
<sup>(3)</sup> Original net tax capacity based does include existing land value  
<sup>(4)</sup> Local tax capacity rate for the City of New Prague, Scott County and ISD 721 for taxes payable 2024

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ©2024 Baker Tilly Municipal Advisors, LLC

**CITY OF NEW PRAGUE, MINNESOTA**

RESOLUTION #24-11-18-01

**RESOLUTION APPROVING PROPERTY TAX ABATEMENT  
FOR CERTAIN PROPERTY IN THE CITY OF NEW PRAGUE**

BE IT RESOLVED by the City Council (the “City Council”) of the City of New Prague, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. The City of New Prague, Minnesota (the “City”) proposes to assist in financing the acquisition, construction and betterment of a multi-family market rate rental apartment development with up to 166 units (the “Project”). The City proposes to use property tax abatements derived from the property currently identified as Parcel Identification Number 24.113.0050 (the “Tax Abatement Property”). The City proposes to use the abatement for the purposes provided for in Minnesota Statutes, Sections 469.1812 through 469.1816 (the "Abatement Law") to assist the Project from the property taxes to be levied by the City on the Tax Abatement Property.

1.02. The proposed term of the abatement will be for up to 15 years in an estimated amount not to exceed \$2,071,999.00. The proposed abatement will apply to a portion of the City's share (blended 75%) of real estate taxes which relate to the construction of the Project on the Tax Abatement Property and not the real estate taxes on the Tax Abatement Property that relate to the value of the land, as determined by the City (the "Abatement").

1.03. Under the Abatement Law, the City is authorized to retain abatements from property in order to accomplish certain public purposes, including situations where the abatement will increase or preserve tax base, provide or help acquire or construct public facilities, help provide employment opportunities in the City, help provide access to services for City residents, or finance or provide public infrastructure.

1.04. This City Council has reviewed information concerning the Project’s request for financial assistance.

1.05. On the date hereof, the City Council conducted a duly noticed public hearing on the Abatement proposed to be provided by the City and the business subsidy proposed to be provided to the Project at which the views of all interested persons were heard.

1.06. The City intends to enter into a Contract for Private Development, including a Tax Abatement Agreement (collectively the “Abatement Agreement”) for the Project, which shall set forth the terms of the Abatement and include a business subsidy agreement as required by the Business Subsidy Act.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this Resolution.

2.02. It is hereby found and determined that the benefits to the City from the Abatement will be at least equal to the costs to the City of the Abatement, because (a) the City believes that the development to be facilitated is not reasonably likely to occur absent the Abatement provided by the City, and (b) the long-term taxes collected from the Property after termination of the Abatement will exceed the amount of the Abatement returned to the Project.

2.03. It is hereby found and determined that the Abatement is in the public interest because such action will increase the tax base and provide additional employment opportunities in the City.

2.04. The Property is not located in a tax increment financing district.

2.05. The Abatement complies with the City’s written Business Subsidy Policy.

Section 3. Actions Ratified; Abatement Approved

3.01. The City Council hereby ratifies all actions of the City’s staff and consultants in arranging for approval of this resolution in accordance with the Act.

3.02. Subject to the provisions of the Act, the Abatement is hereby approved and adopted subject to the following terms and conditions:

(a) The term “Abatement” means the real property taxes generated in any tax-payable year by extending the City’s total tax rate for that year against the tax capacity of the Property in accordance with the Abatement Agreement, excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 473F, all as of January 2 in the prior year.

(b) The Abatement will be paid by the City regarding the Project on the dates and in accordance with all the terms and conditions of the Abatement Agreement.

(c) In accordance with Section 469.1813, subdivision 8 of the Act, in no year shall the Abatement, together with all other abatements approved by the City under the Act and paid in that year exceed the greater of 10% of the City’s levy for that year or \$200,000 (the “Abatement Cap”). The City may grant any other abatements permitted under the Act after the date of this Resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements is subordinate to the Abatement granted pursuant to this Resolution.

(d) The Abatement shall be for up to a 15-year period and shall apply to the taxes payable in the years 2028 through 2042. The City shall transfer the Abatement to the City semiannually commencing August 1, 2028 to and including February 1, 2043. The

City reserves the right to modify the commencement date but the abatement period shall not exceed fifteen (15) years.

(e) The Abatement is subject to modification in accordance with the Act only as agreed to in writing by the City, subject to the terms of the Abatement Agreement.

(f) The maximum amount of Abatement authorized under this resolution is \$2,072,894.00.

(g) In accordance with Section 469.1815 of the Act, the City will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this Resolution.

(h) The City makes no warranties or representations regarding the amount or availability of the Abatement.

(i) The Abatement shall be provided to the Project pursuant to the terms and conditions of the Abatement Agreement as approved by the City Council.

3.03. Restrictions on Abatement. The Abatement granted pursuant to this Resolution shall not commence until the following conditions are satisfied:

(a) The City and the developer of the Project mutually agree on the terms and conditions of the Abatement Agreement.

#### Section 4. Approval of Tax Abatement Documents.

4.01. The City Council hereby approves the Abatement Agreement in substantially the form presented to the City Council, together with any related documents necessary in connection therewith, including but not limited to any documents, exhibits, certifications or consents referenced in or attached to the Abatement Agreement (collectively, the “Abatement Documents”) and hereby authorizes the Mayor and City Administrator to negotiate the final terms thereof, and to execute the same on behalf of the City, and City staff to carry out, on behalf of the City, the City’s obligations thereunder.

4.02. The approval hereby given to the Abatement Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by appropriate City staff and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. The Abatement Documents shall not be effective until the date of execution thereof as provided herein.

4.03. In the event of absence or disability of the officers, any of the documents

authorized by this Resolution to be executed may be executed without further act or authorization of the City Council by any duly designated acting official, or by such other officer or officers of the City Council as, in the opinion of the City Attorney, may act in their behalf. Upon execution and delivery of the Abatement Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Abatement Documents.

Section 5. Implementation.

5.01. The Mayor and the City Administrator are authorized and directed to execute and deliver any additional agreements, certificates or other documents that the City determines are necessary to implement this Resolution.

5.02. The City Council directs City staff to take any appropriate action and to prepare any appropriate documents to facilitate the directives of the City Council as set forth in this Resolution.

5.03. The Mayor, City staff, City attorney and City consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Section 6. County and School District Participation.

6.01. The Mayor and City Administrator are authorized to work with Scott County (the “County”) and Independent School District No. 721 (the “School District”) if the County and School District choose to abate a portion of the County’s or School District’s taxes for the benefit of the Project, including but not limited to drafting the Abatement Agreement with the County and School District as parties and administering the payment of the County’s and School District’s abatement dollars.

Section 7. Effective Date. This resolution is effective upon execution in full of the Abatement Agreement.

Approved by the City Council of the City of New Prague, Minnesota, this 18<sup>th</sup> day of November, 2024.

CITY OF NEW PRAGUE, MINNESOTA

Duane Jirik  
Mayor

Attest:

Joshau Tetzlaff  
City Administrator

**EXHIBIT A TO ABATEMENT RESOLUTION**

**THE PROPERTY**

That real property in the City of New Prague, County of Scott, State of Minnesota, legally described as follows:

Outlot C, RAVEN STREAM VILLAGE THIRD ADDITION, Scott County, Minnesota.

**PROJECT ADDRESS**

**ZONING**  
 CURRENT PRIMARY ZONING XXX  
 PROPOSED REZONING PUD

**SITE\***  
 TOTAL AREA 201,701 SF\*  
 SITE AREA - BUILDING FOOTPRINT 51,045 SF  
 \*Site area estimated from Scott County Property Map

**SITE IMPERVIOUS AREA**  
 TOTAL AREA 201,701 SF\*  
 SITE AREA - PERVIOUS X,XXX SF - XX%  
 SITE AREA - IMPERVIOUS X,XXX SF - XX%

**FAR**  
 (insert primary zoning) ALLOWED X.X + (add bonuses if any) = X.XX (XX,XXX SF)  
**PROPOSED FAR = XX,XXX\*\*/X,XXX = X.XX**

**PARKING REQUIRED**  
 PARKING REQUIRED 334 STALLS (2 PER UNIT)  
**PARKING PROVIDED 258 STALLS (1.58 PER UNIT)**

**BIKE PARKING REQUIRED** XX SPACES  
**PROVIDED XX SPACES**

**BUILDING HEIGHT (INSERT ZONING) - ALLOWED** XX'-0" / 4 STORIES  
**PROPOSED 3 STORY / 4 STORY ON EAST PART**

**REQUIRED APPLICATIONS**  
 -PUD

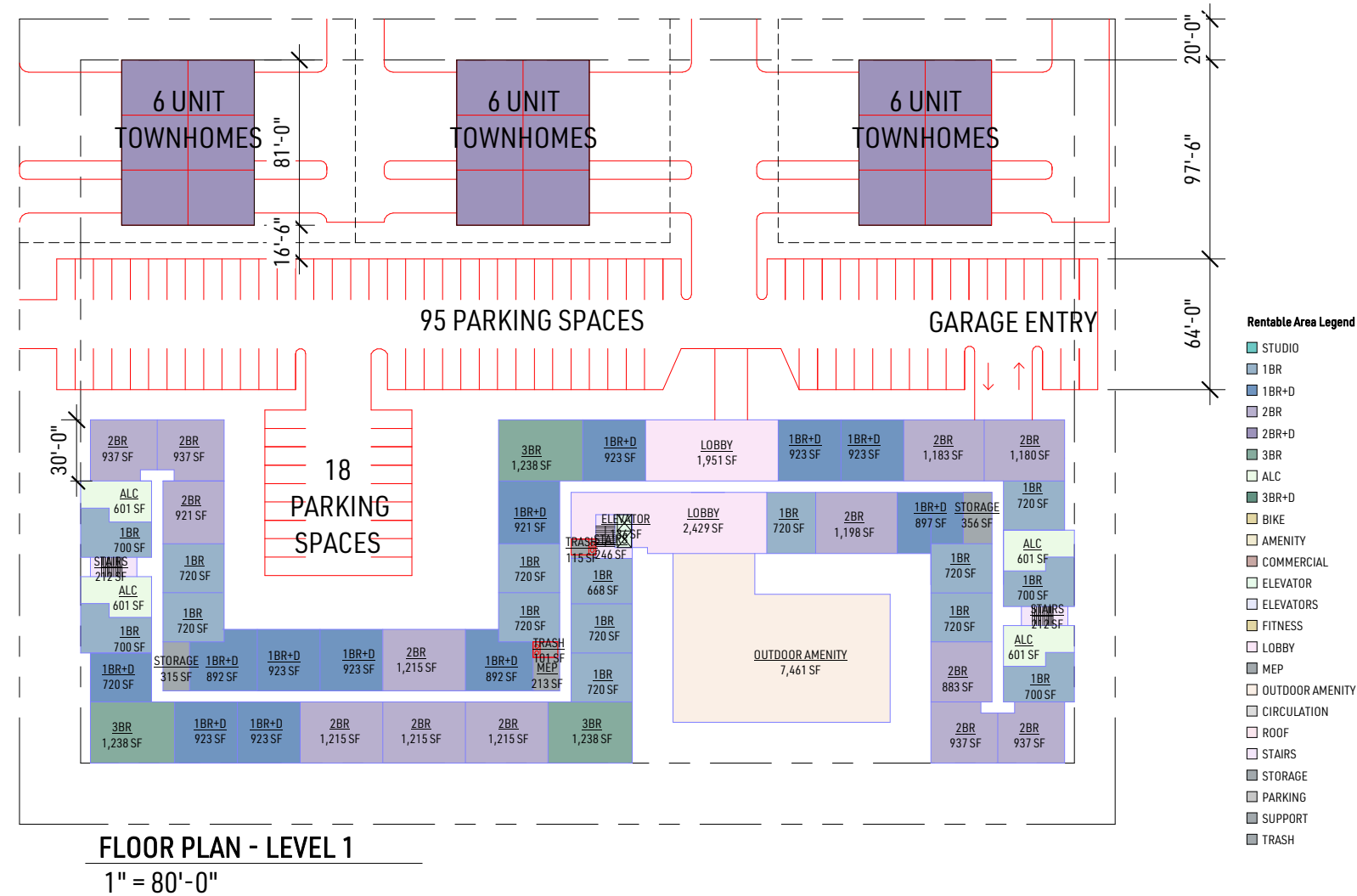


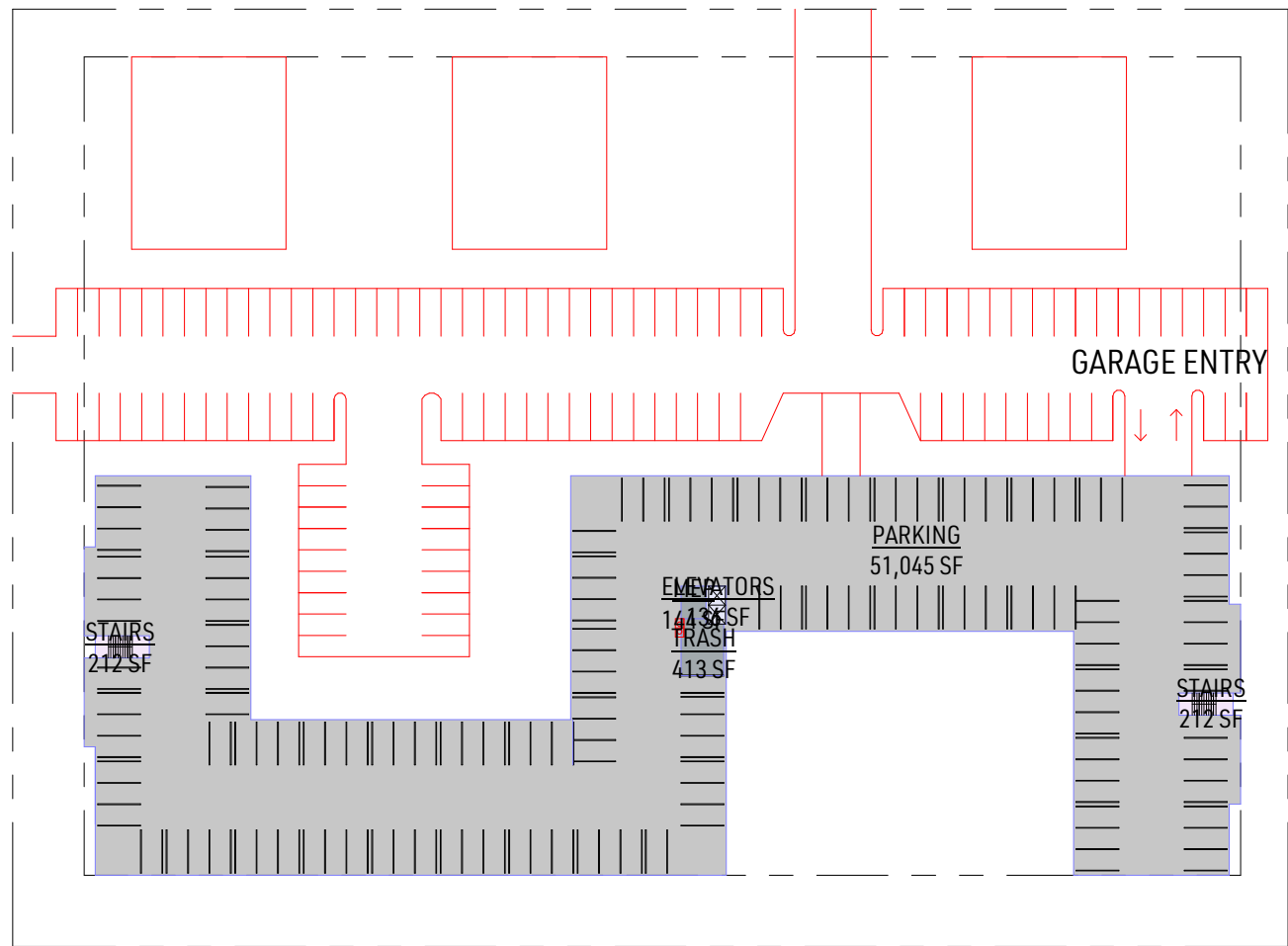
Scott Co Prop Map  
 1" = 40'-0"

APARTMENTS AREA SCHEDULE (GROSS)		
Name	Level	Area
ELEVATORS	LEVEL P1	136 SF
MEP	LEVEL P1	144 SF
PARKING	LEVEL P1	51,045 SF
STAIRS	LEVEL P1	425 SF
TRASH	LEVEL P1	413 SF
<b>LEVEL P1</b>		<b>52,162 SF</b>
1BR	LEVEL 1	10,666 SF
1BR+D	LEVEL 1	10,779 SF
2BR	LEVEL 1	13,972 SF
3BR	LEVEL 1	3,713 SF
ALC	LEVEL 1	2,402 SF
ELEVATOR	LEVEL 1	136 SF
LOBBY	LEVEL 1	4,380 SF
MEP	LEVEL 1	213 SF
OUTDOOR AMENITY	LEVEL 1	7,461 SF
STAIRS	LEVEL 1	671 SF
STORAGE	LEVEL 1	670 SF
TRASH	LEVEL 1	216 SF
<b>LEVEL 1</b>		<b>55,280 SF</b>
1BR	LEVEL 2	11,439 SF
1BR+D	LEVEL 2	13,547 SF
2BR	LEVEL 2	13,972 SF
3BR	LEVEL 2	3,819 SF
ALC	LEVEL 2	2,402 SF
CIRCULATION	LEVEL 2	4,388 SF
ELEVATOR	LEVEL 2	136 SF
LOBBY	LEVEL 2	599 SF
MEP	LEVEL 2	313 SF
STAIRS	LEVEL 2	682 SF
STORAGE	LEVEL 2	670 SF
TRASH	LEVEL 2	195 SF
<b>LEVEL 2</b>		<b>52,162 SF</b>
1BR	LEVEL 3	11,439 SF
1BR+D	LEVEL 3	13,547 SF
2BR	LEVEL 3	13,972 SF
3BR	LEVEL 3	3,819 SF
ALC	LEVEL 3	2,402 SF
CIRCULATION	LEVEL 3	4,388 SF
ELEVATOR	LEVEL 3	136 SF
LOBBY	LEVEL 3	599 SF
MEP	LEVEL 3	313 SF
STAIRS	LEVEL 3	682 SF
STORAGE	LEVEL 3	670 SF
TRASH	LEVEL 3	195 SF
<b>LEVEL 3</b>		<b>52,162 SF</b>
1BR	LEVEL 4	3,782 SF
1BR+D	LEVEL 4	6,506 SF
2BR	LEVEL 4	3,560 SF
3BR	LEVEL 4	1,344 SF
ALC	LEVEL 4	601 SF
AMENITY	LEVEL 4	2,936 SF
CIRCULATION	LEVEL 4	1,872 SF
ELEVATOR	LEVEL 4	136 SF
LOBBY	LEVEL 4	611 SF
MEP	LEVEL 4	100 SF
ROOF	LEVEL 4	29,594 SF
STAIRS	LEVEL 4	671 SF
STORAGE	LEVEL 4	356 SF
TRASH	LEVEL 4	94 SF
<b>LEVEL 4</b>		<b>52,162 SF</b>
<b>Grand total</b>		<b>263,929 SF</b>

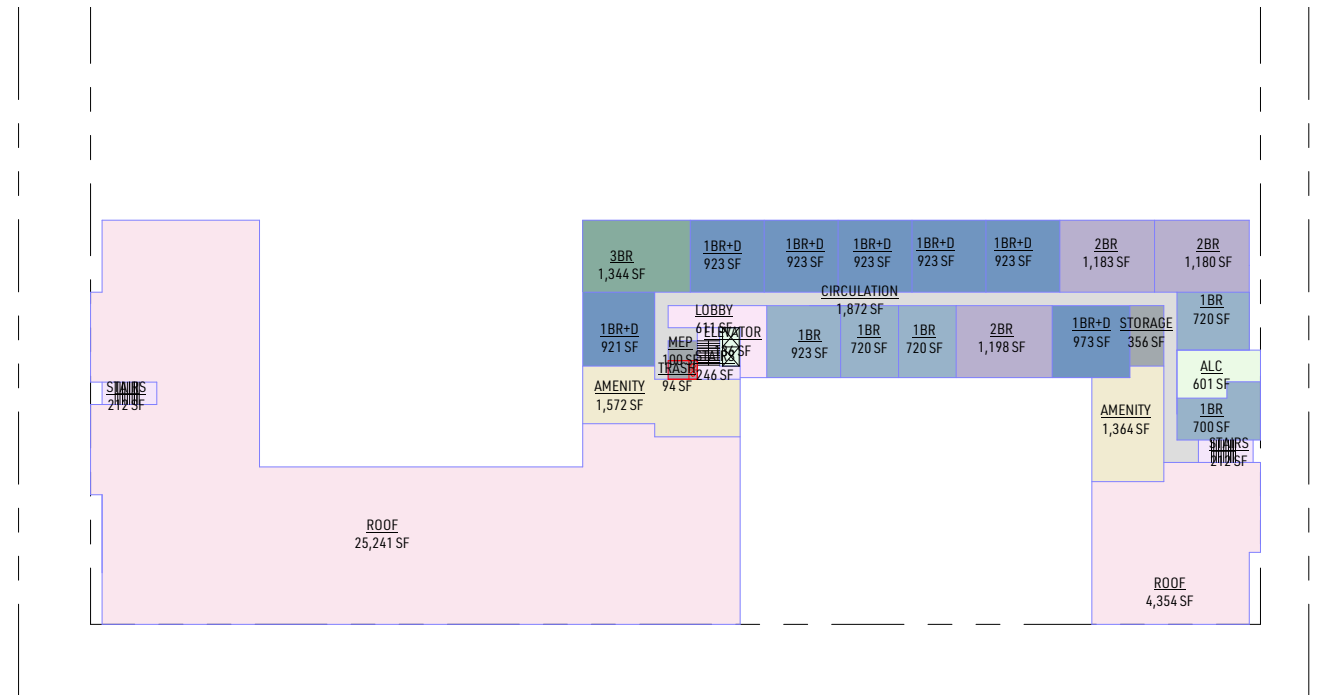
APARTMENTS UNIT COUNT BY TYPE	
UNIT TYPE	COUNT
1BR	52
1BR+D	49
2BR	42
3BR	10
ALC	13
ROOF	1
<b>Unit Count: 167</b>	

AREA SCHEDULE (RENTABLE)			
Name	Level	Count	Area
1BR	LEVEL 1	15	10,666 SF
1BR+D	LEVEL 1	12	10,779 SF
2BR	LEVEL 1	13	13,972 SF
3BR	LEVEL 1	3	3,713 SF
ALC	LEVEL 1	4	2,402 SF
<b>47</b>			<b>41,532 SF</b>
1BR	LEVEL 2	16	11,439 SF
1BR+D	LEVEL 2	15	13,547 SF
2BR	LEVEL 2	13	13,972 SF
3BR	LEVEL 2	3	3,819 SF
ALC	LEVEL 2	4	2,402 SF
<b>51</b>			<b>45,178 SF</b>
1BR	LEVEL 3	16	11,439 SF
1BR+D	LEVEL 3	15	13,547 SF
2BR	LEVEL 3	13	13,972 SF
3BR	LEVEL 3	3	3,819 SF
ALC	LEVEL 3	4	2,402 SF
<b>51</b>			<b>45,178 SF</b>
1BR	LEVEL 4	5	3,782 SF
1BR+D	LEVEL 4	7	6,506 SF
2BR	LEVEL 4	3	3,560 SF
3BR	LEVEL 4	1	1,344 SF
ALC	LEVEL 4	1	601 SF
ROOF	LEVEL 4	1	4,310 SF
<b>18</b>			<b>20,102 SF</b>
<b>Grand total: 167</b>			<b>151,991 SF</b>

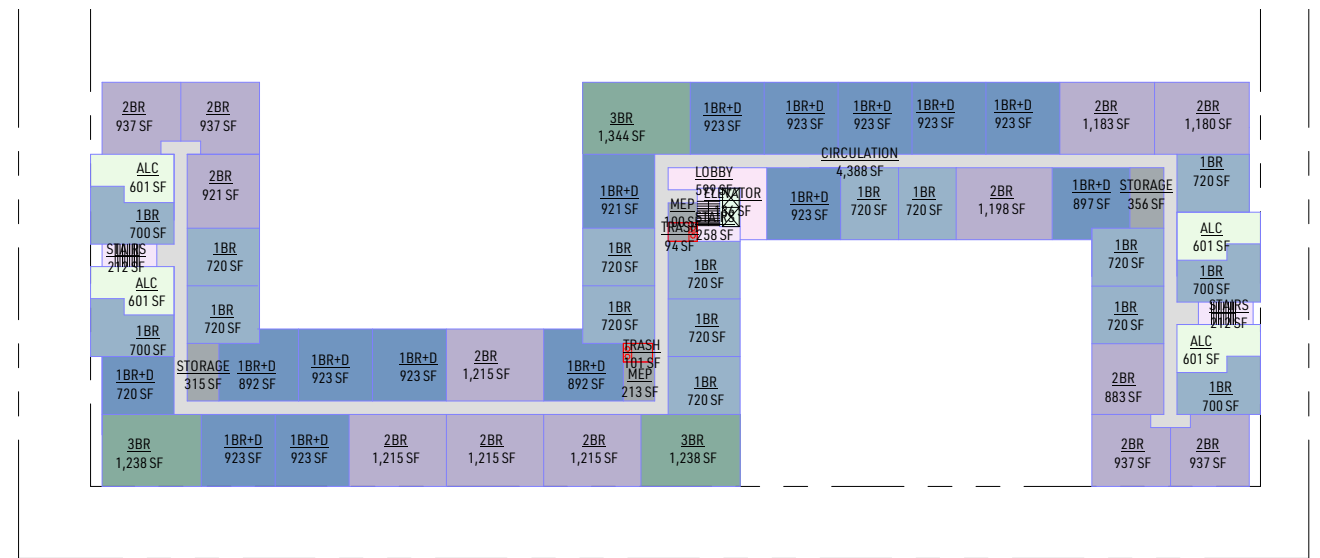




LEVEL P1  
1" = 80'-0"



04 - Rentable Area  
1" = 80'-0"



TYPICAL FLOOR PLAN 2-4  
1" = 80'-0"



# DJR



SITE PLAN REVIEW  
05.03.2024

## FARMINGTON APARTMENTS

Farmington, Minnesota  
24-009.00

VIEW FROM DUSHANE PARKWAY TOWARD NORTHEAST CORNER

Exterior Rendering

# A3.0

# DJR



SITE PLAN REVIEW  
05.03.2024

## FARMINGTON APARTMENTS

Farmington, Minnesota  
24-009.00

Exterior Rendering

# A3.1



VIEW TOWARD MAIN PARKING ENTRY

# DJR



SITE PLAN REVIEW  
03.29.2024

## FARMINGTON APARTMENTS

Farmington, Minnesota  
24-009.00

VIEW OF OUTDOOR AMENITY AREA

Exterior Rendering

# A3.2

# FARMINGTON APARTMENTS

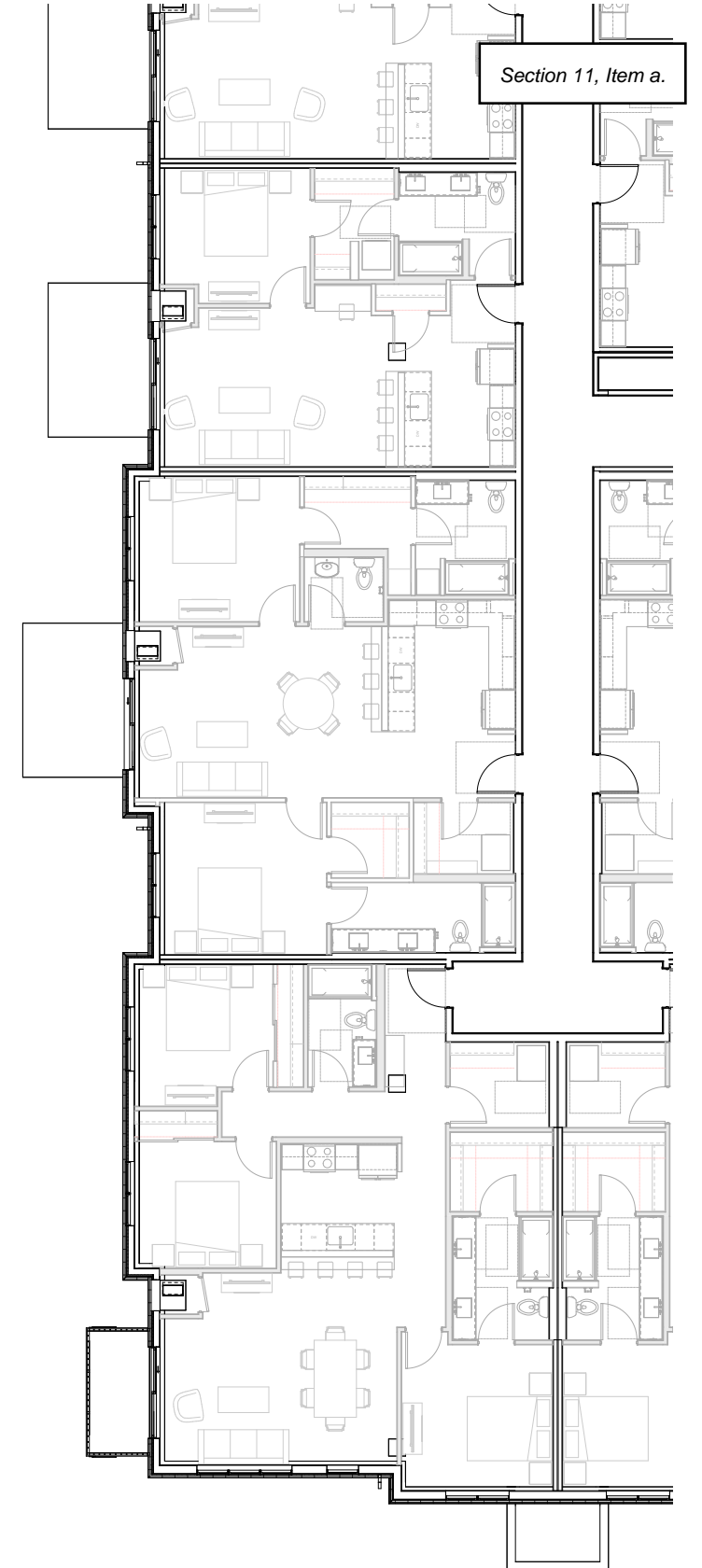
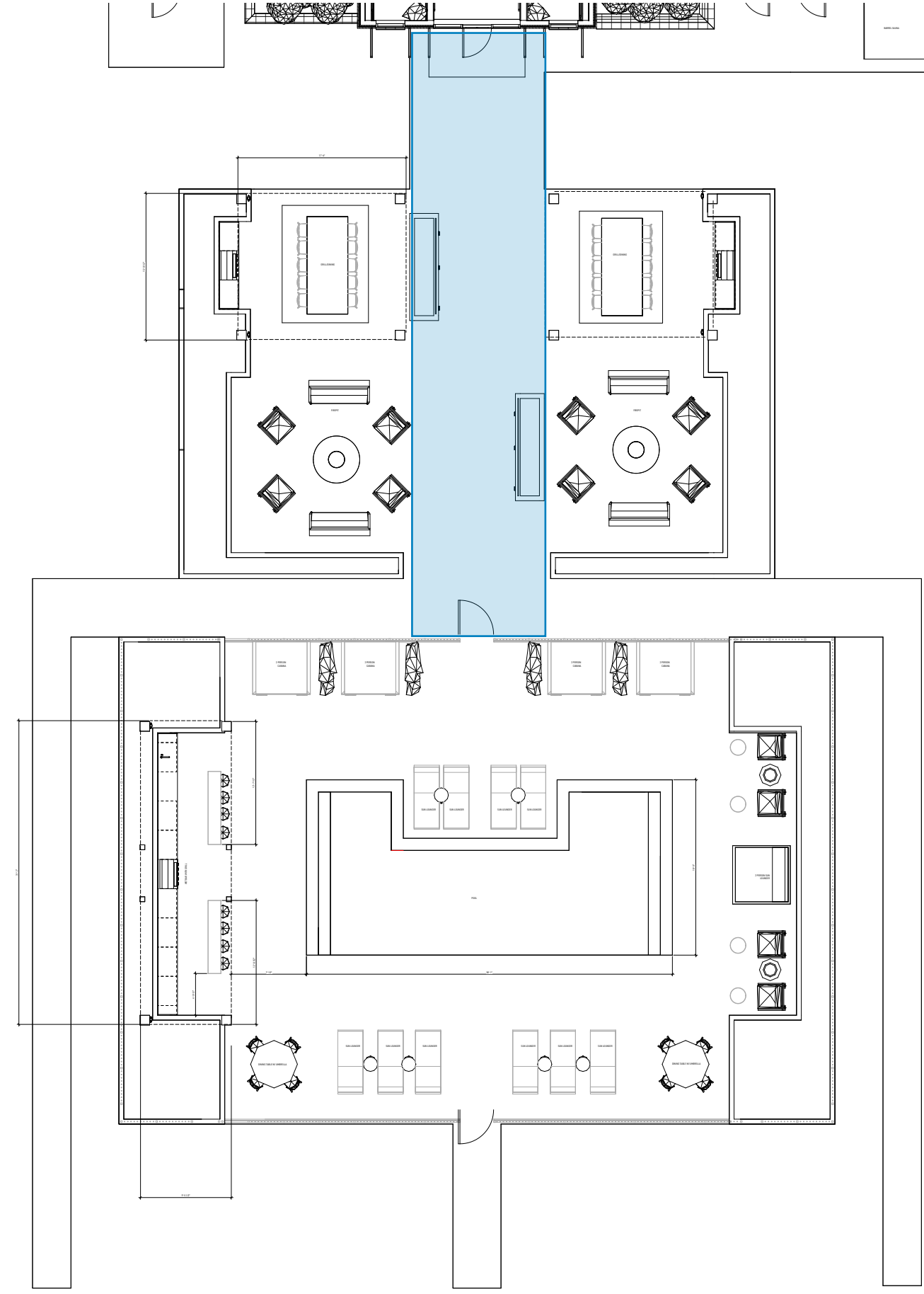
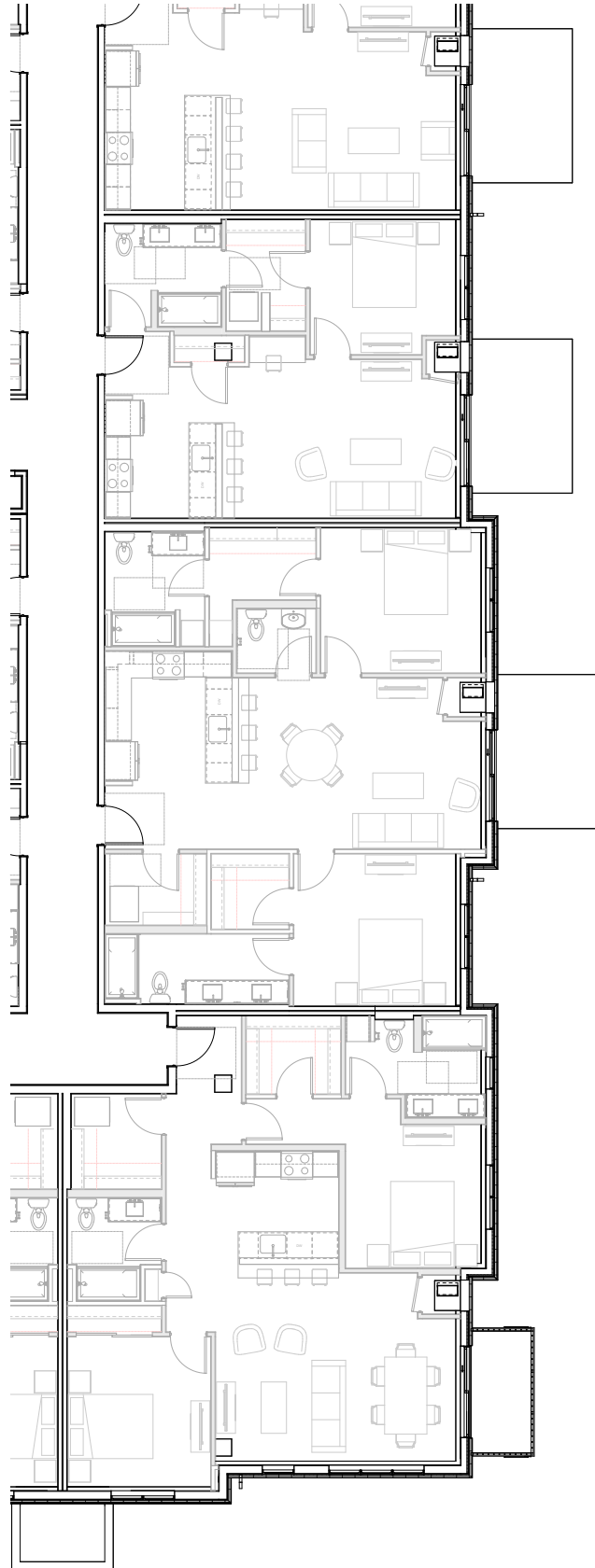


INTERIOR DESIGN - DD  
9.17.24

# DJR

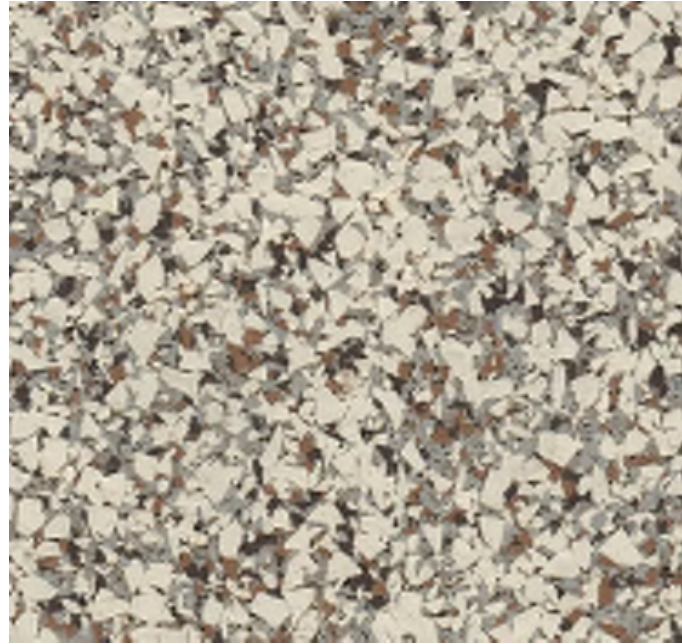






Section 11, Item a.

FLOORING

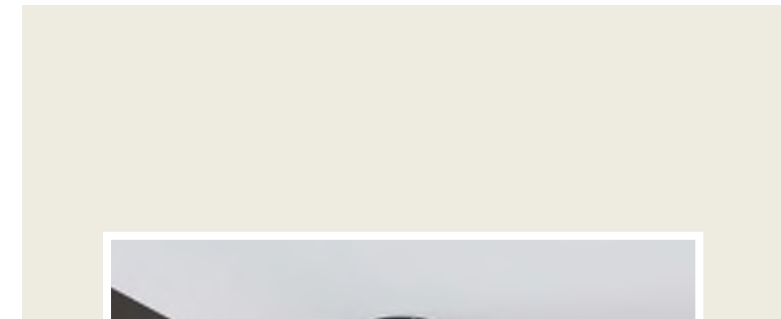


WALLS



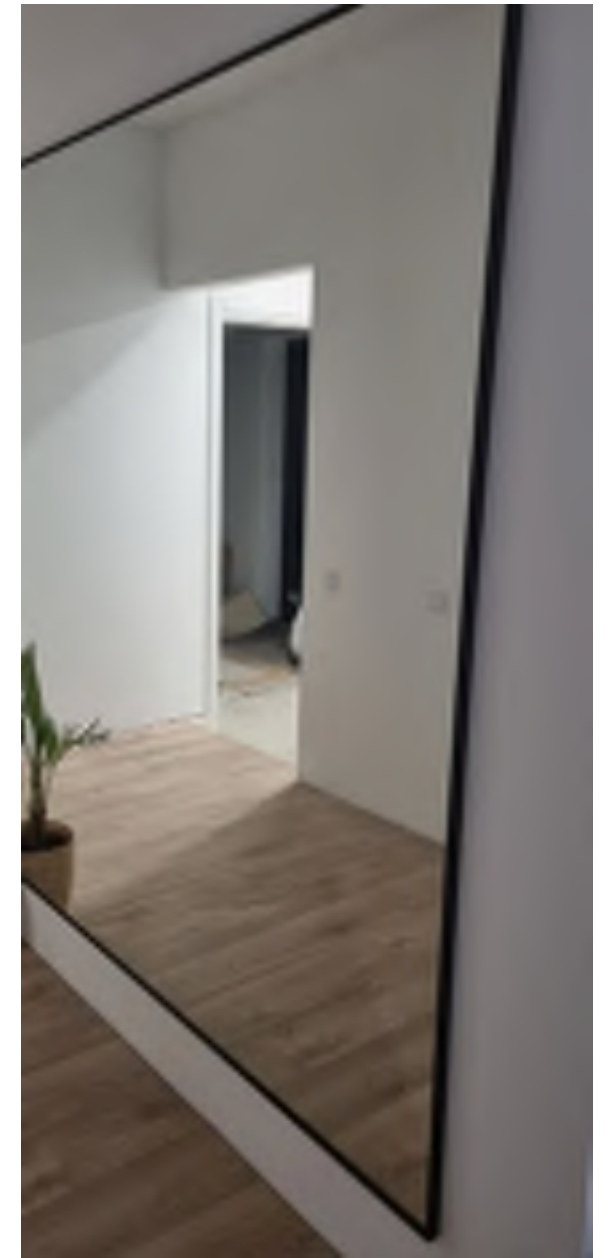
WELNESS BAR

CEILING

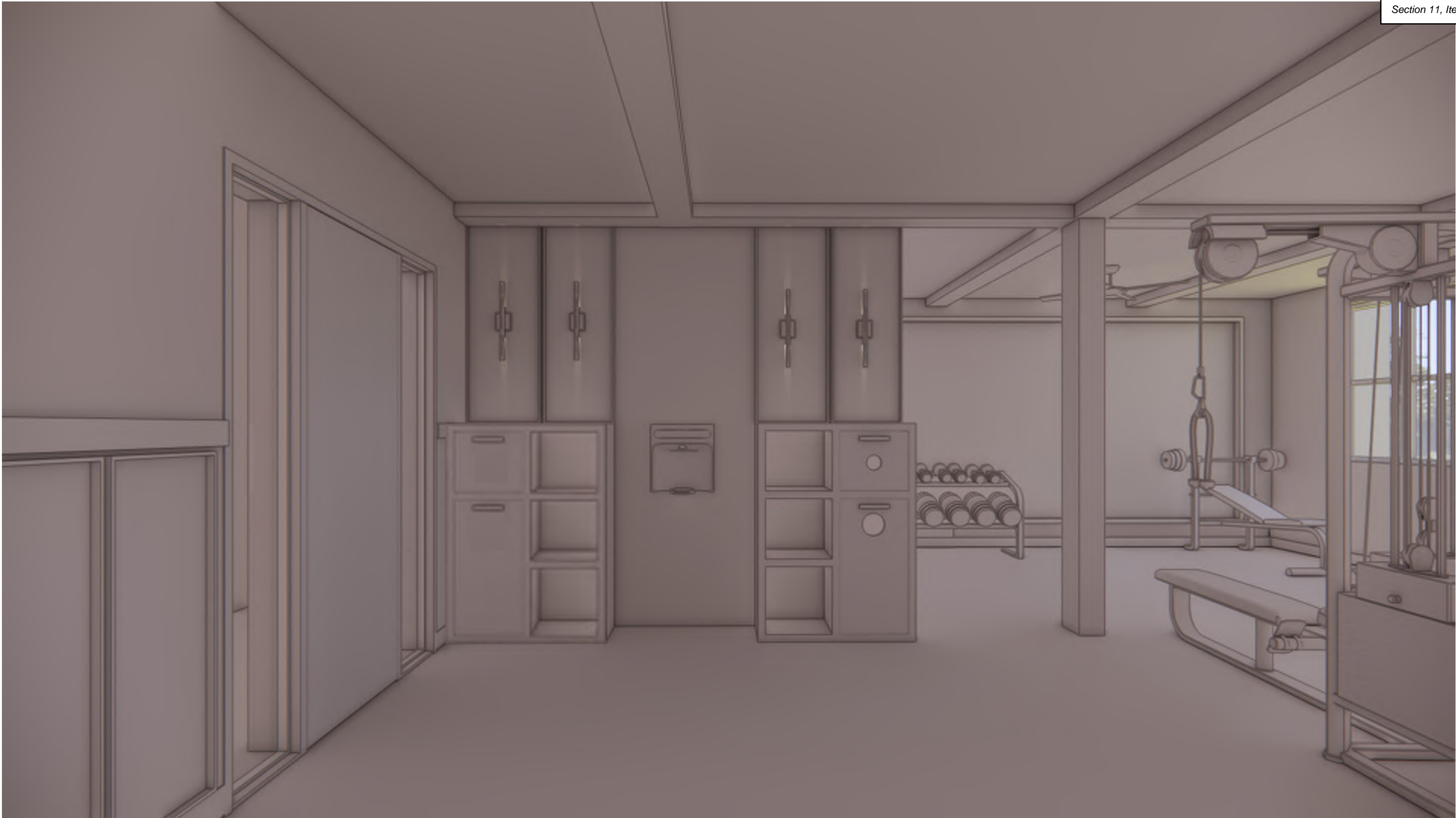


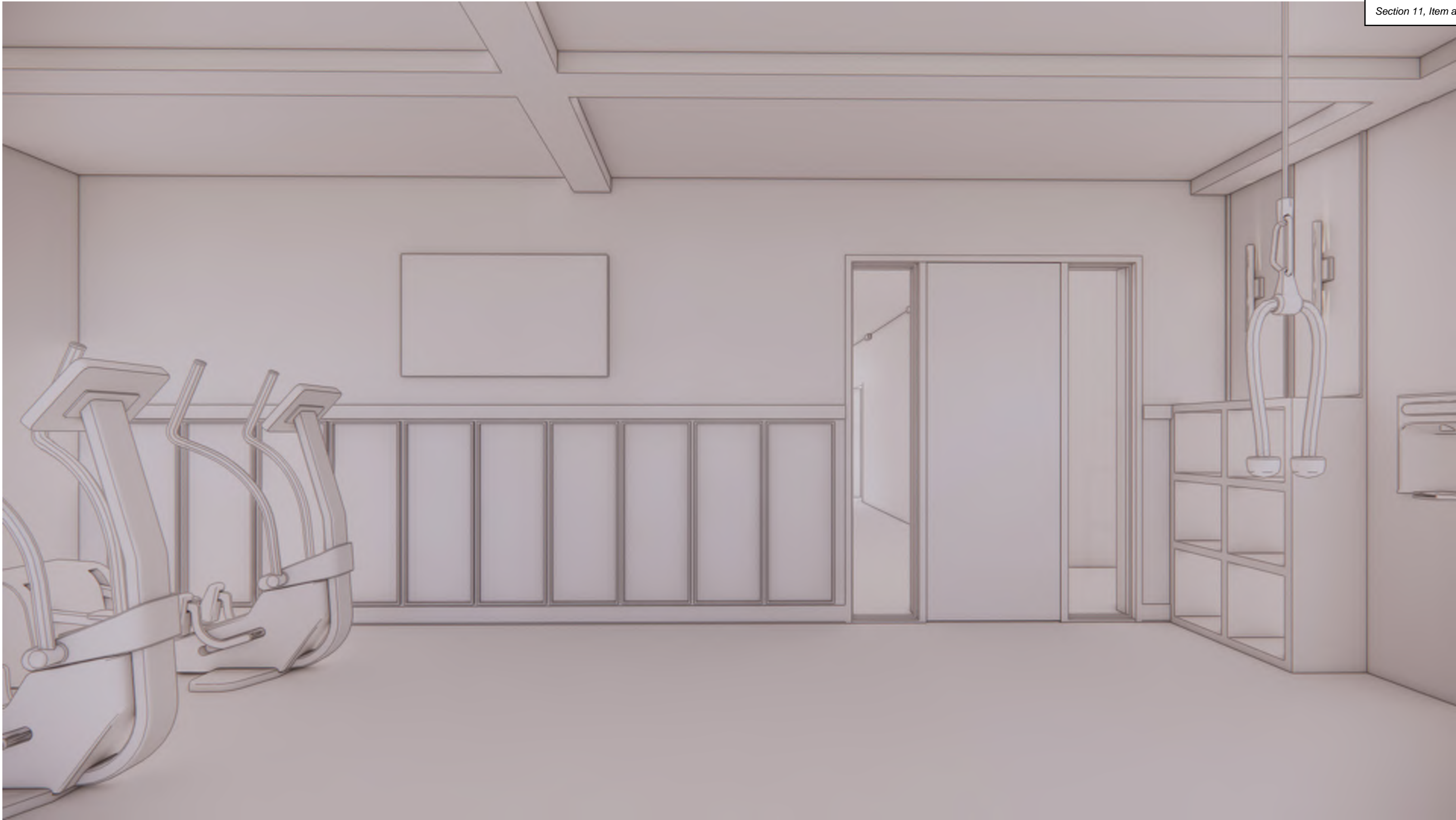
MISC.

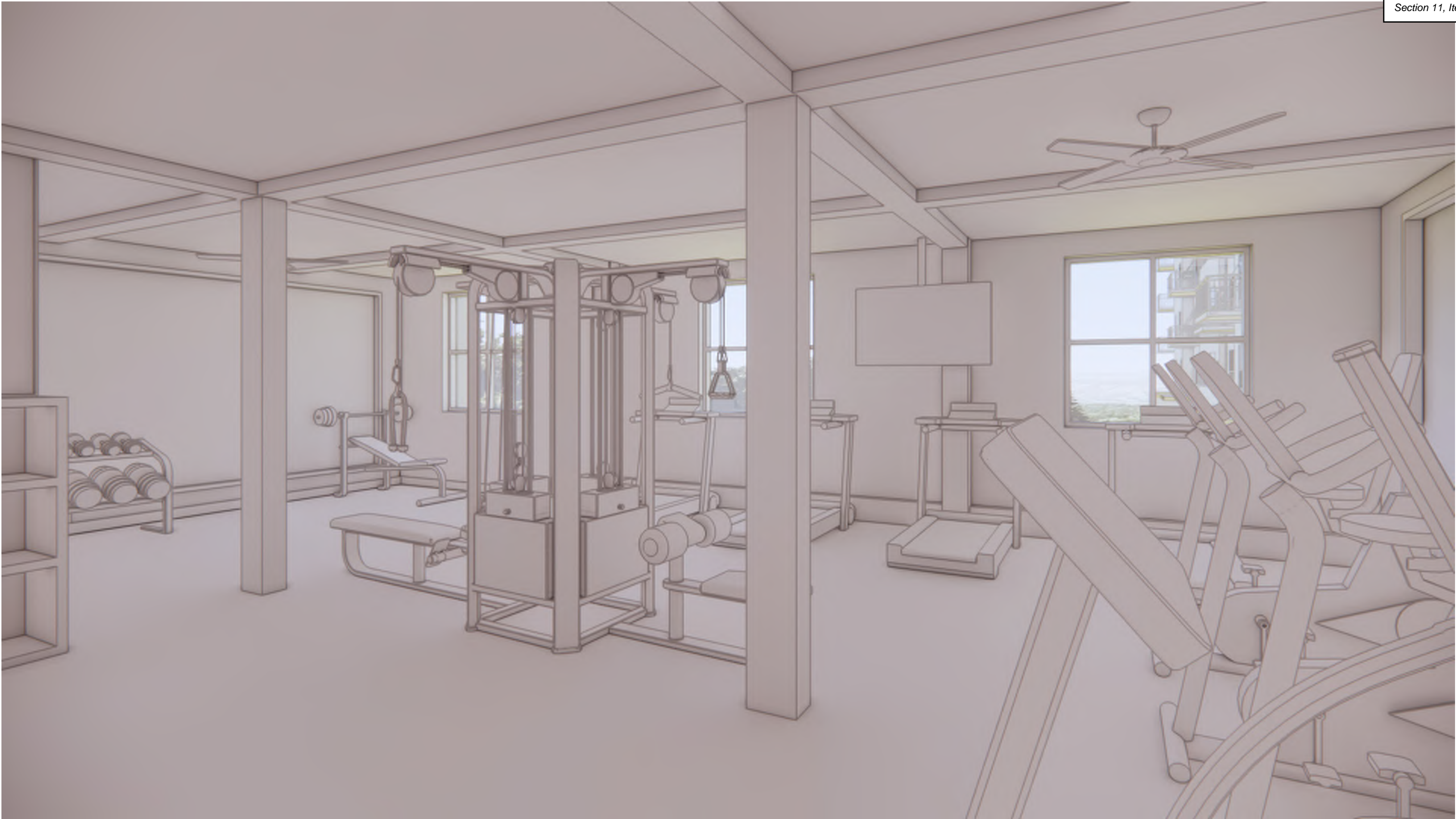
Section 11, Item a.



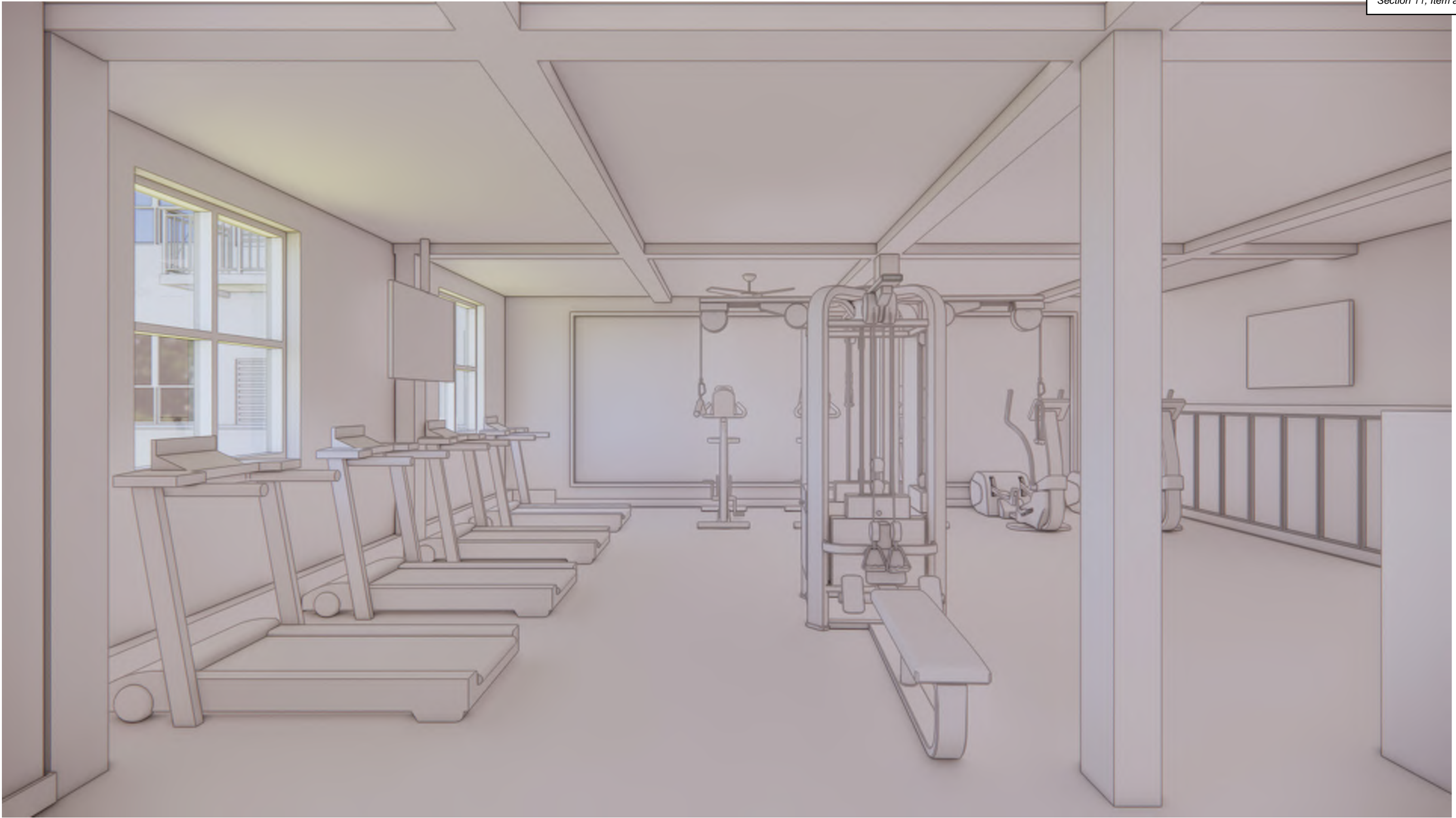




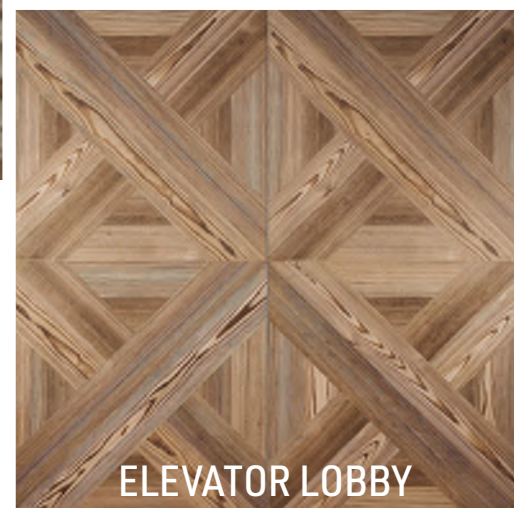
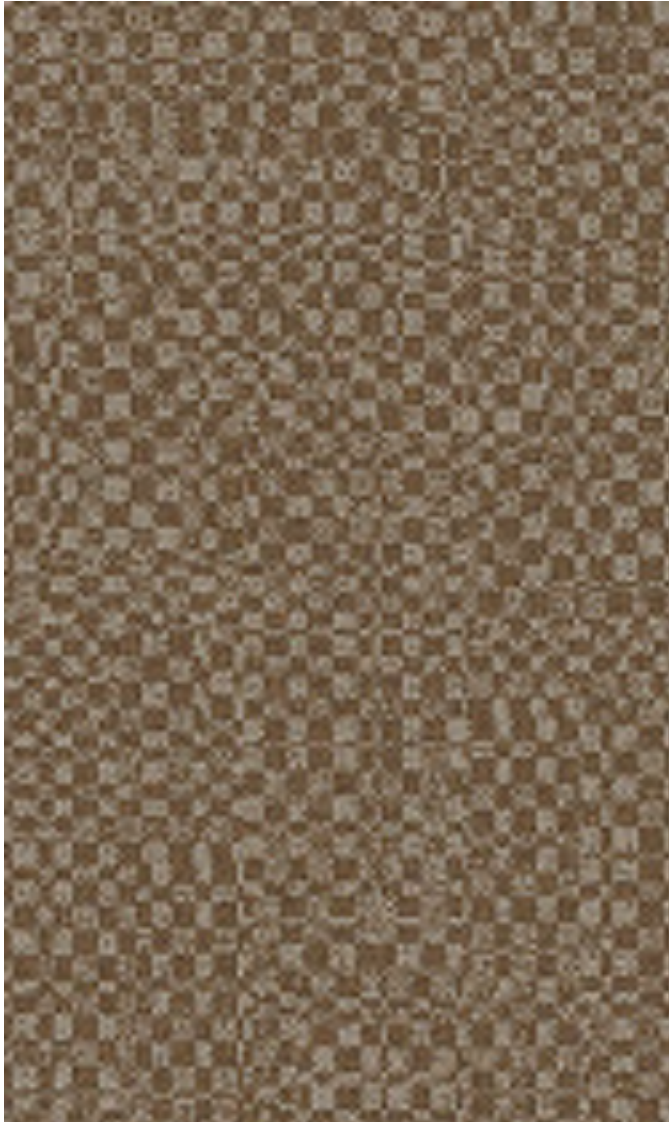








FLOORING



ELEVATOR LOBBY

WALLS



CEILING



ELEVATOR LOBBY



MISC.

Section 11, Item a.

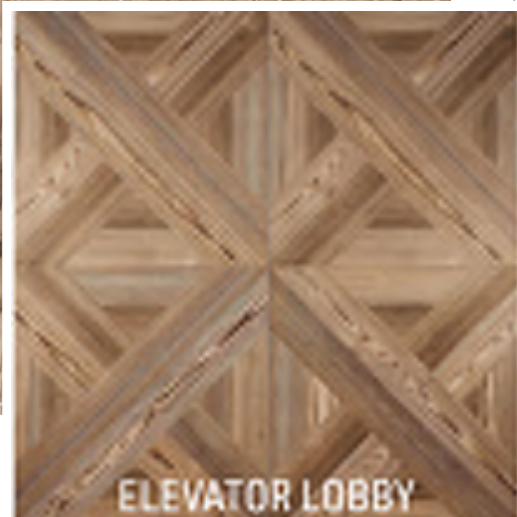




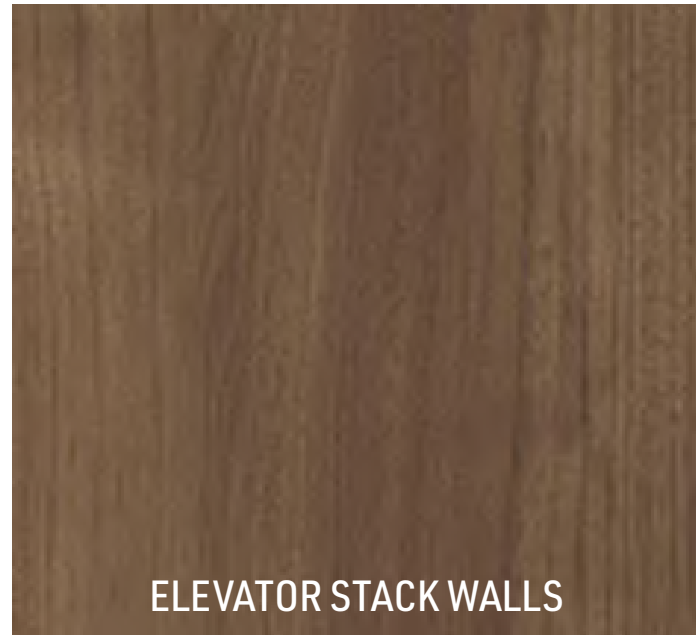




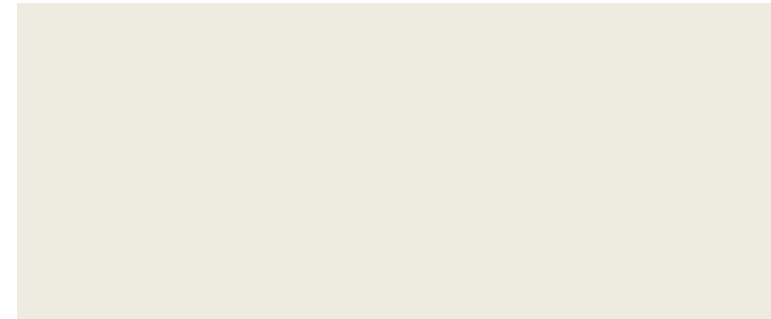
FLOORING



WALLS



CEILING



MISC.

Section 11, Item a.

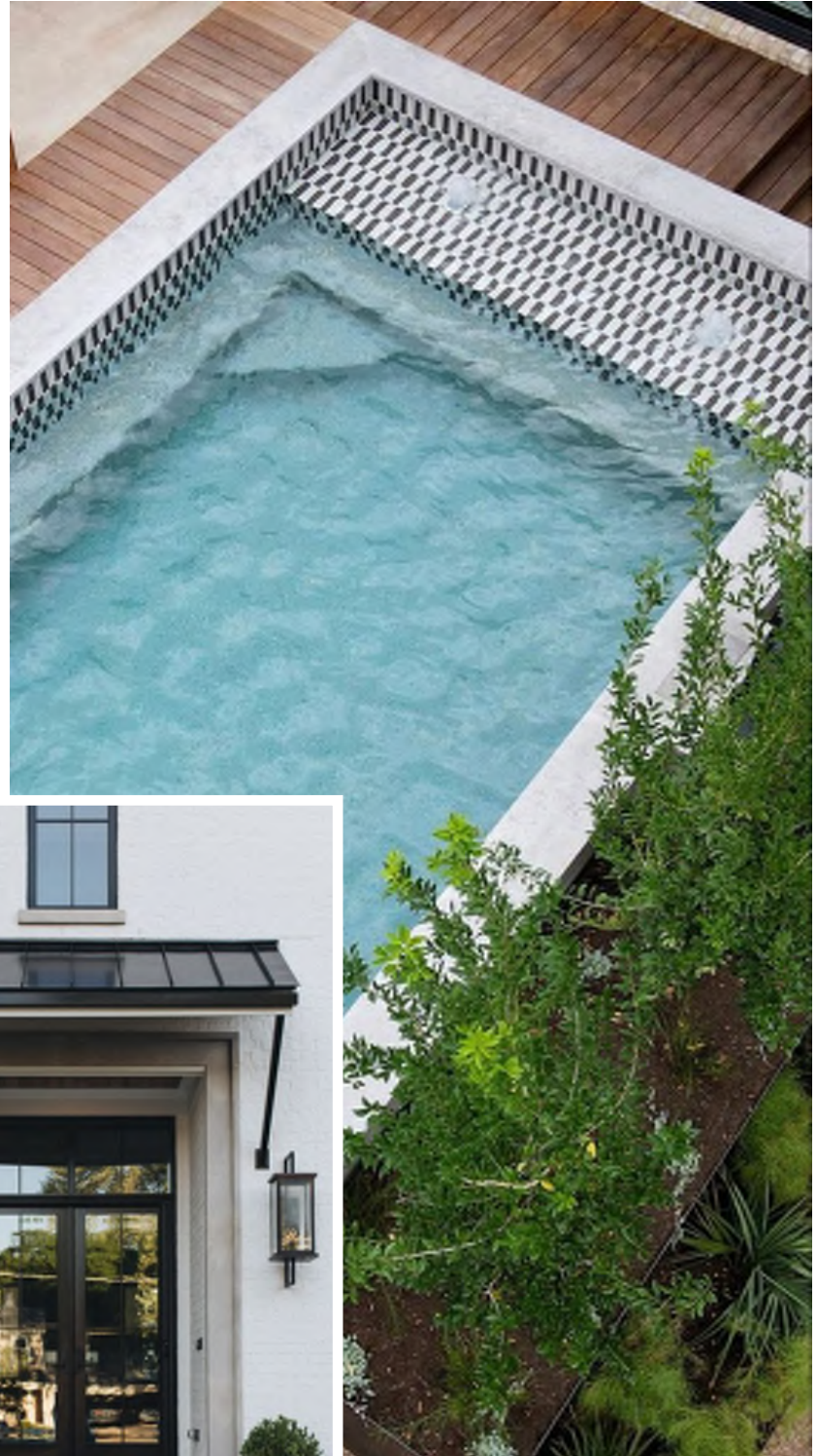


CANTINA

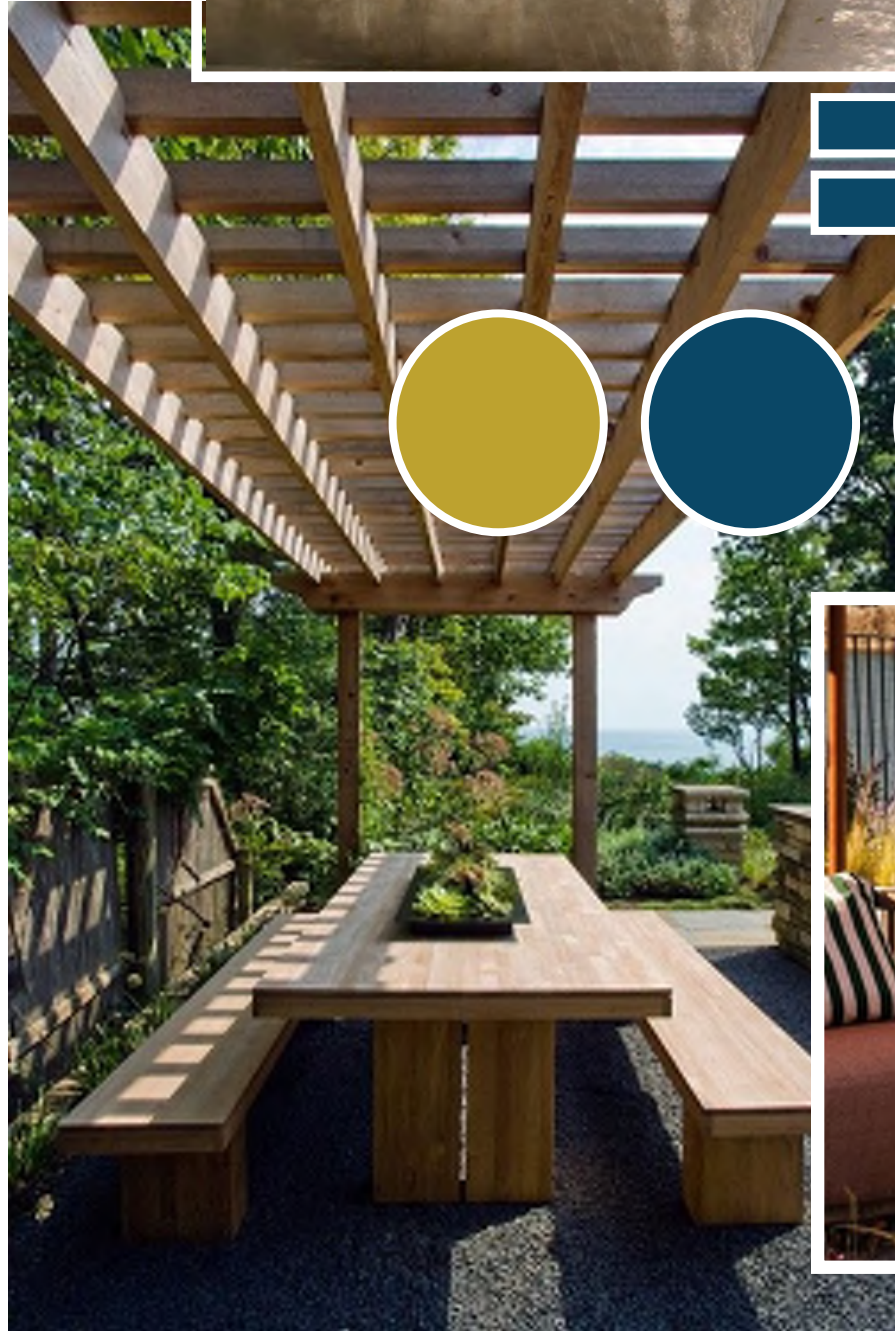
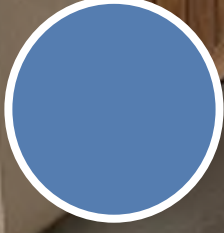








CLASSIC  
SERENE



FLOORING



WALKWAYS



GENERAL



WALLS



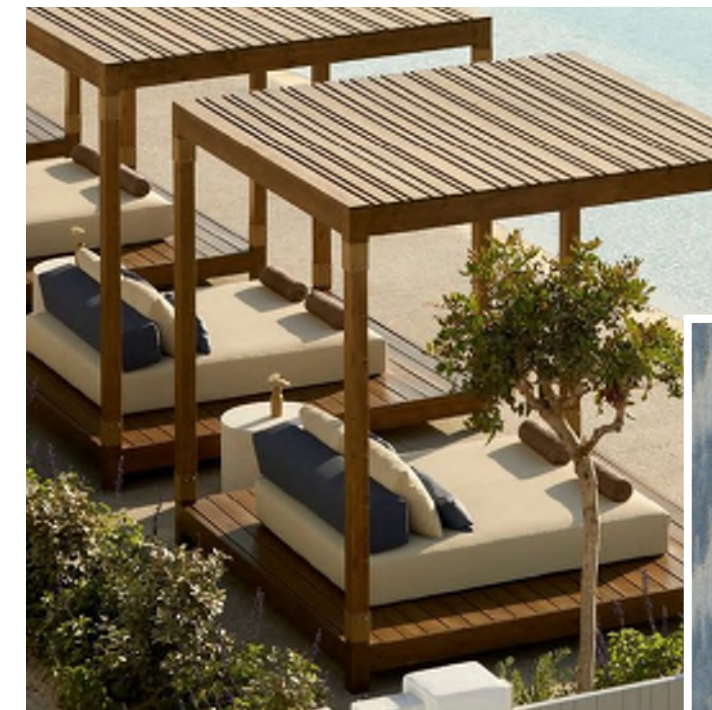
BUILT-IN PLANTERS



POOL WATER LINE

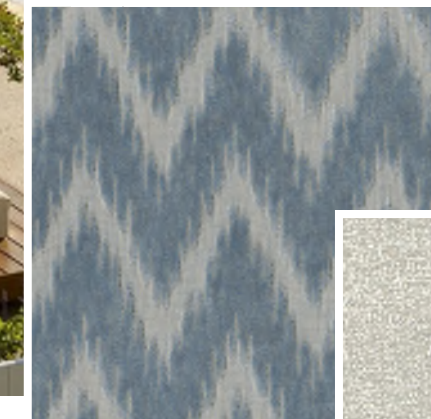


CEILING



MISC.

Section 11, Item a.



CABANA FABRICS

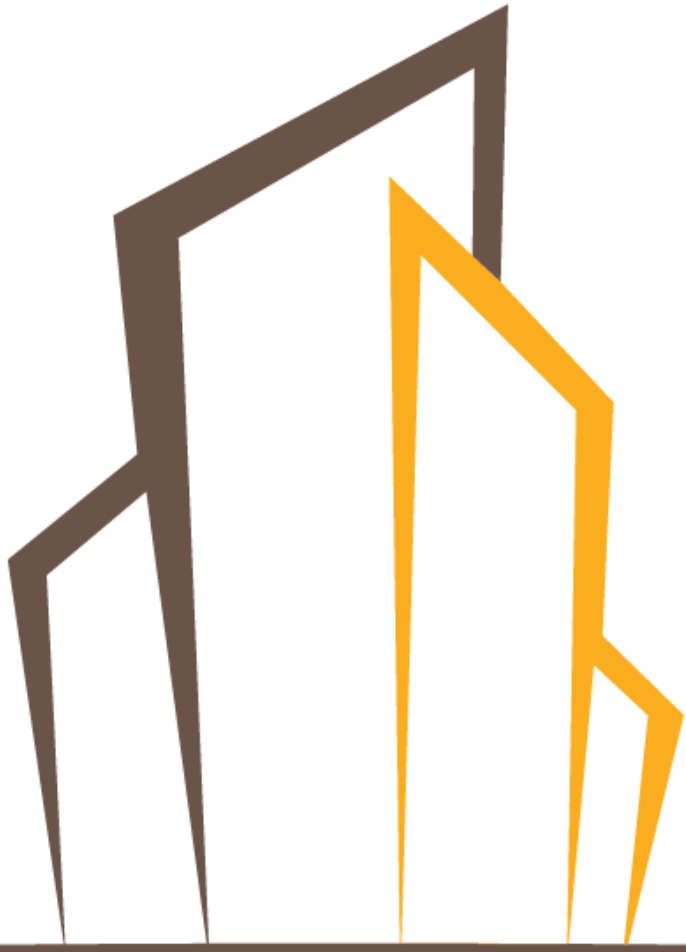


# FARMINGTON APARTMENTS



INTERIOR DESIGN - DD  
9.17.24

# DJR



# YELLOW TREE

DEVELOPER | INVESTOR | BUILDER

## COMPANY PROFILE

Let's build something together



# By the Numbers

**YELLOW TREE** is an award-winning Minneapolis-based real estate development, construction, and property management firm, specializing in the revitalization of underutilized urban properties. With over 30 buildings and 2,300 units completed since 2018, our experienced team thrives on community-focused projects, and has invested over \$504 million in the Twin Cities.

Navigating complex urban builds is our forte. As owner, developer, manager, and builder, we guide you from project inception to occupancy, offering our unique real estate expertise. We partner with like-minded investors to develop and manage a diverse \$237 million portfolio of commercial and residential properties, all with emphasis on long-term profitability.

Our leadership team has over 100 years of combined experience, adept at managing projects of any scale. We collaborate with top architects, engineers, and subcontractors to ensure quality-focused, visually captivating commercial builds and renovations. Our specialized design-build process offers a single point of contact, which streamlines efficiency and reduces fees, resulting in faster delivery and maximized project value.

Our full-service property management department oversees 26 properties encompassing a \$330 million portfolio of housing across the Twin Cities metro area, from single family homes to large developments. Our reputation rests on tailored, responsive service delivered by our dedicated property managers and in-house maintenance techs, available 24/7, that are committed to accelerating your community's occupancy and profitability.

**30**

**New Builds**

**2,314**

**Units**

**14**

**Developments**

**237M**

**Development Portfolio**

**15**

**Remodels**

**26**

**Properties Managed**

**330M**

**Housing Portfolio**

**8**

**Awards Received**

## LEADERSHIP TEAM



**Bryan Walters**  
**Co-Founder & Operations  
Manager**

Bryan has over 15 years of experience in executive oversight of the company's development, construction and property management divisions. He is responsible for day-to-day operations and is a member of the NAR & Minneapolis Association of Realtors.



**Robb Lubenow**  
**Co-Founder &  
Development Lead**

Robb has over 15 years of development & investment experience, and 20 years of commercial construction experience. He focuses on strategic planning, real estate investment strategies and capital formation.



**Kirk Pennings**  
**President of Construction  
Services**

Kirk has over 20 years of experience in the construction industry and has served in leadership positions at Opus Group and Target Corp. Kirk oversees project management, field staff, client acquisition, and preconstruction efforts.



**Don Brown**  
**President of Property  
Management**

Don joined Yellow Tree in 2019 after building the foundations as the Vice President of Residential Management for Doran. With over 20 years of experience, he provides senior leadership, asset management and operational oversight for YTPM.



**Vishal Dutt**  
**Development Partner**

Vishal Dutt joined the Yellow Tree team in 2023, taking a key role in shaping and implementing Yellow Tree's development business strategy. His responsibilities include identifying new investment prospects and sourcing project debt and equity.



**Tiffany Lavigne**  
**Financial Controller**

Tiffany Lavigne joined Yellow Tree in 2023 as the Financial Controller. She is responsible for all accounting matters of Yellow Tree Construction, Yellow Tree Development, and Yellow Tree Property Management.

# PROJECT LIST

New Developments	Units	Year Built
The Central*	49	2018
The Whit*	74	2018
Jax*	65	2019
Nico East*	147	2019
MN46	54	2020
Overland*	63	2020
Odie*	67	2020
29 Bryant*	91	2020
Kolo	41	2020
Lumos*	74	2021
Nox*	84	2021
Alexander*	77	2021
Sawyer	49	2021
Verso	29	2021
Aubrey	47	2022
Cityline	102	2022
Deco265	100	2022
Midline*	156	2022
Nico West*	126	2022
The Abbey*	126	2022
Marshall St Townhomes	7	2022
Wakpada	126	2022
Volo at TexaTonka	111	2023
1000 Main St	49	2023
Huck	83	2023
Juliette*	113	2023
Akin	204	2023
Farmington*	185	2025
Peltier Reserve*	242	2025
*Yellow Tree Developments Total:	<b>2741</b>	

Remodels	Year Built
The Arrive Clubhouse	2017
Jackalope Tattoo	2018
Blair Apartment Common Areas	2018
FIT (Grand St Commons)	2018
Grizzly's Pizza	2019
Riverside Adult Day Center	2019
Colonial Villa Clubhouse Addition	2020
1836 Daycare	2021
Dela Beauty Supply	2021
Dela's Beauty Supply Expansion	2022
The Hair Creative	2022
Thompson Exteriors Office	2023
Jackalope Tattoo Expansion	2023
Avalon Cove Clubhouse	2023
Sunset Trail Clubhouse	2023

# FEATURED PROJECTS

Section 11, Item a.





## Awards

MN Real Estate Journal 2024 Suburban Multifamily West: <i>Volo at TexaTonka</i>
MN Real Estate Journal 2024 Urban Multifamily Minneapolis South: <i>Akin</i>
CoStar's 2023 Impact Award: <i>The Abbey</i>
Finance & Commerce Top Projects of 2022: <i>The Abbey</i>
Finance & Commerce Top Projects of 2022: <i>Wakpada Apartments</i>
CoStar's 2022 Multifamily Development of the Year: <i>The Abbey</i>
2023 Minneapolis Preservation Award: <i>The Abbey</i>
MADACS: YTPM - 2022 Top Maintenance Supervisor
MADACS: YTCS - 2021 Best Innovation
Real Estate Journal 2021 Multifamily Finalist: <i>Kolo</i>
Real Estate Journal 2021 Multifamily Finalist: <i>MN46</i>
Real Estate Journal 2021 Multifamily Finalist: <i>Odie</i>
Finance & Commerce Top 2020 Projects: <i>Kolo Apartments</i>

**‘The company’s full range of in-house capabilities gives it an edge in a time of rising prices and supply chain glitches, Lubenow said. “Being fully integrated is important, so we can see those issues early on and have time to adapt.”’**

**- The POWER 30: Developers 2022, Finance & Commerce Dec. 22, 2022**

## Publications

<i>Top Projects of 2022</i> , Finance & Commerce
<i>Notable Projects Finished in 2022</i> , Finance & Commerce
<i>The POWER 30: Developers 2022</i> , Finance & Commerce
<i>New Housing Pitched near 50<sup>th</sup> &amp; France</i> , Finance & Commerce
<i>The POWER 30: Developers 2021</i> , Finance & Commerce
<i>Historic Mansion at Project’s Core</i> , Finance & Commerce
<i>YT Acquires Land for Uptown Apartments</i> , Finance & Commerce
<i>Paster, Yellow Tree Team Up</i> , Finance & Commerce
<i>Developer Say Eased Parking Rules Foster Building Boom</i> , Finance & Commerce
<i>Q&amp;A with Yellow Tree Co-Found Robb Lubenow</i> , Finance & Commerce
<i>Developer Yellow Tree Takes Root Near Blue Line</i> , Finance & Commerce
<i>Here’s the Macro View on Micro Apartment Trend</i> , Finance & Commerce
<i>Yellow Tree sells vintage apartments After Major Rehab</i> , Finance & Commerce
<i>Four More Apartment Projects Pitched for Minneapolis</i> , Finance & Commerce

**“Yellow Tree’s commitment to excellence, unwavering professionalism, and attention to detail have made my construction experience truly outstanding. From the initial consultation to the final nail, Yellow Tree demonstrated a level of expertise that surpassed my expectations. Their team of skilled professionals exhibited a rare combination of efficiency and precision, turning our vision into a reality. I wholeheartedly recommend Yellow Tree to anyone seeking a construction partner. Their professionalism, expertise, and client-centric approach set them apart in the industry. Working with them has been a pleasure, and I am grateful for the exceptional service they provided.”**

**- Daniel Perkins, Perkins Levin Real Estate Development**

**“It’s been a pleasure to work with Yellow Tree throughout each phase of the construction process. Their development expertise is incredibly valuable, they offer open and clear communication in providing solutions to unexpected issues, and they deliver a quality product on a timeline. In an industry where integrity and honesty are so critically important to the end results, it’s clear that Yellow Tree upholds these values within all levels of the company. I look forward to working with Yellow Tree on more projects in the future. “**

**- Chad Tepley, President of CDT Realty Corporation**



For more information on Yellow Tree,  
please visit our website:

[YellowTreeCorp.com](http://YellowTreeCorp.com)

## CONTACT US

**Main Office**  
**(612) 275-7210**

**Office Address**  
**1834 E 38<sup>th</sup> St, Minneapolis, MN 55407**

**Bryan Walters**  
**(612) 432-1947**

**Kirk Pennings**  
**(612) 718-1934**

**Robb Lubenow**  
**(612) 600-0062**

**Don Brown**  
**(651) 270-6005**



## Awards

- CoStar's 2023 Impact Award; The Abbey
- Finance & Commerce Top Projects of 2022: The Abbey
- CoStar's 2022 Multifamily Development of the Year; The Abbey
- 2023 Minneapolis Preservation Award; The Abbey
- MADACS 2022 YTPM - Top Maintenance Supervisor
- MADACS 2021 YTCS - Best Innovation
- Top 2022 Projects; Wapakada Apartments
- Top 2020 Projects; Kolo Apartments
- Real Estate Journal Multifamily Finalist - Kolo
- Real Estate Journal Multifamily Finalist - MN46
- Real Estate Journal Multifamily Finalist - Odie

## Publications

- Top Projects of 2022 Finance & Commerce - July 21, 2023
- Notable Projects Finished in 2022, Finance & Commerce - July 21, 2023
- The POWER 30: Developers 2022, Finance & Commerce - Dec 22, 2022
- New Housing Pitched near 50<sup>th</sup> & France, Finance & Commerce - Mar 18, 2022
- The POWER 30: Developers 2021, Finance & Commerce - Dec 22, 2021
- Historic Mansion at Project's Core, Finance & Commerce - Oct. 21, 2020
- YT Acquires Land for Uptown Apartments, Finance & Commerce - June 25, 2020
- Paster, Yellow Tree Team Up, Finance & Commerce - March 9, 2020
- Developer Say Eased Parking Rules Foster Building Boom, Finance & Commerce - May, 2019
- Q&A: Yellow Tree Co-Found Robb Lubenow envisions a smaller apartment, Finance & Commerce - June 7, 2019
- Developer Yellow Tree Takes Root Near Blue Line, Finance & Commerce - Oct. 9, 2018
- Here's the Macro View on Micro Apartment Trend, Finance & Commerce - Aug. 27, 2018
- Yellow Tree sells vintage apartments After Major Rehab, Finance & Commerce - Sep. 15, 2017
- Four More Apartment Projects Pitched for Minneapolis, Finance & Commerce - June 27, 2017





118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

---

---

**MEMORANDUM**

---

---

**TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
**CC:** JOSHUA M. TETZLAFF, CITY ADMINISTRATOR  
**FROM:** KEN ONDICH – PLANNING / COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** APPROVE SALE OF LOT 5, BLOCK 2, NEW PRAGUE BUSINESS PARK  
11<sup>TH</sup> ADDITION TO Q FIVE PROPERTIES, LLC (QUALITY FLOW)  
**DATE:** NOVEMBER 13, 2024

---

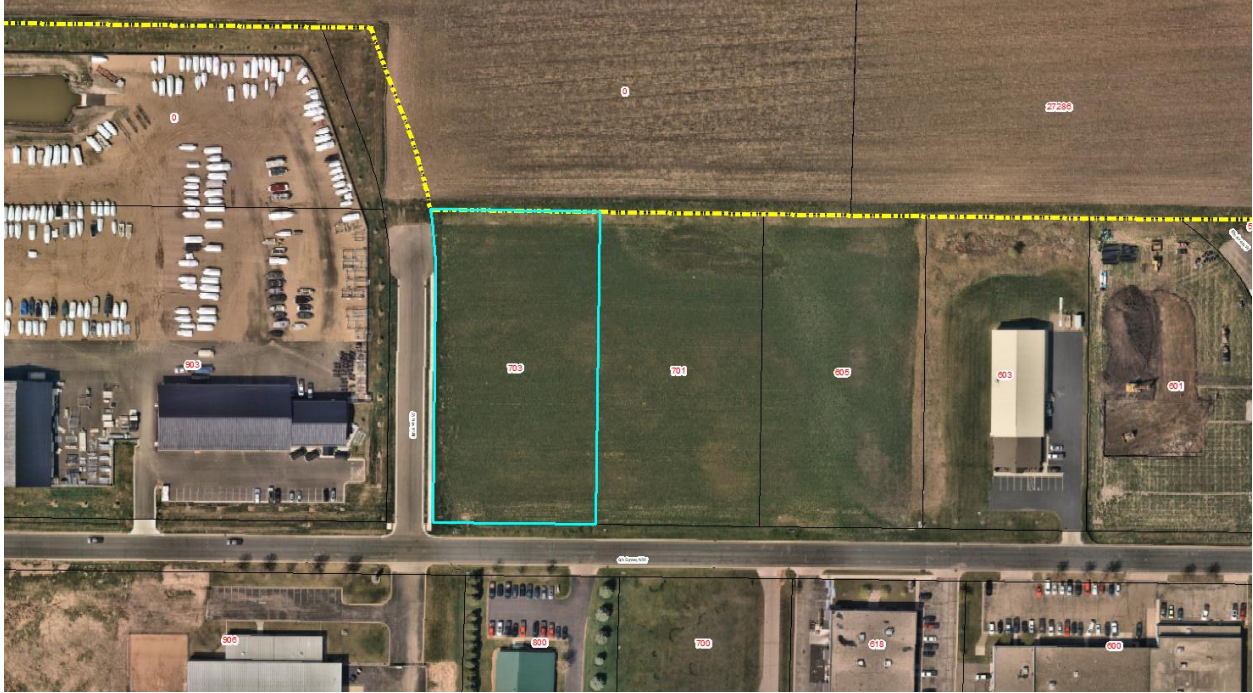
On November 13th, 2024, the New Prague EDA held a public hearing regarding the sale of one EDA owned industrial park lot to Q Five Properties, LLC (Quality Flow). During the public hearing no public comments were received, and the EDA approved Resolution No. 2024 – No. 1 titled “Approving Sale of Land and Purchase and Development Agreement...”.

The action taken by the EDA must be approved by the City Council per the EDA’s Enabling Resolution. City Attorney Scott Riggs drafted the attached resolution for the City Council’s consideration to approve the actions taken by the EDA on November 13th.

Attached are the memo, resolution and purchase and development agreement reviewed by the EDA.

**Staff Recommendation**

Approve the attached resolution titled “...Approving Certain Actions by the New Prague Economic Development Authority”.



Lot 5, Block 2 – 1.98 Acres Total

RESOLUTION NO. 24-11-18-02

**RESOLUTION APPROVING CERTAIN ACTIONS BY THE  
NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, the City of New Prague (“City”) is a municipal corporation organized and operating under the laws of Minnesota; and

WHEREAS, the City established the New Prague Economic Development Authority (the “Authority”) by resolution (the “Enabling Resolution”), pursuant to Minnesota Statutes, sections 469.090 to 469.1081 (the “EDA Act”); and

WHEREAS, the Enabling Resolution prohibits the Authority from selling land without the prior approval of the City; and

WHEREAS, on November 13, 2024, the Authority adopted Resolution No. 2024 – No. 1 entitled New Prague Economic Development Authority Resolution Approving Sale of Land and Purchase and Development Agreement Between the Authority and Q Five Properties, LLC (the “Authority Resolution”), subject to the required conditions of approval of the City; and

WHEREAS, the purpose of the Authority Resolution was to enter into an agreement (the “Contract”) between the Authority and Q Five Properties, LLC (the “Developer”) regarding the sale of land to the Developer and Developer’s project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of New Prague, Minnesota, as follows:

1. The sale of land by the Authority and the Contract by and among the Authority and the Developer are hereby approved.
2. The City and the Authority are further authorized to take all actions necessary or convenient to carry out the intent and purpose of this Resolution.

Adopted by the City Council of the City of New Prague, Minnesota, this 18th day of November, 2024.

\_\_\_\_\_  
Duane Jirik, Mayor

ATTEST:

\_\_\_\_\_  
Joshua M. Tetzlaff  
City Administrator



118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

---

---

**MEMORANDUM**

---

---

**TO:** EDA MEMBERS  
**CC:** JOSHUA M. TETZLAFF, CITY ADMINISTRATOR  
**FROM:** KEN ONDICH – PLANNING / COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** CONSIDER EDA SALE OF LOT 5, BLOCK 2, NEW PRAGUE BUSINESS PARK 11<sup>TH</sup> ADDITION TO Q FIVE PROPERTIES, LLC  
**DATE:** NOVEMBER 7, 2024

---

On November 13th, 2024, the New Prague EDA will be considering the sale of land owned by the EDA in the Industrial Park to Q Five Properties, LLC (Quality Flow).

Specifically, the lot to be sold is Lot 5, Block 2, New Prague Business Park 11<sup>th</sup> Addition. The lot is approximately 1.97 acres in size and is proposed to be purchased for \$184,498.38 (or \$2.15 sq. ft.) as outlined in the previously approved letter of intent from back in October 2024.

They plan to construct an approximately 6,120 sq. ft. building that includes offices and shop space. Similar to past purchase and development agreements, a provision is included that requires the building to have a 4' wainscoting along the bottom of the building where abutting a public right of way (in this case 6<sup>th</sup> Street NW and 6<sup>th</sup> Ave. NW).

A public hearing is required to be held by the EDA per M.S. 469.105 prior to the sale during the EDA meeting. Following the public hearing at 7:30AM, the EDA will need to consider adopting the attached resolution Approving Sale of Land and Purchase and Development Agreement between the EDA and Q Five Properties, LLC.

After approval of the resolution, the matter will be forwarded to the City Council for their review and approval on November 18<sup>th</sup>, 2024.

**Staff Recommendation**

Hold the required public hearing and approve the attached resolution approving the sale of land to Q Five Properties, LLC.

**RESOLUTION NO. 2024 – No. 1**

**NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION APPROVING SALE OF LAND AND PURCHASE  
AND DEVELOPMENT AGREEMENT BETWEEN THE  
AUTHORITY AND Q FIVE PROPERTIES, LLC**

**WHEREAS**, the City Council (the “Council”) of the City of New Prague (the "City") has previously established the New Prague Economic Development Authority (the "Authority") which administers economic development activities in the City; and

**WHEREAS**, the Authority owns certain property within the City legally described as set forth in Exhibit A (the “Property”); and

**WHEREAS**, the Authority has received a purchase offer and development proposal from Q Five Properties, LLC, a Minnesota limited liability company, having its principal office at 800 6th Street NW, New Prague, MN 56071 (the "Developer") for use as office, shop and warehouse space to be maintained and constructed on the Property; and

**WHEREAS**, the Developer has proposed to acquire the Property from the Authority, and in connection with that proposal the Authority has caused to be prepared a Purchase and Development Agreement between the Authority and Developer (the “Contract”) set forth in Exhibit B and incorporated herein by reference; and

**WHEREAS**, the Authority has reviewed the Contract providing for the sale of the Property and the construction of improvements to be located on the Property totaling at least \$1,000,000.00, and has concluded that the proposed sale of and improvements to the Property are consistent with and promote the goals and objectives for which the Authority was established; and

**WHEREAS**, pursuant to the Contract, the Authority agrees to convey the Property described in the Contract to the Developer for \$184,498.38, subject to certain terms and conditions; and

**WHEREAS**, the Authority has on November 13, 2024, held a public hearing pursuant to Minnesota Statutes, Section 469.105 regarding conveyance of the Property to the Developer at which all interested persons were given an opportunity to be heard; and

**WHEREAS**, the Enabling Resolution of the Authority, as amended, prohibits the Authority from selling and conveying the Property without the prior approval of the Council; and

**WHEREAS**, the Authority respectfully requests that the Council approve the land sale contemplated herein by resolution; and

**WHEREAS**, the Authority finds that conveyance of the Property to the Developer is in the public interest because it will further the objectives of the Authority and City; and

**WHEREAS**, the Authority has reviewed the Contract and finds, subject to the approval of the Council, that the execution thereof by the Authority and performance of the Authority’s obligations thereunder are in the best interest of the Authority, the City and its residents.

**NOW, THEREFORE, BE IT RESOLVED** by the Commissioners of the New Prague Economic Development Authority (the “Commissioners”) that the above-referenced recitals are incorporated herein to this Resolution.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the Commissioners that the Authority approves the conveyance of the Property to the Developer, subject to the approval of the Council and subject to satisfaction of all terms and conditions of the Contract, and authorizes and directs the President and Executive Director to execute the Contract, deed and related documents necessary to carry out such real estate transaction.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the Commissioners that subject to the approval of the Council of the sale of the Property, the Authority hereby approves the Contract, including all necessary accompanying documents or agreements included therein, in substantially the form presented to the Authority on this date, subject to modifications that do not materially alter the Authority's rights and obligations under the Contract and that are approved by the Authority's President and Executive Director, which approvals shall be conclusively evidenced by execution of the Contract.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the Commissioners that the proper Authority officials are authorized to execute the Contract and take any and all other steps necessary or convenient in order to carry out the Authority's obligations under the Contract.

**NOW, THEREFORE, BE IT FINALLY RESOLVED** by the Commissioners that Authority and City staff and consultants are hereby directed to take all appropriate action and to prepare any appropriate documents to facilitate the directives of the Authority as provided in this Resolution.

Adopted this 13<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Brent Quast, President

ATTEST:

\_\_\_\_\_  
Joshua M. Tetzlaff, Executive Director

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Lot 5, Block 2, NEW PRAGUE BUSINESS PARK 11TH ADDITION, Scott County, Minnesota.

**EXHIBIT B**  
**PURCHASE AND DEVELOPMENT AGREEMENT**  
**[Insert Purchase and Development Agreement]**



---

---

**PURCHASE AND DEVELOPMENT AGREEMENT**

**By and Between**

**NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**Q FIVE PROPERTIES, LLC**

---

---

This document drafted by:

KENNEDY & GRAVEN, CHARTERED (SJR)  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402  
(612) 337-9300

**TABLE OF CONTENTS**

**PAGE**

PREAMBLE..... 1

**ARTICLE I**

**Definitions**

Section 1.1. Definitions ..... 1  
Section 1.2. Exhibits ..... 3  
Section 1.3. Rules of Interpretation ..... 3  
Section 1.4. Incorporation of Recitals and Exhibits ..... 3

**ARTICLE II**

**Representations and Warranties**

Section 2.1. Representations by the Authority ..... 3  
Section 2.2. Representations and Warranties by the Developer ..... 4  
Section 2.3. Representations Ongoing ..... 4

**ARTICLE III**

**Conveyance of Development Property**

Section 3.1. Conveyance of the Development Property ..... 5  
Section 3.2. Condition of Title ..... 5  
Section 3.3. Financing ..... 6  
Section 3.4. Representations..... 6  
Section 3.5. Conditions Precedent to Conveyance..... 8  
Section 3.6. [Intentionally Omitted]..... 8  
Section 3.7. Closing; Delivery and Recording ..... 8  
Section 3.8. Attorney Costs..... 9

**ARTICLE IV**

**Construction of Minimum Improvements**

Section 4.1. Construction of Minimum Improvements..... 9  
Section 4.2. Construction Plans..... 10  
Section 4.3. Commencement and Completion of Construction..... 10  
Section 4.4. Certificate of Completion and Release of Forfeiture ..... 10  
Section 4.5. Reconstruction of Improvements ..... 11

PAGE

ARTICLE V

Insurance

Section 5.1.	Required Insurance .....	11
Section 5.2	Evidence of Insurance .....	12

ARTICLE VI

Collection of Taxes

Section 6.1.	Taxes .....	13
Section 6.2.	Right to Collect Delinquent Taxes .....	14

ARTICLE VII

Prohibition Against Sale; Encumbrances; Indemnification

Section 7.1.	Prohibition Against Sale of Minimum Improvements.....	41
Section 7.2.	Limitation Upon Encumbrance of Development Property .....	14
Section 7.3.	Release and Indemnification Covenants .....	15

ARTICLE VIII

Events of Default

Section 8.1.	Events of Default Defined.....	16
Section 8.2.	Remedies on Default .....	16
Section 8.3.	Revesting Interest in the Authority Upon Happening of Event of Default Subsequent to Conveyance to Developer.....	17
Section 8.4	Resale of Reacquired Development Property; Disposition of Proceeds .....	18
Section 8.5.	No Remedy Exclusive .....	19
Section 8.6.	No Additional Waiver Implied by One Waiver.....	19

ARTICLE IX

Additional Provisions

Section 9.1.	Conflict of Interests; Representatives Not Individually Liable .....	19
Section 9.2.	Equal Employment Opportunity .....	19
Section 9.3.	Restrictions on Use.....	19
Section 9.4.	Provisions Not Merged With Deed; No Merger of Representations, Warranties ...	20
Section 9.5.	Notices and Demands .....	20
Section 9.6.	Counterparts.....	20
Section 9.7.	Disclaimer of Relationships .....	20
Section 9.8.	Release of Claims .....	20
Section 9.9.	Modification and Waiver.....	21
Section 9.10.	Restrictions on Use.....	21

Section 9.11. Titles of Articles and Sections..... 21  
 Section 9.12. Attorney Fees..... 21  
 Section 9.13. Choice of Law and Venue; Interpretation..... 21  
 Section 9.14. Entire Agreement..... 21  
 Section 9.15. No Broker ..... 21  
 Section 9.16. Specific Performance..... 22  
 Section 9.17. Additional Documents..... 22

TESTIMONIUM..... 23  
 SIGNATURES .....23-24

EXHIBIT A LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY  
 EXHIBIT B FORM OF QUIT CLAIM DEED  
 EXHIBIT C LIST OF PRELIMINARY PLAN DOCUMENTS  
 EXHIBIT D FORM OF CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE

**PURCHASE AND DEVELOPMENT AGREEMENT**

THIS AGREEMENT, made this \_\_\_\_\_ day of November, 2024, by and between the New Prague Economic Development Authority, a public body corporate and politic under the laws of Minnesota, having its principal office at 118 Central Avenue North, New Prague, MN 56071 (the “Authority”) and Q Five Properties, LLC, a Minnesota limited liability company, having its principal office at 800 6<sup>th</sup> Street NW, New Prague, MN 56071 (the “Developer”).

WITNESSETH:

WHEREAS, the Authority believes that the sale and development of land pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of New Prague and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements has been undertaken.

NOW, THEREFORE, in consideration of the covenants and the mutual obligations contained herein, the Authority and the Developer hereby covenant and agree with the other as follows:

**ARTICLE I**

**Definitions**

Section 1.1. Definitions. In this Agreement, the following terms shall have the meanings given unless a different meaning clearly appears from the context:

“Act” means the Authority Development Districts Act, Minnesota Statutes, sections 469.124 through 469.134, as amended.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the New Prague Economic Development Authority.

“Certificate of Completion and Release of Forfeiture” means the certificate, in the form contained in Exhibit D attached hereto, which will be provided to the Developer pursuant to Article IV of this Agreement.

“City” means the city of New Prague, a municipal corporation under the laws of Minnesota.

“Construction Plans” means the final plans for construction of the Minimum Improvements to be submitted by the Developer and approved by the Authority.

“County” means Scott County, Minnesota.

“Date of Closing” means the date set forth in Section 3.7 of this Agreement or the actual date upon which the conveyance of the Development Property closes.

“Developer” means Q Five Properties, LLC, a Minnesota limited liability company.

“Development Property” means the real property upon which the Minimum Improvements will be constructed, which property is legally described in Exhibit A attached hereto.

“Development Property Deed” means the quit claim deed in the form attached hereto as Exhibit B, by which the Authority will convey the Development Property to the Developer.

“EDA Act” or “Economic Development Authority Act” means Minnesota Statutes, sections 469.090 through 469.1081, as amended.

“Event of Default” means an action by the Developer or the Authority listed in Article IX of this Agreement.

“Minimum Improvements” means devoting the Development Property to its intended use and construction of approximately a 6,120 square foot building and facilities for use as office, shop and warehouse space, as identified and set forth in Exhibit C and constructed in accordance with the Construction Plans submitted to and approved by the Authority. After completion of the Minimum Improvements, the term shall mean the Development Property as improved by the Minimum Improvements.

“Minimum Market Value” means a market value for real estate tax purposes of at least \$1,000,000.00 with respect to the Development Property and Minimum Improvements as of January 1, 2026, for taxes payable beginning in 2027.

“Preliminary Plans” means, collectively, the plans, drawings and specifications for the construction of the Minimum Improvements which are listed on Exhibit C attached hereto.

“Sale” means any sale, conveyance, lease, exchange, forfeiture, or other transfer of the Developer's interest in the Minimum Improvements or the Development Property, whether voluntary or involuntary. A mortgage used to finance the purchase of the Development Property is excluded as a Sale.

“State” means the state of Minnesota.

“Termination Date” means one year from the Date of Closing or the date of the Certificate of Completion issued by the Authority, whichever comes first.

“Unavoidable Delays” means delays which are the direct result of unanticipated adverse weather conditions; strikes or other labor troubles; fire or other casualty to the Minimum Improvements; litigation commenced by third parties which, by injunction or other similar judicial

action, directly results in delays; or, except those of the Authority reasonably contemplated by this Agreement, any acts or omissions of any federal, State or local governmental unit which directly result in delays in construction of the Minimum Improvements.

“Use” means the Developer devoting the Development Property to its intended use, with such use including, but not limited to, a 6,120 square foot building and facilities for use as office, shop and warehouse space, or to any or all lawful business operations, with applicable or appropriate licenses obtained, if needed.

Section 1.2. Exhibits. The following exhibits are attached to and by reference made a part of this Agreement:

- Exhibit A. Legal description of the Development Property
- Exhibit B. Form of Quit Claim Deed
- Exhibit C. List of Preliminary Plan Documents
- Exhibit D. Form of Certificate of Completion and Release of Forfeiture

Section 1.3. Rules of Interpretation. (a) This Agreement shall be interpreted in accordance with and governed by the laws of Minnesota.

(b) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 1.4. Incorporation of Recitals and Exhibits. The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

**ARTICLE II**

**Representations and Warranties**

Section 2.1. Representations by the Authority. The Authority makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Authority is a public body corporate and politic under the laws of Minnesota. The Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The persons executing this Agreement and related agreements and documents on behalf of the Authority have the authority to do so and to bind the Authority by their actions.

(c) The Authority has received no notice or communication from any local, State or federal official that the activities of the Developer or the Authority in the Development District may be or will be in violation of any environmental law or regulation. The Authority is aware of no facts the existence of which would cause it to be in violation of any local, State or federal environmental law, regulation or review procedure.

Section 2.2. Representations and Warranties by the Developer. The Developer makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Developer is a Minnesota corporation, duly organized and in good standing under the laws of Minnesota and is not in violation of any provisions of its articles of incorporation or by-laws. The Developer has the power to enter into this Agreement and carry out its obligations hereunder. The persons executing this Agreement and related agreements and documents on behalf of the Developer have the authority to do so and to bind the Developer by their actions.

(b) In the event the Development Property is conveyed to the Developer, the Developer, or assigns, will construct, operate and maintain the Minimum Improvements on the Development Property in substantial accordance with the terms of this Agreement, the Construction Plans and all local, State and federal laws and regulations, including, but not limited to, environmental, zoning, building code and public health laws regulations.

(c) The Developer will apply for and use its best efforts to obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, the requirements of all applicable local, State and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed or used for their intended purpose.

(d) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions or any restriction or any evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(e) The Developer represents that there is no business subsidy provided by the Authority because the Developer is purchasing the Development Property at fair market value.

Section 2.3. Representations Ongoing. The representations and warranties set forth in this Article II shall be continuing and shall be true and correct as of the Date of Closing with the same force and effect as if made at that time. All such representations and warranties shall survive closing and shall not be merged in the delivery and execution of the deed or other instruments of conveyance called for in this Agreement.



**ARTICLE III**

**Conveyance of Development Property**

Section 3.1. Conveyance of the Development Property. In order to facilitate the financial feasibility of the development of the Development Property and in consideration of the Developer's fulfillment of its covenants and obligations under this Agreement to construct the Minimum Improvements, and subject to the conditions precedent to closing outlined in Section 3.5 and the contingencies to Closing outlined in Section 3.6 of this Agreement, the Authority agrees to sell the Development Property to the Developer for One Hundred Eighty-Four Thousand, Four Hundred Ninety-Eight and 38/100 dollars (\$184,498.38).

The Developer has paid to the Authority on or before November 18th, 2024, earnest money in the amount of \$10,000.00 which shall be credited to the Developer at the time of closing. The Authority agrees to convey title and possession of the Development Property to the Developer by quit claim deed in the form attached hereto as Exhibit B. The conveyance of the Development Property and the Developer's use of the Development Property shall be subject to all of the conditions, covenants, restrictions and limitations imposed by this Agreement and the Development Property Deed. The conveyance of title to the Development Property and the Developer's use of the Development Property shall also be subject to the building and zoning laws and ordinances and all other City, State and federal laws and regulation, easements and rights of way.

Section 3.2. Condition of Title. Within fourteen (14) days of the date of this Agreement, the Authority agrees to submit to the Developer a commitment for title insurance regarding the Development Property. The Developer shall have twenty (20) days after delivery of the commitment to examine same and to make any objections concerning the condition of title regarding the Development Property. Objections to the condition of title shall be made in writing and addressed to the Authority. Failure on the part of the Developer to make objections within twenty (20) days shall constitute a waiver of same and of the Developer's right to object to the condition of title. If the Developer provides written objections to title, the Authority shall have forty-five (45) days thereafter to cure the defects cited by the Developer or to inform the Developer in writing that the Authority cannot or will not cure said defects. If there are no defects in title to which the Developer objects in writing or the Developer fails to object in a timely manner or if the Authority cures the defects within the prescribed period, the parties will proceed to closing. If there are defects in title to which the Developer has objected in a timely manner and which the Authority cannot or will not cure, the Developer may terminate this Agreement at its option within ten (10) days of notice from the Authority of its inability or unwillingness to cure. The Authority shall have no obligation to cure any defects in the title of the Development Property. If the Developer chooses to terminate this Agreement pursuant to this Section 3.2, the Developer agrees to execute a quit claim deed regarding the Development Property in favor of the Authority and the Authority shall refund to the Developer all earnest money and deposits received. Thereafter the parties shall have no further obligation towards one another with regard to this Agreement or the Development Property. The Developer may also choose to proceed to closing on the Development Property and take title subject to the defect. Notwithstanding any other provision herein to the contrary, if the Developer proceeds to closing within less than the time periods set forth herein for receipt of a commitment for title insurance and objection to title defects, such action shall be deemed to be a

waiver by the Developer of its right to examine and object to the condition of title of the Development Property.

Section. 3.3. Financing. Before conveyance of the Development Property by the Authority, the Developer agrees to submit to the Authority evidence of a commitment for financing which is adequate, in the Authority’s sole opinion, for the construction of the Minimum Improvements. If the Authority finds that the financing complies with the terms of this Section 3.3 and is sufficiently committed and adequate in amount to provide for the construction of the Minimum Improvements, the Authority shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld. If the Authority rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection and the Developer shall have 30 days thereafter to submit a commitment for additional or alternate financing acceptable to the Authority. If the Developer fails to submit a commitment for financing acceptable to the Authority within said period of time or any additional period to which the Authority may agree, the Authority may notify the Developer of its failure to comply with the requirement of this Section 3.3 and may terminate this Agreement at its sole discretion.

Section 3.4. Representations.

(a) The Authority makes the following representations and disclosures regarding the Development Property:

1. The Authority has conducted a Phase I environmental study regarding the Development Property. Such report is available to the Developer upon request.
2. The Authority has conducted a geotechnical survey of the Development Property. Such report is available to the Developer upon request.
3. The Authority has conducted a wetland delineation of the Development Property. Such report is available to the Developer upon request.
4. The Authority has conducted a topographical survey of the Development Property. Such report is available to the Developer upon request.
5. The Authority represents that six (6) inch water and eight (8) inch sanitary sewer hook-ups exist or are available to the Development Property.
6. The Authority represents that primary electric distribution infrastructure is installed and is available to the Development Property.
7. The Authority represents that it will be constructing storm sewer service facilities across the northern edge of the Development Property for hook-up by the Developer.
8. The Authority represents that it has surveyed and platted the Development Property. The plat of NEW PRAGUE BUSINESS PARK 11<sup>TH</sup> ADDITION identifying the property lines for the Development Property is available to the Developer upon

request.

The Developer has 30 days to review the documents noted above in this Section 3.4(a) and to make any objections, or any objections shall be deemed waived.

(b) Other than as represented herein by the Authority, the Developer acknowledges that the Authority makes no representations or warranties as to the condition of the soils on the Development Property or its fitness for its intended use and for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property.

(c) After execution of this Agreement and within thirty (30) days thereafter, the Developer may notify the Authority of its desire to undertake tests and inspections of the Development Property regarding the presence of pollution, contamination or hazardous substances on the Development Property and the suitability of the soils for the Developer's intended purposes. The Developer, and person or persons selected by Developer shall be permitted access to the Development Property for the purpose of conducting such studies and investigations of the Development Property as Developer deems appropriate, which studies and investigations shall be conducted at Developer's sole expense and pursuant to any other terms and conditions of this Agreement. Developer agrees to indemnify the Authority against any liability, cost or expense incurred by the Authority as a result of Developer's actions, including but not limited to fines, court costs, reasonable attorneys' fees and remedial costs. Such studies may include without limitation, physically inspecting the Development Property, conducting soil tests, and reviewing the Authority's records concerning the Development Property which records shall be made reasonably available to Developer within ten (10) days after execution of this Agreement, including prior studies, investigations and surveys, if any, in the Authority's possession.

(d) Other than as represented herein by the Authority, the Developer acquires the Development Property "as is." After execution of this Agreement and within thirty (30) days thereafter, the Developer may notify the Authority of its desire to undertake tests and inspections of the Development Property regarding the presence of pollution, contamination or hazardous substances on the Development Property and the suitability of the soils for the Developer's intended purposes, which studies and investigations shall be conducted at Developer's sole expense and pursuant to any other terms and conditions of this Agreement. In the event that the Developer, following such tests and inspections, determines in its sole judgment that the condition of the Development Property is unsuitable for its intended use and for construction of the Minimum Improvements, the Developer may terminate this Agreement and return the Development Property to its condition prior to undertaking such tests and inspections. Regardless of whether the Developer avails itself of the right to conduct tests and inspections on the Development Property pursuant to this Section 3.4, after closing the Authority shall have no obligation or liability to the Developer for any unsuitability with respect to the soil conditions or the presence of any pollution, contamination or hazardous substances on the Development Property. Notwithstanding any other provision herein to the contrary, if the Developer proceeds to closing within less than the period of time allowed in this Section 3.4 for testing, such action shall be deemed to be a waiver by the Developer of its right to test on the Development Property.

(e) The Authority does not know of any wells on the Development Property, and will so certify in the deed conveying the Development Property to the Developer.

Section 3.5. Conditions Precedent to Conveyance. Notwithstanding anything herein to the contrary, the Authority shall not be obligated to convey the Development Property to the Developer until the following conditions precedent have been satisfied:

(a) The Developer has submitted a commitment or other evidence of financing which is adequate, in the Authority's sole discretion, to fully finance construction of the Minimum Improvements;

(b) The Developer has submitted and the Authority has approved the Construction Plans;

(c) The Authority has held a public hearing and fulfilled all requirements of Minnesota Statutes, Section 469.105;

(d) There has been no Event of Default on the part of the Developer which has not been cured;

(e) The Authority has received approval from the City of New Prague City Council for the sale of the Development Property as contemplated in this Agreement; and

(f) All of the above condition precedents shall occur within the time frame established in Section 3.7 of this Agreement, unless extended by the Developer and the Authority. If such extension is not obtained, all earnest money and deposits shall be returned to the Developer within ten (10) days thereafter.

Section 3.6. Intentionally Omitted.

Section 3.7. Closing; Delivery and Recording. (a) Subject to the substantial satisfaction of all of the terms and conditions contained in this Agreement which must be satisfied prior to the Authority's conveyance of the Development Property to the Developer, the Authority shall execute and deliver the Development Property Deed to the Developer at closing. Closing shall occur on the Date of Closing which shall be the earlier of December 31st, 2024, or as soon thereafter as reasonably practicable, or as determined by the parties. The Developer shall have possession of the Development Property upon the Date of Closing. Closing shall be at the offices of the City, 118 Central Avenue North, New Prague, MN 56071 or such other location to which the parties may agree. Prior to closing, the Authority shall submit to the Developer a copy of the Development Property Deed and other closing documents for review. The Development Property Deed shall be in recordable form and shall be recorded among the County land records.

(b) On the Date of Closing, the Developer shall be responsible for and pay:

(1) the cost of recording the Development Property Deed and this Agreement;

- (2) all fees associated with obtaining the commitment for title insurance and the policy of title insurance;
  - (3) the cost of copies of all additional title documents necessary for the examination of title;
  - (4) for any documents related to or in connection with the financing of the Development Property, including but not limited to, recording fees and mortgage registration tax;
  - (5) one-half of the title company closing fees, if any; and
  - (6) all of the Developers' attorney's fees.
- (c) On the Date of Closing, the Authority shall be responsible for and pay:
- (1) transfer taxes, including State deed tax, to allow the Developer to record the Development Property Deed;
  - (2) costs of recording any instruments used to clear title encumbrances;
  - (3) one-half of the title company closing fees, if any; and
  - (4) all of the Authority's attorney's fees.
- (d) On the Date of Closing, the following costs will be paid on a pro rata basis in the year of closing between the Authority and the Developer:
- (1) utilities furnished to the Development Property; and
  - (2) real estate taxes and special assessments, if any.

Section 3.8. Attorney Costs. The Developer shall pay its own costs to prepare and review this Agreement and any other legal fees associated with the Development Property that are the responsibility of the Developer. The Authority shall pay its own costs to prepare and review this Agreement and any other legal fees associated with the Development Property that are the responsibility of the Authority.

## ARTICLE IV

### Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the Construction Plans and at all times prior to the Termination Date will devote the Development Property to its intended Use and maintain, preserve and keep the Minimum Improvements or cause

the Minimum Improvements to be maintained, preserved and kept in good repair and condition. The Developer recognizes that it is because the Developer has agreed will to devote the Development Property to its intended Use and to construct the Minimum Improvements that the Authority is willing to sell the Development Property to the Developer. The Developer acknowledges that, in addition to the requirements of this Agreement, construction of the Minimum Improvements will necessitate compliance with other reviews and approvals by the Authority and possibly other governmental agencies and review board of the Industrial Park and agrees to submit all applications for and pursue to their conclusion all other approvals needed prior to constructing the Minimum Improvements.

Section 4.2. Construction Plans. (a) Within ninety (90) days after execution of this Agreement, the Developer shall submit dated Construction Plans to the Authority. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in substantial conformity with the Preliminary Plans and this Agreement. The Authority will approve the Construction Plans if they (1) conform to the Preliminary Plans listed in Exhibit C attached hereto; (2) conform to all applicable federal, State and local laws, ordinances, rules and regulations; (3) are adequate to provide for the construction of the Minimum Improvements; (4) conform to the State building code; (5) if there has occurred no uncured Event of Default on the part of the Developer. No approval by the Authority shall relieve the Developer of the obligation to comply with the terms of this Agreement, the terms of any applicable federal, State and local laws, ordinances, rules and regulations in the construction of the Minimum Improvements. No approval by the Authority shall constitute a waiver of an Event of Default.

(b) If the Developer desires to make any change in the Construction Plans after their approval by the Authority, including any change to the design or materials of the Minimum Improvements or any other change which would also require review or reapproval under any applicable code, ordinance or regulation, the Developer shall submit the proposed change to the Authority for its approval. If the proposed change conforms to the requirements of this section 4.2 with respect to the original Construction Plans or is otherwise acceptable to the Authority, the Authority shall approve the proposed change. Such change in the Construction Plans shall be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the written notice of such change from the Developer.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements no later than thirty (30) days from the Date of Closing. Subject to Unavoidable Delays, the Developer shall have substantially completed the construction of the Minimum Improvements no later than twelve (12) months from the Date of Closing. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans. The Developer shall make such reports to the Authority regarding construction of the Minimum Improvements as the Authority deems necessary or helpful in order to monitor progress on construction of the Minimum Improvements.

Section 4.4. Certificate of Completion and Release of Forfeiture. (a) After substantial completion of the Minimum Improvements in accordance with the Construction Plans and all terms

of this Agreement, the Authority will furnish the Developer with a Certificate of Completion and Release of Forfeiture in the form of Exhibit D hereto. Such certification by the Authority shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement and in the Development Property Deed with respect to the obligations of the Developer to construct the Minimum Improvements and the dates for the beginning and completion thereof. The Certificate of Completion and Release of Forfeiture shall only be issued after issuance of a certificate of occupancy by the City.

(b) The Certificate of Completion and Release of Forfeiture provided for in this section 4.4 shall be in such form as will enable it to be recorded in the proper County office for the recordation of deeds and other instruments pertaining to the Development Property. If the Authority shall refuse or fail to provide such certification in accordance with the provisions of this section 4.4, the Authority shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default of a material term of this Agreement, and what measures or acts will be necessary, in the opinion of the Authority, for the Developer to take or perform in order to obtain such certification.

Section 4.5. Reconstruction of Improvements. If the Minimum Improvements are damaged or destroyed before or after completion thereof and issuance of a Certificate of Completion and Release of Forfeiture, but before the Termination Date, the Developer agrees, for itself and its successors and assigns, to reconstruct the Minimum Improvements to a value at least equal to the Minimum Market Value within one year of the date of the damage or destruction. No delay or failure by the Developer or any successor or assign to reconstruct the Minimum Improvements as required by this Section 4.5 shall alter or limit the Developer’s obligations under this Agreement, which shall remain in full force and effect until the Termination Date. The Minimum Improvements shall be reconstructed in accordance with the approved Construction Plans, or such modifications thereto as may be requested by the Developer and approved by the Authority in accordance with Section 4.2 of this Agreement. The Developer’s obligation to reconstruct the Minimum Improvements pursuant to this Section 4.5 shall end on the Termination Date.

**ARTICLE V**

**Insurance**

Section 5.1. Required Insurance. (a) The Developer agrees to provide and maintain at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the Authority, furnish the Authority with proof of payment of premiums on:

- (i) Builder's risk insurance, written on the so-called “Builder's Risk -- Completed Value Basis,” in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called “all risk” form of policy;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above - required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content reasonably satisfactory to the Authority and shall be placed with financially sound and reputable insurers licensed to transact business in Minnesota. The policy of insurance delivered pursuant to clause (i) above shall contain an agreement of the insurer to give not less than sixty (60) days' advance written notice to the Authority in the event of cancellation of such policy or change affecting the coverage thereunder.

(b) Upon completion of construction of the Minimum Improvements, and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, heating system explosion, water damage, demolition cost, debris removal, collapse and flood, in an amount not less than the full insurable replacement value of the Minimum Improvements or the Minimum Market Value, whichever is greater. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of coinsurance provisions or otherwise, without the prior consent thereto in writing by the Authority. The term "full insurable replacement value" shall mean the actual replacement cost of the Minimum Improvements and shall be determined from time to time at the request of the Authority, but not more frequently than once every three years, by an insurance consultant or insurer, selected and paid for by the Developer and approved by the Authority; and

(ii) Such other insurance, including worker's compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for worker's compensation.

Section 5.2. Evidence of Insurance. All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of Minnesota to assume the risks covered thereby. The Developer agrees to deposit annually with the Authority copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force



and effect. Unless otherwise provided in this Article V, each policy shall contain a provision that the insurer shall not cancel nor materially modify it without giving written notice to the Developer and the Authority at least sixty (60) days before the cancellation or modification becomes effective (ten (10) days for non-payment of premium). Not less than fifteen (15) days prior to the expiration of any policy, the Developer shall furnish the Authority evidence satisfactory to the Authority that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V, or that there is no necessity therefor under the terms of this Agreement. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

**ARTICLE VI**

**Collection of Taxes**

Section 6.1. Taxes. The Developer agrees that prior to the Termination Date: (1) it will not seek administrative or judicial review of the applicability of any tax statute determined by any Tax Official to be applicable to the Minimum Improvements or the Development Property or raise the inapplicability of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; (2) it will not seek administrative or judicial review of the constitutionality of any tax statute determined by any Tax Official to be applicable to the Minimum Improvements or the Development Property or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; (3) it will not cause a reduction in the Minimum Market Value paid in respect of the Minimum Improvements through:

- (a) willful destruction of the Minimum Improvements or any part thereof;
- (b) willful refusal to reconstruct damaged or destroyed property pursuant to section 4.5 of this Agreement;
- (c) a request to the County assessor to reduce the Minimum Market Value of all or any portion of the Minimum Improvements;
- (d) a petition to the board of equalization of the County to reduce the Minimum Market Value of all or any portion of the Development Property;
- (e) a petition to the board of equalization of the State or the commissioner of revenue of the State to reduce the Minimum Market Value of all or any portion of the Development Property;
- (f) an action in a district court of the State or the tax court of the State seeking a reduction in the Minimum Market Value of the Development Property;
- (g) an application to the commissioner of revenue of the State or to any local taxing jurisdiction requesting an abatement of real property taxes;

(h) any other proceedings, whether administrative, legal or equitable, with any administrative body within the County or the State or with any court of the State or the federal government; or

(i) a transfer of the Development Property or Minimum Improvements, or any part thereof, to an entity exempt from the payment of real property taxes under State law.

The Developer shall not, prior to the Termination Date, apply for a deferral of property tax on the Development Property or the Minimum Improvements.

Section 6.2. Right to Collect Delinquent Taxes. The Developer understands that the real estate taxes on the Development Property and the Minimum Improvements must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that the Developer is also obligated at all times prior to the Termination Date by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that at all times prior to the Termination Date this obligation creates a contractual right on behalf of the Authority to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the Authority shall also be entitled to recover its reasonable out-of-pocket costs, expenses and attorney fees.

## ARTICLE VII

### **Prohibition Against Sale; Encumbrances; Indemnification**

Section 7.1. Prohibition Against Sale of Minimum Improvements. The Developer represents and agrees that its use of the Development Property and its other undertakings pursuant to the Agreement, are, and will be, for the purpose of development of the Development Property and not for speculation in land holding. The Developer further recognizes that in view of the importance of the construction of the Minimum Improvements on the Development Property to the general welfare of New Prague, the fact that any act or transaction involving or resulting in a significant change in the identity of the Developer is of particular concern to the Authority. The Developer further recognizes that it is because of such qualifications and identity that the Authority is entering into the Agreement with the Developer, and, in so doing, is further willing to accept and rely on the obligations of the Developer for the faithful performance of all undertakings and covenants hereby by it to be performed. For the foregoing reasons, the Developer represents and agrees that, prior to the issuance of the Certificate of Completion and Release of Forfeiture, there shall be no Sale of the Development Property or the Minimum Improvements by the Developer nor shall the Developer suffer any such Sale to be made, without the prior written approval of the Authority.

Section 7.2. Limitation Upon Encumbrance of Development Property. Prior to the issuance of the Certificate of Completion and Release of Forfeiture, the Developer agrees not to engage in any financing creating any mortgage or other encumbrance or lien upon the Development Property or the Minimum Improvements, whether by express agreement or operation of law, or suffer any

encumbrance or lien to be made on or attached to the Development Property or the Minimum Improvements, other than the liens or encumbrances directly and solely related to the purchase of the Development Property and the construction of the Minimum Improvements and approved by the Authority, which approval shall not be withheld or delayed unreasonably if the Authority determines that such lien or encumbrance will not threaten its security in the Development Property or the Minimum Improvements.

Section 7.3. Release and Indemnification Covenants. (a) Except for any misrepresentation or any willful or wanton misconduct or negligence of the Authority or the governing body members, officers, agents, servants, consultants and employees thereof (the “Indemnified Parties”), and except for any breach by the Indemnified Parties of their representative’s obligations under this Agreement, the Indemnified Parties shall not be liable for and the Developer shall indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person (collectively, the “Claim”) occurring at or about or resulting from any defect in the portion of the Development Property or the Minimum Improvements owned by Developer at the time the Claim occurred.

(b) Except for any misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their representative’s obligations under this Agreement, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising from the acquisition, construction, installation, ownership, maintenance and operation of the Development Property or the Minimum Improvements (collectively, the “Claim”); provided, however, notwithstanding the foregoing, the Developer’s indemnification and hold harmless shall apply only with regard to the portion of the Development Property or Minimum Improvements owned by the Developer at the time the Claim occurred.

(c) Except for any misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their representations and obligations under this Agreement, the Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements (collectively, the “Claims”) owned by the Developer at the time of the Claim.

(d) All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of such entities and not of any governing body member, officer, agent, servant or employee of such entities in the individual capacity thereof.

**ARTICLE VIII**

**Events of Default**

Section 8.1. Events of Default Defined. Each and every one of the following shall be an Event of Default under this Agreement:

- (a) Failure by the Authority or the Developer to proceed to closing on the Development Property after compliance with or the occurrence of all conditions precedent to closing;
- (b) Failure by the Developer to commence and complete construction of the Minimum Improvements pursuant to the terms, conditions and limitations of Article IV of this Agreement, including the timing thereof, unless such failure is caused by an Unavoidable Delay;
- (c) Failure by the Developer to pay real estate taxes or special assessments on the Development Property and Minimum Improvements as they become due;
- (d) Appeal or challenge by the Developer or any party on its behalf of the Minimum Market Value prior to the Termination Date;
- (e) Use by the Developer or others of the Minimum Improvements for purposes other than those contemplated and permitted by this Agreement, including failure to comply with Sections 9.3 and 9.10 of this Agreement;
- (f) Transfer or Sale of the Development Property or the Minimum Improvements or any part thereof by the Developer in violation of Sections 6.1 or 7.1 of this Agreement and without the prior written permission by the Authority;
- (g) If the Developer shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors or shall consent to the appointment of a receiver; or
- (h) Failure by either party to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or the Assessment Agreement.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 of this Agreement occurs, the non-defaulting party may take any one or more of the following actions after providing 30 days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within 30 days, the defaulting party does not provide assurances to the non-defaulting party reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under this Agreement, including refusing to close on the Development Property, until it receives assurances from the defaulting party, deemed adequate by

the non-defaulting party, that the defaulting party will cure its default and continue its performance under this Agreement;

(b) Terminate or rescind this Agreement;

(c) If the default occurs prior to completion of the Minimum Improvements, the Authority may withhold the Certificate of Completion and Release of Forfeiture;

(d) If the default occurs prior to issuance of the Certificate of Completion and Release of Forfeiture, revert title in the name of the Authority pursuant to Section 8.3 of this Agreement;

(e) Take whatever action, including legal or administrative action, which may appear necessary or desirable to the non-defaulting party to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the defaulting party under this Agreement; and

(f) If the Developer's default occurs prior to the Date of Closing, the Authority may retain any and all earnest money paid by the Developer pursuant to Section 3.1 of this Agreement.

Section 8.3. Revesting Interest in the Authority Upon Happening of Event of Default Subsequent to Conveyance to Developer. Pursuant to the requirements of Minnesota Statutes, Section 469.105, subd. 6, in the event that subsequent to conveyance of the Development Property to the Developer and prior to the issuance of a Certificate of Completion and Release of Forfeiture for the Minimum Improvements:

(a) the Developer, subject to Unavoidable Delays, fails to begin construction of the Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within 30 days after written notice from the Authority to the Developer to do so; or

(b) subject to Unavoidable Delays, the Developer, after commencement of the construction of the Minimum Improvements, fails to carry out its obligations with respect to the completion of construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within 30 days after written demand from the Authority to the Developer to do so; or

(c) the Developer shall fail to pay real estate taxes or assessments on the Development Property when due, or shall place thereon any encumbrance or lien unauthorized by this Agreement, or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Authority made for such payment, removal, or discharge, within 30 days after written demand by the Authority to do so or such longer period, not to exceed 60 days, as may reasonably be necessary to remove said lien or encumbrance; provided, that if the Developer shall first notify the Authority of its intention to do so, it may in good faith contest any mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal, but only if the

Developer provides the Authority with a bank letter of credit or other security in the amount of the lien, in a form satisfactory to the Authority, pursuant to which the bank will pay to the Authority the amount of any lien in the event the lien is finally determined to be valid or, as an alternative to such forms of security, has made a deposit with the district court in the manner provided in Minnesota Statutes, section 514.10. During the course of such contest, the Developer shall keep the Authority informed respecting the status of such defense; or

(d) there is, in violation of Sections 6.1 or 7.1 of this Agreement, any transfer of the Development Property to an entity exempt from payment of real estate taxes or any Sale of the Development Property or the Minimum Improvements or any part thereof, and such violation shall not be cured within 30 days after written demand by the Authority to the Developer;

Then the Authority shall have the right to re-enter and take possession of the Development Property and to terminate and revest in the Authority the interest of the Developer in the Development Property; provided, however, that any exercise by the Authority of its rights or remedies hereunder shall always be subject to and limited by, and shall not defeat, render invalid or limit in any way the lien of any mortgage or other encumbrance specifically and previously authorized by the Authority in writing under this Agreement or any rights or interests provided in this Agreement for the protection of the holders of an approved encumbrance.

Section 8.4. Resale of Reacquired Development Property; Disposition of Proceeds. Upon the revesting in the Authority of title to and/or possession of the Development Property or any part thereof as provided herein, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the Development Property or part thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties (as determined by the Authority) who will assume the obligation of making or completing the Minimum Improvements or such other improvements in their stead as shall be satisfactory to the Authority in accordance with the uses specified for such Development Property or part thereof. During any time while the Authority has title to and/or possession of a parcel obtained by reverter, the Authority will not disturb the rights of any owner of any housing unit on such parcel. Upon resale of the Development Property, the proceeds thereof shall be applied:

(a) First, to reimburse the Authority for all costs and expenses incurred by them, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the Development Property (but less any income derived by the Authority from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Development Property or part thereof (or, in the event the Development Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Authority, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Authority assessing official) as would have been payable if the Development Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Development Property or part thereof at the time of revesting of title thereto in the Authority or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the Development Property or part

thereof; and any amounts otherwise owing the Authority by the Developer and its successor or transferee; and

(b) Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the amount actually invested by it in making any of the subject improvements on the Development Property or part thereof.

(c) Any balance remaining after such reimbursements shall be retained by the Authority as its property.

Section 8.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the parties is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in Article IX of this Agreement.

Section 8.6. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

**ARTICLE IX**

**Additional Provisions**

Section 9.1. Conflict of Interests; Representatives Not Individually Liable. No officer, official, or employee of the Authority shall have any personal financial interest, direct or indirect, in this Agreement, nor shall any such officer, official, or employee participate in any decision relating to the Agreement which affects his or her personal financial interests, directly or indirectly. No officer, official, or employee of the Authority shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach or for any amount which may become due or on any obligation under the terms of this Agreement.

Section 9.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in this Agreement, it will comply with all applicable equal employment and nondiscrimination laws and regulations.

Section 9.3. Restrictions on Use. The Developer, for itself and its successors and assigns, agrees to devote the Property and Minimum Improvements only to such land use or uses as may be permissible under the City's land use regulations. The Developer, for itself, its successors and

assigns, acknowledges the limitations on use of the Property and the Minimum Improvements imposed by Section 469.105 of the EDA Act and agrees to comply with such restrictions.

Section 9.4. Provisions Not Merged With Deed; No Merger of Representations, Warranties. None of the provisions, representations or warranties contained in this Agreement are intended to be merged into any instruments of conveyance delivered at closing or shall be merged by reason of delivery of the Development Property Deed, but instead shall survive closing, and the parties shall be bound accordingly. The Development Property Deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 9.5. Notices and Demands. Except as otherwise expressly provided in this Agreement, any notice, demand, or other communication under the Agreement or any related document by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified United States mail, postage prepaid, return receipt requested, or delivered personally to:

- (a) in the case of the Authority: 118 Central Avenue North  
New Prague MN 56071  
Attn: Executive Director
- (b) in the case of the Developer: Q Five Properties, LLC  
800 6<sup>th</sup> Street NW  
New Prague, MN 56071  
Attn: Patrick G. Malay

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section 9.5.

Section 9.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.7. Disclaimer of Relationships. The Developer acknowledges that nothing contained in this Agreement nor any act by the Authority or the Developer shall be deemed or construed by the Developer or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the Authority and the Developer.

Section 9.8. Release of Claims. The Developer and the Developer’s attorneys, agents, employees, former employees, insurers, heirs, administrators, representatives, successors and assigns, hereby releases and forever discharges the Authority, and its attorneys, agents, representatives, employees, former employees, insurers, heirs, executors and assigns of and from any and all past, present or future claims, demands, obligations, actions or causes of action, at law or in equity, whether arising by statute, common law or otherwise, and for all claims for damages, of whatever kind or nature, and for all claims for attorneys' fees, and costs and expenses, including but not limited to all claims of any kind arising out of the negotiation, Developer consideration, execution and performance of this Agreement between the parties.



Nothing contained in this paragraph 9.8. is intended to prevent the exercise of any rights available pursuant to this Agreement.

Section 9.9. Modification and Waiver. No purported amendment, modification or waiver of any provision of this Agreement shall be binding unless set forth in a written document signed by both the Authority and the Developer (in the case of amendments or modifications) or by the party to be charged thereby (in the case of waivers). Any waiver shall be limited to the circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term of this Agreement or of the same circumstance or event upon any recurrence thereof.

Section 9.10. Restrictions on Use. The Developer agrees that prior to the issuance of the Certificate of Completion and Release of Forfeiture, the Developer and its successors and assigns: (a) shall use the Development Property solely for the purpose of constructing and operating the Minimum Improvements pursuant to the terms of this Agreement and as defined by the definition of Use as set forth in this Agreement; (b) shall not discriminate upon the basis of race, color, creed, sex, national origin, or any other classification prohibited by law in the lease, rental, use or occupancy of any portion of the Minimum Improvements on the Development Property or any improvements erected or to be erected thereon, or any part thereof; and (c) shall otherwise comply with the restrictions on use set forth in this Agreement.

Section 9.11. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.12. Attorney Fees. Whenever any Event of Default occurs and if the Authority shall employ attorneys or incur other expenses for the collection of payments due or to become due, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten days of written demand by the Authority, pay to the Authority the reasonable fees of such attorneys and such other expenses so incurred by the Authority.

Section 9.13. Choice of Law and Venue; Interpretation. This Agreement shall be governed by, enforced and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 9.14. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Agreement. This Agreement may be modified, amended, terminated, or waived, in whole or in part, only by a writing signed by all of the parties.

Section 9.15. No Broker. The Authority represents that it has not engaged any real estate broker in connection with the sale of the Development Property. The Developer has engaged the

services of a broker in connection with the sale of the Development Property and the Developer will be solely responsible for the costs of such broker and shall defend, indemnify and hold the Authority harmless from any claims of such broker.

Section 9.16. Specific Performance. This Agreement may be specifically enforced by the parties, provided that any action for specific enforcement is brought within six months after the date of the alleged breach. This paragraph is not intended to create an exclusive remedy for breach of this Agreement; the parties reserve all other remedies available at law or in equity.

Section 9.17. Additional Documents. The Authority and the Developer agree to cooperate with the other and their representatives regarding any reasonable requests made subsequent to the execution of this Agreement to correct any clerical errors in this Agreement and to provide any and all additional documentation deemed necessary by either party to effectuate the transaction contemplated by this Agreement.

IN WITNESS WHEREOF, the Authority and the Developer have caused this Agreement to be duly executed in their names and behalves on or as of the date first above written.

**AUTHORITY:**

**NEW PRAGUE ECONOMIC  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Brent Quast  
President

By: \_\_\_\_\_  
Joshua M. Tetzlaff  
Executive Director

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF SCOTT        )

The foregoing instrument as acknowledged before me this \_\_\_\_\_ day of November, 2024, by Brent Quast and Joshua M. Tetzlaff, President and Executive Director, respectively, of the New Prague Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the New Prague Economic Development Authority.

\_\_\_\_\_  
Notary Public

**DEVELOPER:**

**Q FIVE PROPERTIES, LLC**

By: \_\_\_\_\_  
Patrick G. Malay  
Its: Chief Executive Officer

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was executed this \_\_\_\_ day of November, 2024, by Patrick G. Malay, the Chief Executive Officer of Q Five Properties, LLC, a Minnesota limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**  
**LEGAL DESCRIPTION**

The Development Property is located in Scott County, Minnesota, and is legally described as:

Lot 5, Block 2, NEW PRAGUE BUSINESS PARK 11TH ADDITION, Scott County, Minnesota.

**EXHIBIT B**

**FORM OF QUIT CLAIM DEED**

STATE DEED TAX DUE HEREON: \$ \_\_\_\_\_

Date: \_\_\_\_\_, 2024.

THIS INDENTURE, between the New Prague Economic Development Authority, a public body corporate and politic, under the laws of the State of Minnesota, Grantor, and Q Five Properties, LLC, a Minnesota limited liability company, Grantee.

WITNESSETH, that the Grantor, in consideration of the sum of One Hundred Eighty-Four Thousand, Four Hundred Ninety-Eight and 38/100 dollars (\$184,498.38) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant, bargain, quit claim and convey to the Grantee, its successors and assigns, forever, all of the tract or parcel of land lying and being in the County of Scott and State of Minnesota described as follows:

Lot 5, Block 2, NEW PRAGUE BUSINESS PARK 11TH ADDITION, Scott County, Minnesota.

To have and to hold the same, together with all hereditaments and appurtenances thereunto belonging or in any way appertaining, to the Grantee, its successors and assigns, forever. Subject to and together with, however, the provisions of the Permitted Encumbrances described and referred to in Exhibit A attached hereto and incorporated herein by reference, including, without limitation, the right of the Grantor upon the happening of an Event of Default under that certain Purchase and Development Agreement between Grantor and Grantee dated as of November \_\_\_\_\_, 2024, to re-enter and take possession of the Development Property and the improvements thereon and terminate the estate and all right, title and interest of the Grantee in and to the Development Property and improvements thereon, and revert in the Grantor all right, title, estate and interest of the Grantee in the Development Property and improvements thereon, free of any lien of any mortgage and other liens, except as permitted pursuant to the provisions of the Purchase and Development Agreement.

IN WITNESS WHEREOF, the Grantor has caused this deed to be duly executed in its behalf by its president and its executive director on \_\_\_\_\_, 2024.

- The Seller certifies that the seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document.
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

NEW PRAGUE ECONOMIC DEVELOPMENT  
AUTHORITY

By: \_\_\_\_\_  
Brent Quast  
President

By: \_\_\_\_\_  
Joshua M. Tetzlaff  
Executive Director

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF SCOTT        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by Brent Quast and Joshua M. Tetzlaff, the president and executive director, respectively, of the New Prague Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the Economic Development Authority.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:  
Kennedy & Graven, Chartered (SJR)  
150 South Fifth Street, Suite 700  
Minneapolis MN 55402  
(612) 337-9300

Property Tax Statements for the Property described in this instrument should be sent to:  
Q Five Properties, LLC  
800 6th Street NW  
New Prague, MN 56071  
Attn: Patrick G. Malay

**EXHIBIT A TO  
QUIT CLAIM DEED**

Permitted Encumbrances

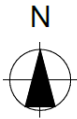
1. Taxes and installments of special assessments payable in 2024 and in subsequent years.
2. Building and zoning laws; federal, state and local laws, ordinances and regulations.
3. Easements for public streets, drainage, utilities, highways and roads now existing.
4. The terms, conditions, covenants and agreements set forth in the Purchase and Development Agreement between the Grantor and Grantee named in the Deed to which this Exhibit is attached, which Purchase and Development Agreement is hereby made a part hereof by reference thereto.
5. Mortgage used to finance the purchase of the Development Property.



### EXHIBIT C

### LIST OF PRELIMINARY PLAN DOCUMENTS

The Minimum Improvements shall be constructed in accordance with the following preliminary plan documents:

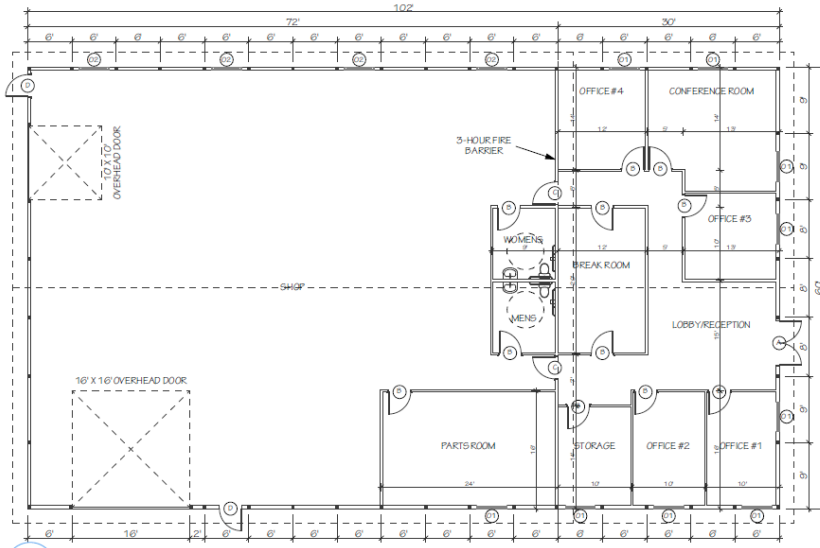


1" = 100'

© ALL DRAWINGS AND CONTENT COPYRIGHT RAM GENERAL CONTRACTING INC. CALL RAM GENERAL CONTRACTING INC. TO OBTAIN COPIES OF THIS PLAN. UNAUTHORIZED REPRODUCTION OF THESE PLANS IS A VIOLATION OF FEDERAL LAW.

514 DRAWN BY: 10/2/2024 DATE: #JAN/20/2024 SHEET: #JAN/20/2024	PROJECT NAME: G5 Properties PROJECT LOCATION: New Prague, MN 56071 BUILDING DESCRIPTION: 60'-0" X 30'-0" X 10'-0" OFFICE 60'-0" X 72'-0" X 20'-0" SHOP DESIGN NUMBER:	150 Industrial Drive Walnut Grove, MN 55089 370-482-2444 600-770-4276 www.raminc.com Construction License Number: 2018765

Section 11, Item b.



1  
A1 1st FLOOR PLAN  
SCALE: 3/32" = 1'-0"

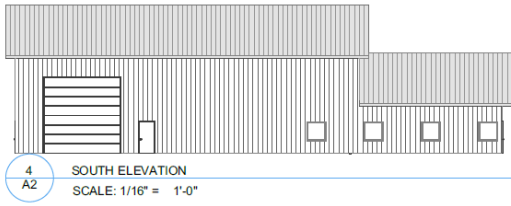
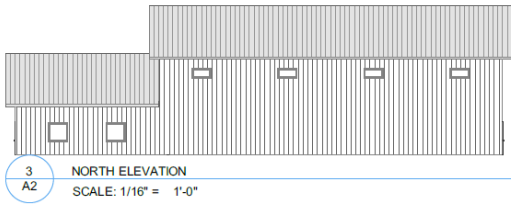
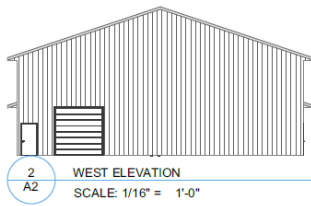
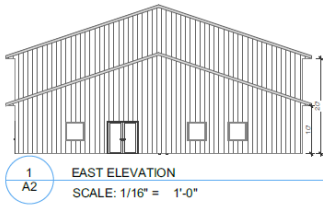
SYMBOL	1"	2"	3"	4"	5"	6"
DOOR						
FINISH	40071000000000	40071000000000	40071000000000	40071000000000	40071000000000	40071000000000

PROJECT NAME: Q5 Properties	DATE: 10/22/2024
PROJECT LOCATION: New Prague, MN 560071	SHEET: 1 OF 2
BUILDING DESCRIPTION: 60'-0" X 72'-0" X 10'-0" OFFICE	
DESIGN NUMBER: 60'-0" X 72'-0" X 10'-0" SHOP	

150 Industrial Drive Winnetka, Minnesota 55785 320-485-3444 800-714-0726 Fax: 320-485-3425 Contract License Number: 2587876	
---	--

© ALL DRAWINGS AND CONTENT COPYRIGHT RAM GENERAL CONTRACTING INC.  
CALL RAM GENERAL CONTRACTING INC. TO OBTAIN COPIES OF THIS PLAN.  
UNAUTHORIZED REPRODUCTION OF THESE PLANS IS A VIOLATION OF FEDERAL LAW.



© ALL DRAWINGS AND CONTENT COPYRIGHT RAM GENERAL CONTRACTING INC.  
CALL RAM GENERAL CONTRACTING INC. TO OBTAIN COPIES OF THIS PLAN.  
UNAUTHORIZED REPRODUCTION OF THESE PLANS IS A VIOLATION OF FEDERAL LAW.

PROJECT NAME:	0.5 Properties
PROJECT LOCATION:	New England NH 06071
BUILDING DESCRIPTION:	60'-0" X 30'-0" X 10'-0" OFFICE
DESIGN NUMBER:	60'-0" X 72'-0" X 20'-0" SHOP
DRAWN BY:	SA
DATE:	10/2/2024
SHEET:	2 OF 2

<p>18 Franklin Park Waltham, MA 02453 617-251-3333 www.ramgeneral.com Contractors License #00107819</p>
---

**EXHIBIT D**  
**FORM OF**  
**CERTIFICATE OF COMPLETION**  
**AND RELEASE OF FORFEITURE**

WHEREAS, the New Prague Economic Development Authority (the “Grantor”), by a deed recorded in the office of the County Recorder in Scott County, Minnesota, as Document No. \_\_\_\_\_, has conveyed to Q Five Properties, LLC, a Minnesota limited liability company, (the “Grantee”), the following described land in County of Scott and State of Minnesota, to-wit:

Lot 5, Block 2, NEW PRAGUE BUSINESS PARK 11TH ADDITION, Scott County, Minnesota.

and

WHEREAS, said deed was executed pursuant to that certain Purchase and Development Agreement by and between the Grantor and the Grantee dated the \_\_\_\_ day of November, 2024, and recorded in the office of the County Recorder in Scott County, Minnesota, as Document No. \_\_\_\_\_, which Purchase and Development Agreement contained certain covenants and restrictions regarding completion of the Minimum Improvements; and

WHEREAS, said Grantee has performed said covenants and conditions in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that all construction of the Minimum Improvements specified to be done and made by the Grantee has been completed and the covenants and conditions in the Purchase and Development Agreement have been performed by the Grantee therein and that the provisions for forfeiture of title and right to re-entry for breach of condition subsequent by Grantor is hereby released absolutely and forever, and the County Recorder in Scott County, Minnesota, is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions relating to completion of the Minimum Improvements.

Dated: \_\_\_\_\_, 20\_\_.

NEW PRAGUE ECONOMIC  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Brent Quast  
President

By: \_\_\_\_\_  
Joshua M. Tetzlaff  
Executive Director

D-1

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF SCOTT        )

The foregoing instrument as acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by Brent Quast and Joshua M. Tetzlaff, the president and executive director, respectively, of the New Prague Economic Development Authority, a public body corporate and politic, on behalf of the New Prague Economic Development Authority.

\_\_\_\_\_  
Notary Public



118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

---

---

**MEMORANDUM**

---

---

**TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
**CC:** JOSHUA M. TETZLAFF, CITY ADMINISTRATOR  
**FROM:** KEN ONDICH – PLANNING / COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** APPROVE SALE OF LOT 3, BLOCK 2, NEW PRAGUE BUSINESS PARK  
11<sup>TH</sup> ADDITION TO RURAL COMMUNICATIONS HOLDING COMPANY  
(BEVCOMM)  
**DATE:** NOVEMBER 13, 2024

---

---

On November 13th, 2024, the New Prague EDA held a public hearing regarding the sale of one EDA owned industrial park lot to Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm. During the public hearing no public comments were received, and the EDA approved Resolution No. 2024 – No. 2 titled “Approving Sale of Land and Purchase and Development Agreement...”.

The action taken by the EDA must be approved by the City Council per the EDA’s Enabling Resolution. City Attorney Scott Riggs drafted the attached resolution for the City Council’s consideration to approve the actions taken by the EDA on November 13th.

Attached are the memo, resolution and purchase and development agreement reviewed by the EDA.

**Staff Recommendation**

Approve the attached resolution titled “...Approving Certain Actions by the New Prague Economic Development Authority”.



RESOLUTION NO. 24-11-18-03

RESOLUTION APPROVING CERTAIN ACTIONS BY THE  
NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, the City of New Prague (“City”) is a municipal corporation organized and operating under the laws of Minnesota; and

WHEREAS, the City established the New Prague Economic Development Authority (the “Authority”) by resolution (the “Enabling Resolution”), pursuant to Minnesota Statutes, sections 469.090 to 469.1081 (the “EDA Act”); and

WHEREAS, the Enabling Resolution prohibits the Authority from selling land without the prior approval of the City; and

WHEREAS, on November 13, 2024, the Authority adopted Resolution No. 2024 – No. 2 entitled New Prague Economic Development Authority Resolution Approving Sale of Land and Purchase and Development Agreement Between the Authority and Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm, (the “Authority Resolution”), subject to the required conditions of approval of the City; and

WHEREAS, the purpose of the Authority Resolution was to enter into an agreement (the “Contract”) between the Authority and Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm (the “Developer”) regarding the sale of land to the Developer and Developer’s project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of New Prague, Minnesota, as follows:

1. The sale of land by the Authority and the Contract by and among the Authority and the Developer are hereby approved.
2. The City and the Authority are further authorized to take all actions necessary or convenient to carry out the intent and purpose of this Resolution.

Adopted by the City Council of the City of New Prague, Minnesota, this 18th day of November, 2024.

\_\_\_\_\_  
Duane Jirik, Mayor

ATTEST:

\_\_\_\_\_  
Joshua M. Tetzlaff  
City Administrator





118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

---

---

**MEMORANDUM**

---

---

**TO:** EDA MEMBERS  
**CC:** JOSHUA M. TETZLAFF, CITY ADMINISTRATOR  
**FROM:** KEN ONDICH – PLANNING / COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** CONSIDER EDA SALE OF LOT 3, BLOCK 2, NEW PRAGUE BUSINESS PARK 11<sup>TH</sup> ADDITION TO RURAL COMMUNICATIONS HOLDING CORPORATION  
**DATE:** NOVEMBER 7, 2024

---

On November 13th, 2024, the New Prague EDA will be considering the sale of land owned by the EDA in the Industrial Park to Rural Communications Holding Corporation (Bevcomm).

Specifically, the lot to be sold is Lot 3, Block 2, New Prague Business Park 11<sup>th</sup> Addition. The lot is approximately 1.97 acres in size and is proposed to be purchased for \$184,498.38 (or \$2.15 sq. ft.) as outlined in the previously approved letter of intent from back in October 2024.

They plan to construct an approximately 8,000 sq. ft. building that includes a small office area and shop/storage space. Similar to past purchase and development agreements, a provision is included that requires the building to have a 4’ wainscoting along the bottom of the building where abutting a public right of way (in this case 6<sup>th</sup> Street NW).

A public hearing is required to be held by the EDA per M.S. 469.105 prior to the sale during the EDA meeting. Following the public hearing at 7:30AM, the EDA will need to consider adopting the attached resolution Approving Sale of Land and Purchase and Development Agreement between the EDA and Rural Communications Holding Corporation.

After approval of the resolution, the matter will be forwarded to the City Council for their review and approval on November 18<sup>th</sup>, 2024.

**Staff Recommendation**

Hold the required public hearing and approve the attached resolution approving the sale of land to Rural Communications Holding Corporation.

**RESOLUTION NO. 2023 – No. 2**

**NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION APPROVING SALE OF LAND AND PURCHASE  
AND DEVELOPMENT AGREEMENT BETWEEN THE  
AUTHORITY AND RURAL COMMUNICATIONS HOLDING COMPANY,  
A MINNESOTA CORPORATION, DBA BEVCOMM**

**WHEREAS**, the City Council (the “Council”) of the City of New Prague (the "City") has previously established the New Prague Economic Development Authority (the "Authority") which administers economic development activities in the City; and

**WHEREAS**, the Authority owns certain property within the City legally described as set forth in Exhibit A (the “Property”); and

**WHEREAS**, the Authority has received a purchase offer and development proposal from Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm, having its principal office at 123 West 7th Street, Blue Earth, MN 56013 (the "Developer") for use as office, shop and warehouse space to be maintained and constructed on the Property; and

**WHEREAS**, the Developer has proposed to acquire the Property from the Authority, and in connection with that proposal the Authority has caused to be prepared a Purchase and Development Agreement between the Authority and Developer (the “Contract”) set forth in Exhibit B and incorporated herein by reference; and

**WHEREAS**, the Authority has reviewed the Contract providing for the sale of the Property and the construction of improvements to be located on the Property totaling at least \$1,200,000.00, and has concluded that the proposed sale of and improvements to the Property are consistent with and promote the goals and objectives for which the Authority was established; and

**WHEREAS**, pursuant to the Contract, the Authority agrees to convey the Property described in the Contract to the Developer for \$184,498.38, subject to certain terms and conditions; and

**WHEREAS**, the Authority has on November 13, 2024, held a public hearing pursuant to Minnesota Statutes, Section 469.105 regarding conveyance of the Property to the Developer at which all interested persons were given an opportunity to be heard; and

**WHEREAS**, the Enabling Resolution of the Authority, as amended, prohibits the Authority from selling and conveying the Property without the prior approval of the Council; and

**WHEREAS**, the Authority respectfully requests that the Council approve the land sale contemplated herein by resolution; and

**WHEREAS**, the Authority finds that conveyance of the Property to the Developer is in the public interest because it will further the objectives of the Authority and City; and

**WHEREAS**, the Authority has reviewed the Contract and finds, subject to the approval of the Council, that the execution thereof by the Authority and performance of the Authority’s obligations thereunder are in the best interest of the Authority, the City and its residents.

**NOW, THEREFORE, BE IT RESOLVED** by the Commissioners of the New Prague Economic Development Authority (the “Commissioners”) that the above-referenced recitals are incorporated herein to this Resolution.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the Commissioners that the Authority approves the conveyance of the Property to the Developer, subject to the approval of the Council and subject to satisfaction of all terms and conditions of the Contract, and authorizes and directs the President and Executive Director to execute the Contract, deed and related documents necessary to carry out such real estate transaction.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the Commissioners that subject to the approval of the Council of the sale of the Property, the Authority hereby approves the Contract, including all necessary accompanying documents or agreements included therein, in substantially the form presented to the Authority on this date, subject to modifications that do not materially alter the Authority's rights and obligations under the Contract and that are approved by the Authority's President and Executive Director, which approvals shall be conclusively evidenced by execution of the Contract.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the Commissioners that the proper Authority officials are authorized to execute the Contract and take any and all other steps necessary or convenient in order to carry out the Authority's obligations under the Contract.

**NOW, THEREFORE, BE IT FINALLY RESOLVED** by the Commissioners that Authority and City staff and consultants are hereby directed to take all appropriate action and to prepare any appropriate documents to facilitate the directives of the Authority as provided in this Resolution.

Adopted this 13<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Brent Quast, President

ATTEST:

\_\_\_\_\_  
Joshua M. Tetzlaff, Executive Director

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Lot 3, Block 2, NEW PRAGUE BUSINESS PARK 11<sup>TH</sup> ADDITION, Scott County, Minnesota.

**EXHIBIT B**  
**PURCHASE AND DEVELOPMENT AGREEMENT**  
**[Insert Purchase and Development Agreement]**

---

---

**PURCHASE AND DEVELOPMENT AGREEMENT**

**By and Between**

**NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**RURAL COMMUNICATIONS HOLDING CORPORATION, A MINNESOTA  
CORPORATION, DBA BEVCOMM**

---

---

This document drafted by:

KENNEDY & GRAVEN, CHARTERED (SJR)  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402  
(612) 337-9300

**TABLE OF CONTENTS**

**PAGE**

PREAMBLE..... 1

ARTICLE I

Definitions

Section 1.1. Definitions ..... 1  
Section 1.2. Exhibits ..... 3  
Section 1.3. Rules of Interpretation ..... 3  
Section 1.4. Incorporation of Recitals and Exhibits ..... 3

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the Authority ..... 3  
Section 2.2. Representations and Warranties by the Developer ..... 4  
Section 2.3. Representations Ongoing ..... 4

ARTICLE III

Conveyance of Development Property

Section 3.1. Conveyance of the Development Property ..... 5  
Section 3.2. Condition of Title ..... 5  
Section 3.3. Financing ..... 6  
Section 3.4. Representations..... 6  
Section 3.5. Conditions Precedent to Conveyance..... 8  
Section 3.6. [Intentionally Omitted]..... 8  
Section 3.7. Closing; Delivery and Recording ..... 8  
Section 3.8. Attorney Costs..... 9

ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements..... 10  
Section 4.2. Construction Plans..... 10  
Section 4.3. Commencement and Completion of Construction..... 10  
Section 4.4. Certificate of Completion and Release of Forfeiture ..... 11  
Section 4.5. Reconstruction of Improvements ..... 11

PAGE

ARTICLE V

Insurance

Section 5.1. Required Insurance ..... 12  
 Section 5.2. Evidence of Insurance ..... 13

ARTICLE VI

Collection of Taxes

Section 6.1. Taxes ..... 13  
 Section 6.2. Right to Collect Delinquent Taxes ..... 14

ARTICLE VII

Prohibition Against Sale; Encumbrances; Indemnification

Section 7.1. Prohibition Against Sale of Minimum Improvements ..... 14  
 Section 7.2. Limitation Upon Encumbrance of Development Property ..... 15  
 Section 7.3. Release and Indemnification Covenants ..... 15

ARTICLE VIII

Events of Default

Section 8.1. Events of Default Defined ..... 16  
 Section 8.2. Remedies on Default ..... 17  
 Section 8.3. Revesting Interest in the Authority Upon Happening of Event of Default  
 Subsequent to Conveyance to Developer ..... 17  
 Section 8.4. Resale of Reacquired Development Property; Disposition of Proceeds ..... 18  
 Section 8.5. No Remedy Exclusive ..... 19  
 Section 8.6. No Additional Waiver Implied by One Waiver ..... 19

ARTICLE IX

Additional Provisions

Section 9.1. Conflict of Interests; Representatives Not Individually Liable ..... 20  
 Section 9.2. Equal Employment Opportunity ..... 20  
 Section 9.3. Restrictions on Use ..... 20  
 Section 9.4. Provisions Not Merged With Deed; No Merger of Representations, Warranties ... 20  
 Section 9.5. Notices and Demands ..... 20  
 Section 9.6. Counterparts ..... 21  
 Section 9.7. Disclaimer of Relationships ..... 21  
 Section 9.8. Release of Claims ..... 21  
 Section 9.9. Modification and Waiver ..... 21  
 Section 9.10. Restrictions on Use ..... 21



Section 9.11. Titles of Articles and Sections..... 21  
 Section 9.12. Attorney Fees..... 22  
 Section 9.13. Choice of Law and Venue; Interpretation..... 22  
 Section 9.14. Entire Agreement..... 22  
 Section 9.15. No Broker ..... 22  
 Section 9.16. Specific Performance..... 22  
 Section 9.17. Additional Documents..... 22

TESTIMONIUM..... 23  
 SIGNATURES .....23-24

EXHIBIT A LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY  
 EXHIBIT B FORM OF QUIT CLAIM DEED  
 EXHIBIT C LIST OF PRELIMINARY PLAN DOCUMENTS  
 EXHIBIT D FORM OF CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE

**PURCHASE AND DEVELOPMENT AGREEMENT**

THIS AGREEMENT, made this \_\_\_\_\_ day of November, 2024, by and between the New Prague Economic Development Authority, a public body corporate and politic under the laws of Minnesota, having its principal office at 118 Central Avenue North, New Prague, MN 56071 (the “Authority”) and Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm, having its principal office at 123 West 7<sup>th</sup> Street, Blue Earth, MN 56013 (the “Developer”).

WITNESSETH:

WHEREAS, the Authority believes that the sale and development of land pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of New Prague and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements has been undertaken.

NOW, THEREFORE, in consideration of the covenants and the mutual obligations contained herein, the Authority and the Developer hereby covenant and agree with the other as follows:

**ARTICLE I**

**Definitions**

Section 1.1. Definitions. In this Agreement, the following terms shall have the meanings given unless a different meaning clearly appears from the context:

“Act” means the Authority Development Districts Act, Minnesota Statutes, sections 469.124 through 469.134, as amended.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the New Prague Economic Development Authority.

“Certificate of Completion and Release of Forfeiture” means the certificate, in the form contained in Exhibit D attached hereto, which will be provided to the Developer pursuant to Article IV of this Agreement.

“City” means the city of New Prague, a municipal corporation under the laws of Minnesota.

“Construction Plans” means the final plans for construction of the Minimum Improvements to be submitted by the Developer and approved by the Authority.

“County” means Scott County, Minnesota.

“Date of Closing” means the date set forth in Section 3.7 of this Agreement or the actual date upon which the conveyance of the Development Property closes.

“Developer” means Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm.

“Development Property” means the real property upon which the Minimum Improvements will be constructed, which property is legally described in Exhibit A attached hereto.

“Development Property Deed” means the quit claim deed in the form attached hereto as Exhibit B, by which the Authority will convey the Development Property to the Developer.

“EDA Act” or “Economic Development Authority Act” means Minnesota Statutes, sections 469.090 through 469.1081, as amended.

“Event of Default” means an action by the Developer or the Authority listed in Article IX of this Agreement.

“Minimum Improvements” means devoting the Development Property to its intended Use and construction of approximately an 8,000 square foot building and facilities for use as office, shop and warehouse space as identified and set forth in Exhibit C and constructed in accordance with the Construction Plans submitted to and approved by the Authority. After completion of the Minimum Improvements, the term shall mean the Development Property as improved by the Minimum Improvements.

“Minimum Market Value” means a market value for real estate tax purposes of at least \$1,200,000.00 with respect to the Development Property and Minimum Improvements as of January 1, 2026, for taxes payable beginning in 2027.

“Preliminary Plans” means, collectively, the plans, drawings and specifications for the construction of the Minimum Improvements which are listed on Exhibit C attached hereto.

“Sale” means any sale, conveyance, lease, exchange, forfeiture, or other transfer of the Developer's interest in the Minimum Improvements or the Development Property, whether voluntary or involuntary. A mortgage used to finance the purchase of the Development Property is excluded as a Sale.

“State” means the state of Minnesota.

“Termination Date” means one year from the Date of Closing or the date of the Certificate of Completion issued by the Authority, whichever comes first.

“Unavoidable Delays” means delays which are the direct result of unanticipated adverse weather conditions; strikes or other labor troubles; fire or other casualty to the Minimum Improvements; litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays; or, except those of the Authority reasonably contemplated by this Agreement, any acts or omissions of any federal, State or local governmental unit which directly result in delays in construction of the Minimum Improvements.

“Use” means the Developer devoting the Development Property to its intended use, with such use including, but not limited to, office, shop and warehouse space, or to any or all lawful business operations, with applicable or appropriate licenses obtained, if needed.

Section 1.2. Exhibits. The following exhibits are attached to and by reference made a part of this Agreement:

- Exhibit A. Legal description of the Development Property
- Exhibit B. Form of Quit Claim Deed
- Exhibit C. List of Preliminary Plan Documents
- Exhibit D. Form of Certificate of Completion and Release of Forfeiture

Section 1.3. Rules of Interpretation. (a) This Agreement shall be interpreted in accordance with and governed by the laws of Minnesota.

(b) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 1.4. Incorporation of Recitals and Exhibits. The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

## ARTICLE II

### Representations and Warranties

Section 2.1. Representations by the Authority. The Authority makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Authority is a public body corporate and politic under the laws of Minnesota. The Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The persons executing this Agreement and related agreements and documents on behalf of the Authority have the authority to do so and to bind the Authority by their actions.

(c) The Authority has received no notice or communication from any local, State or federal official that the activities of the Developer or the Authority in the Development District may be or will be in violation of any environmental law or regulation. The Authority is aware of no facts the existence of which would cause it to be in violation of any local, State or federal environmental law, regulation or review procedure.

Section 2.2. Representations and Warranties by the Developer. The Developer makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Developer is a Minnesota corporation, duly organized and in good standing under the laws of Minnesota and is not in violation of any provisions of its articles of incorporation or by-laws. The Developer has the power to enter into this Agreement and carry out its obligations hereunder. The persons executing this Agreement and related agreements and documents on behalf of the Developer have the authority to do so and to bind the Developer by their actions.

(b) In the event the Development Property is conveyed to the Developer, the Developer, or assigns, will construct, operate and maintain the Minimum Improvements on the Development Property in substantial accordance with the terms of this Agreement, the Construction Plans and all local, State and federal laws and regulations, including, but not limited to, environmental, zoning, building code and public health laws regulations.

(c) The Developer will apply for and use its best efforts to obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, the requirements of all applicable local, State and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed or used for their intended purpose.

(d) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions or any restriction or any evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(e) The Developer represents that there is no business subsidy provided by the Authority because the Developer is purchasing the Development Property at fair market value.

Section 2.3. Representations Ongoing. The representations and warranties set forth in this Article II shall be continuing and shall be true and correct as of the Date of Closing with the same force and effect as if made at that time. All such representations and warranties shall survive closing and shall not be merged in the delivery and execution of the deed or other instruments of conveyance called for in this Agreement.

**ARTICLE III**

**Conveyance of Development Property**

Section 3.1. Conveyance of the Development Property. In order to facilitate the financial feasibility of the development of the Development Property and in consideration of the Developer's fulfillment of its covenants and obligations under this Agreement to construct the Minimum Improvements, and subject to the conditions precedent to closing outlined in Section 3.5 and the contingencies to Closing outlined in Section 3.6 of this Agreement, the Authority agrees to sell the Development Property to the Developer for One Hundred Eighty-Four Thousand, Four Hundred Ninety-Eight and 38/100 dollars (\$184,498.38).

The Developer has paid to the Authority on or before November 18th, 2024, earnest money in the amount of \$9,224.92 (5% of the purchase price) which shall be credited to the Developer at the time of closing. The Authority agrees to convey title and possession of the Development Property to the Developer by quit claim deed in the form attached hereto as Exhibit B. The conveyance of the Development Property and the Developer's use of the Development Property shall be subject to all of the conditions, covenants, restrictions and limitations imposed by this Agreement and the Development Property Deed. The conveyance of title to the Development Property and the Developer's use of the Development Property shall also be subject to the building and zoning laws and ordinances and all other City, State and federal laws and regulation, easements and rights of way.

Section 3.2. Condition of Title. Within fourteen (14) days of the date of this Agreement, the Authority agrees to submit to the Developer a commitment for title insurance regarding the Development Property. The Developer shall have twenty (20) days after delivery of the commitment to examine same and to make any objections concerning the condition of title regarding the Development Property. Objections to the condition of title shall be made in writing and addressed to the Authority. Failure on the part of the Developer to make objections within twenty (20) days shall constitute a waiver of same and of the Developer's right to object to the condition of title. If the Developer provides written objections to title, the Authority shall have forty-five (45) days thereafter to cure the defects cited by the Developer or to inform the Developer in writing that the Authority cannot or will not cure said defects. If there are no defects in title to which the Developer objects in writing or the Developer fails to object in a timely manner or if the Authority cures the defects within the prescribed period, the parties will proceed to closing. If there are defects in title to which the Developer has objected in a timely manner and which the Authority cannot or will not cure, the Developer may terminate this Agreement at its option within ten (10) days of notice from the Authority of its inability or unwillingness to cure. The Authority shall have no obligation to cure any defects in the title of the Development Property. If the Developer chooses to terminate this Agreement pursuant to this Section 3.2, the Developer agrees to execute a quit claim deed regarding the Development Property in favor of the Authority and the Authority shall refund to the Developer all earnest money and deposits received. Thereafter the parties shall have no further obligation towards one another with regard to this Agreement or the Development Property. The Developer may also choose to proceed to closing on the Development Property and take title subject to the defect. Notwithstanding any other provision herein to the contrary, if the Developer proceeds to closing within less than the time periods set forth herein for receipt of a

commitment for title insurance and objection to title defects, such action shall be deemed to be a waiver by the Developer of its right to examine and object to the condition of title of the Development Property.

Section. 3.3. Financing. Before conveyance of the Development Property by the Authority, the Developer agrees to submit to the Authority evidence of a commitment for financing which is adequate, in the Authority’s sole opinion, for the construction of the Minimum Improvements. If the Authority finds that the financing complies with the terms of this Section 3.3 and is sufficiently committed and adequate in amount to provide for the construction of the Minimum Improvements, the Authority shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld. If the Authority rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection and the Developer shall have 30 days thereafter to submit a commitment for additional or alternate financing acceptable to the Authority. If the Developer fails to submit a commitment for financing acceptable to the Authority within said period of time or any additional period to which the Authority may agree, the Authority may notify the Developer of its failure to comply with the requirement of this Section 3.3 and may terminate this Agreement at its sole discretion.

Section 3.4. Representations.

(a) The Authority makes the following representations and disclosures regarding the Development Property:

1. The Authority has conducted a Phase I environmental study regarding the Development Property. Such report is available to the Developer upon request.
2. The Authority has conducted a geotechnical survey of the Development Property. Such report is available to the Developer upon request.
3. The Authority has conducted a wetland delineation of the Development Property. Such report is available to the Developer upon request.
4. The Authority has conducted a topographical survey of the Development Property. Such report is available to the Developer upon request.
5. The Authority represents that primary electric distribution infrastructure is installed and is available to the Development Property.
6. The Authority represents that it will be constructing storm sewer service facilities across the northern edge of the Development Property for hook-up by the Developer.
7. The Authority represents that it has surveyed and platted the Development Property. The plat of NEW PRAGUE BUSINESS PARK 11<sup>TH</sup> ADDITION identifying the property lines for the Development Property is available to the Developer upon request.

The Developer has 30 days to review the documents noted above in this Section 3.4(a) and to make any objections, or any objections shall be deemed waived.

(b) Other than as represented herein by the Authority, the Developer acknowledges that the Authority makes no representations or warranties as to the condition of the soils on the Development Property or its fitness for its intended use and for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property.

(c) After execution of this Agreement and within thirty (30) days thereafter, the Developer may notify the Authority of its desire to undertake tests and inspections of the Development Property regarding the presence of pollution, contamination or hazardous substances on the Development Property and the suitability of the soils for the Developer's intended purposes. The Developer, and person or persons selected by Developer shall be permitted access to the Development Property for the purpose of conducting such studies and investigations of the Development Property as Developer deems appropriate, which studies and investigations shall be conducted at Developer's sole expense and pursuant to any other terms and conditions of this Agreement. Developer agrees to indemnify the Authority against any liability, cost or expense incurred by the Authority as a result of Developer's actions, including but not limited to fines, court costs, reasonable attorneys' fees and remedial costs. Such studies may include without limitation, physically inspecting the Development Property, conducting soil tests, and reviewing the Authority's records concerning the Development Property which records shall be made reasonably available to Developer within ten (10) days after execution of this Agreement, including prior studies, investigations and surveys, if any, in the Authority's possession.

(d) Other than as represented herein by the Authority, the Developer acquires the Development Property "as is." After execution of this Agreement and within thirty (30) days thereafter, the Developer may notify the Authority of its desire to undertake tests and inspections of the Development Property regarding the presence of pollution, contamination or hazardous substances on the Development Property and the suitability of the soils for the Developer's intended purposes, which studies and investigations shall be conducted at Developer's sole expense and pursuant to any other terms and conditions of this Agreement. In the event that the Developer, following such tests and inspections, determines in its sole judgment that the condition of the Development Property is unsuitable for its intended use and for construction of the Minimum Improvements, the Developer may terminate this Agreement and return the Development Property to its condition prior to undertaking such tests and inspections. Regardless of whether the Developer avails itself of the right to conduct tests and inspections on the Development Property pursuant to this Section 3.4, after closing the Authority shall have no obligation or liability to the Developer for any unsuitability with respect to the soil conditions or the presence of any pollution, contamination or hazardous substances on the Development Property. Notwithstanding any other provision herein to the contrary, if the Developer proceeds to closing within less than the period of time allowed in this Section 3.4 for testing, such action shall be deemed to be a waiver by the Developer of its right to test on the Development Property.

(e) The Authority does not know of any wells on the Development Property, and will so certify in the deed conveying the Development Property to the Developer.



Section 3.5. Conditions Precedent to Conveyance. Notwithstanding anything herein to the contrary, the Authority shall not be obligated to convey the Development Property to the Developer until the following conditions precedent have been satisfied:

- (a) The Developer has submitted a commitment or other evidence of financing which is adequate, in the Authority's sole discretion, to fully finance construction of the Minimum Improvements;
- (b) The Developer has submitted and the Authority has approved the Construction Plans;
- (c) The Authority has held a public hearing and fulfilled all requirements of Minnesota Statutes, Section 469.105;
- (d) There has been no Event of Default on the part of the Developer which has not been cured;
- (e) The Authority has received approval from the City of New Prague City Council for the sale of the Development Property as contemplated in this Agreement; and
- (f) All of the above condition precedents shall occur within the time frame established in Section 3.7 of this Agreement, unless extended by the Developer and the Authority. If such extension is not obtained, all earnest money and deposits shall be returned to the Developer within ten (10) days thereafter.

Section 3.6. Intentionally Omitted.

Section 3.7. Closing; Delivery and Recording. (a) Subject to the substantial satisfaction of all of the terms and conditions contained in this Agreement which must be satisfied prior to the Authority's conveyance of the Development Property to the Developer, the Authority shall execute and deliver the Development Property Deed to the Developer at closing. Closing shall occur on the Date of Closing which shall be the earlier of December 31st, 2024, or as soon thereafter as reasonably practicable, or as determined by the parties. The Developer shall have possession of the Development Property upon the Date of Closing. Closing shall be at the offices of the City, 118 Central Avenue North, New Prague, MN 56071 or such other location to which the parties may agree. Prior to closing, the Authority shall submit to the Developer a copy of the Development Property Deed and other closing documents for review. The Development Property Deed shall be in recordable form and shall be recorded among the County land records.

- (b) On the Date of Closing, the Developer shall be responsible for and pay:
  - (1) the cost of recording the Development Property Deed and this Agreement;
  - (2) all fees associated with obtaining the commitment for title insurance and the policy of title insurance;

- (3) the cost of copies of all additional title documents necessary for the examination of title;
  - (4) for any documents related to or in connection with the financing of the Development Property, including but not limited to, recording fees and mortgage registration tax;
  - (5) one-half of the title company closing fees, if any; and
  - (6) all of the Developers' attorney's fees.
- (c) On the Date of Closing, the Authority shall be responsible for and pay:
- (1) transfer taxes, including State deed tax, to allow the Developer to record the Development Property Deed;
  - (2) costs of recording any instruments used to clear title encumbrances;
  - (3) one-half of the title company closing fees, if any; and
  - (4) all of the Authority's attorney's fees.
- (d) On the Date of Closing, the following costs will be paid on a pro rata basis in the year of closing between the Authority and the Developer:
- (1) utilities furnished to the Development Property; and
  - (2) real estate taxes and special assessments, if any.

Section 3.8. Attorney Costs. The Developer shall pay its own costs to prepare and review this Agreement and any other legal fees associated with the Development Property that are the responsibility of the Developer. The Authority shall pay its own costs to prepare and review this Agreement and any other legal fees associated with the Development Property that are the responsibility of the Authority.

## ARTICLE IV

### Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the Construction Plans and at all times prior to the Termination Date will devote the Development Property to its intended Use and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept in good repair and condition. The Developer recognizes that it is because the Developer has agreed to devote the Development Property to its intended Use and to construct the Minimum Improvements that the Authority is

willing to sell the Development Property to the Developer. The Developer acknowledges that, in addition to the requirements of this Agreement, construction of the Minimum Improvements will necessitate compliance with other reviews and approvals by the Authority and possibly other governmental agencies and review board of the Industrial Park and agrees to submit all applications for and pursue to their conclusion all other approvals needed prior to constructing the Minimum Improvements.

Section 4.2. Construction Plans. (a) Within one-hundred-twenty (120) days after execution of this Agreement, the Developer shall submit dated Construction Plans to the Authority. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in substantial conformity with the Preliminary Plans and this Agreement. The Authority will approve the Construction Plans if they (1) conform to the Preliminary Plans listed in Exhibit C attached hereto; (2) conform to all applicable federal, State and local laws, ordinances, rules and regulations; (3) are adequate to provide for the construction of the Minimum Improvements; (4) conform to the State building code; (5) if there has occurred no uncured Event of Default on the part of the Developer. No approval by the Authority shall relieve the Developer of the obligation to comply with the terms of this Agreement, the terms of any applicable federal, State and local laws, ordinances, rules and regulations in the construction of the Minimum Improvements. No approval by the Authority shall constitute a waiver of an Event of Default.

(b) If the Developer desires to make any change in the Construction Plans after their approval by the Authority, including any change to the design or materials of the Minimum Improvements or any other change which would also require review or reapproval under any applicable code, ordinance or regulation, the Developer shall submit the proposed change to the Authority for its approval. If the proposed change conforms to the requirements of this section 4.2 with respect to the original Construction Plans or is otherwise acceptable to the Authority, the Authority shall approve the proposed change. Such change in the Construction Plans shall be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the written notice of such change from the Developer.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements no later than thirty (30) days from the Date of Closing. Subject to Unavoidable Delays, the Developer shall have substantially completed the construction of the Minimum Improvements no later than twelve (12) months from the Date of Closing. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans. The Developer shall make such reports to the Authority regarding construction of the Minimum Improvements as the Authority deems necessary or helpful in order to monitor progress on construction of the Minimum Improvements.

Section 4.4. Certificate of Completion and Release of Forfeiture. (a) After substantial completion of the Minimum Improvements in accordance with the Construction Plans and all terms of this Agreement, the Authority will furnish the Developer with a Certificate of Completion and Release of Forfeiture in the form of Exhibit D hereto. Such certification by the Authority shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this

Agreement and in the Development Property Deed with respect to the obligations of the Developer to construct the Minimum Improvements and the dates for the beginning and completion thereof. The Certificate of Completion and Release of Forfeiture shall only be issued after issuance of a certificate of occupancy by the City.

(b) The Certificate of Completion and Release of Forfeiture provided for in this section 4.4 shall be in such form as will enable it to be recorded in the proper County office for the recordation of deeds and other instruments pertaining to the Development Property. If the Authority shall refuse or fail to provide such certification in accordance with the provisions of this section 4.4, the Authority shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default of a material term of this Agreement, and what measures or acts will be necessary, in the opinion of the Authority, for the Developer to take or perform in order to obtain such certification.

Section 4.5. Reconstruction of Improvements. If the Minimum Improvements are damaged or destroyed before or after completion thereof and issuance of a Certificate of Completion and Release of Forfeiture, but before the Termination Date, the Developer agrees, for itself and its successors and assigns, to reconstruct the Minimum Improvements to a value at least equal to the Minimum Market Value within one year of the date of the damage or destruction. No delay or failure by the Developer or any successor or assign to reconstruct the Minimum Improvements as required by this Section 4.5 shall alter or limit the Developer’s obligations under this Agreement, which shall remain in full force and effect until the Termination Date. The Minimum Improvements shall be reconstructed in accordance with the approved Construction Plans, or such modifications thereto as may be requested by the Developer and approved by the Authority in accordance with Section 4.2 of this Agreement. The Developer’s obligation to reconstruct the Minimum Improvements pursuant to this Section 4.5 shall end on the Termination Date.

**ARTICLE V**

**Insurance**

Section 5.1. Required Insurance. (a) The Developer agrees to provide and maintain at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the Authority, furnish the Authority with proof of payment of premiums on:

- (i) Builder's risk insurance, written on the so-called “Builder's Risk -- Completed Value Basis,” in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called “all risk” form of policy;
- (ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and

property damage of not less than \$1,000,000 for each occurrence (to accomplish the above - required limits, an umbrella excess liability policy may be used); and

- (iii) Workers' compensation insurance, with statutory coverage.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content reasonably satisfactory to the Authority and shall be placed with financially sound and reputable insurers licensed to transact business in Minnesota. The policy of insurance delivered pursuant to clause (i) above shall contain an agreement of the insurer to give not less than sixty (60) days' advance written notice to the Authority in the event of cancellation of such policy or change affecting the coverage thereunder.

(b) Upon completion of construction of the Minimum Improvements, and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority shall furnish proof of the payment of premiums on, insurance as follows:

- (i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, heating system explosion, water damage, demolition cost, debris removal, collapse and flood, in an amount not less than the full insurable replacement value of the Minimum Improvements or the Minimum Market Value, whichever is greater. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of coinsurance provisions or otherwise, without the prior consent thereto in writing by the Authority. The term "full insurable replacement value" shall mean the actual replacement cost of the Minimum Improvements and shall be determined from time to time at the request of the Authority, but not more frequently than once every three years, by an insurance consultant or insurer, selected and paid for by the Developer and approved by the Authority; and

- (ii) Such other insurance, including worker's compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for worker's compensation.

Section 5.2. Evidence of Insurance. All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of Minnesota to assume the risks covered thereby. The Developer agrees to deposit annually with the Authority copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V, each policy shall contain a provision that the insurer shall not cancel nor materially modify it without giving written notice to the Developer and the Authority at least sixty (60) days before the cancellation or modification becomes effective

(ten (10) days for non-payment of premium). Not less than fifteen (15) days prior to the expiration of any policy, the Developer shall furnish the Authority evidence satisfactory to the Authority that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V, or that there is no necessity therefor under the terms of this Agreement. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

**ARTICLE VI**

**Collection of Taxes**

Section 6.1. Taxes. The Developer agrees that prior to the Termination Date: (1) it will not seek administrative or judicial review of the applicability of any tax statute determined by any Tax Official to be applicable to the Minimum Improvements or the Development Property or raise the inapplicability of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; (2) it will not seek administrative or judicial review of the constitutionality of any tax statute determined by any Tax Official to be applicable to the Minimum Improvements or the Development Property or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; (3) it will not cause a reduction in the Minimum Market Value paid in respect of the Minimum Improvements through:

- (a) willful destruction of the Minimum Improvements or any part thereof;
- (b) willful refusal to reconstruct damaged or destroyed property pursuant to section 4.5 of this Agreement;
- (c) a request to the County assessor to reduce the Minimum Market Value of all or any portion of the Minimum Improvements;
- (d) a petition to the board of equalization of the County to reduce the Minimum Market Value of all or any portion of the Development Property;
- (e) a petition to the board of equalization of the State or the commissioner of revenue of the State to reduce the Minimum Market Value of all or any portion of the Development Property;
- (f) an action in a district court of the State or the tax court of the State seeking a reduction in the Minimum Market Value of the Development Property;
- (g) an application to the commissioner of revenue of the State or to any local taxing jurisdiction requesting an abatement of real property taxes;
- (h) any other proceedings, whether administrative, legal or equitable, with any administrative body within the County or the State or with any court of the State or the federal government; or

(i) a transfer of the Development Property or Minimum Improvements, or any part thereof, to an entity exempt from the payment of real property taxes under State law.

The Developer shall not, prior to the Termination Date, apply for a deferral of property tax on the Development Property or the Minimum Improvements.

Section 6.2. Right to Collect Delinquent Taxes. The Developer understands that the real estate taxes on the Development Property and the Minimum Improvements must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that the Developer is also obligated at all times prior to the Termination Date by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that at all times prior to the Termination Date this obligation creates a contractual right on behalf of the Authority to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the Authority shall also be entitled to recover its reasonable out-of-pocket costs, expenses and attorney fees.

**ARTICLE VII**

**Prohibition Against Sale; Encumbrances; Indemnification**

Section 7.1. Prohibition Against Sale of Minimum Improvements. The Developer represents and agrees that its use of the Development Property and its other undertakings pursuant to the Agreement, are, and will be, for the purpose of development of the Development Property and not for speculation in land holding. The Developer further recognizes that in view of the importance of the construction of the Minimum Improvements on the Development Property to the general welfare of New Prague, the fact that any act or transaction involving or resulting in a significant change in the identity of the Developer is of particular concern to the Authority. The Developer further recognizes that it is because of such qualifications and identity that the Authority is entering into the Agreement with the Developer, and, in so doing, is further willing to accept and rely on the obligations of the Developer for the faithful performance of all undertakings and covenants hereby by it to be performed. For the foregoing reasons, the Developer represents and agrees that, prior to the issuance of the Certificate of Completion and Release of Forfeiture, there shall be no Sale of the Development Property or the Minimum Improvements by the Developer nor shall the Developer suffer any such Sale to be made, without the prior written approval of the Authority.

Section 7.2. Limitation Upon Encumbrance of Development Property. Prior to the issuance of the Certificate of Completion and Release of Forfeiture, the Developer agrees not to engage in any financing creating any mortgage or other encumbrance or lien upon the Development Property or the Minimum Improvements, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the Development Property or the Minimum Improvements, other than the liens or encumbrances directly and solely related to the purchase of the Development Property and the construction of the Minimum Improvements and approved by the

Authority, which approval shall not be withheld or delayed unreasonably if the Authority determines that such lien or encumbrance will not threaten its security in the Development Property or the Minimum Improvements.

Section 7.3. Release and Indemnification Covenants. (a) Except for any misrepresentation or any willful or wanton misconduct or negligence of the Authority or the governing body members, officers, agents, servants, consultants and employees thereof (the “Indemnified Parties”), and except for any breach by the Indemnified Parties of their representative’s obligations under this Agreement, the Indemnified Parties shall not be liable for and the Developer shall indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person (collectively, the “Claim”) occurring at or about or resulting from any defect in the portion of the Development Property or the Minimum Improvements owned by Developer at the time the Claim occurred.

(b) Except for any misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their representative’s obligations under this Agreement, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising from the acquisition, construction, installation, ownership, maintenance and operation of the Development Property or the Minimum Improvements (collectively, the “Claim”); provided, however, notwithstanding the foregoing, the Developer’s indemnification and hold harmless shall apply only with regard to the portion of the Development Property or Minimum Improvements owned by the Developer at the time the Claim occurred.

(c) Except for any misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their representations and obligations under this Agreement, the Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements (collectively, the “Claims”) owned by the Developer at the time of the Claim.

(d) All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of such entities and not of any governing body member, officer, agent, servant or employee of such entities in the individual capacity thereof.

**ARTICLE VIII**

**Events of Default**

Section 8.1. Events of Default Defined. Each and every one of the following shall be an Event of Default under this Agreement:



- (a) Failure by the Authority or the Developer to proceed to closing on the Development Property after compliance with or the occurrence of all conditions precedent to closing;
- (b) Failure by the Developer to commence and complete construction of the Minimum Improvements pursuant to the terms, conditions and limitations of Article IV of this Agreement, including the timing thereof, unless such failure is caused by an Unavoidable Delay;
- (c) Failure by the Developer to pay real estate taxes or special assessments on the Development Property and Minimum Improvements as they become due;
- (d) Appeal or challenge by the Developer or any party on its behalf of the Minimum Market Value prior to the Termination Date;
- (e) Use by the Developer or others of the Minimum Improvements for purposes other than those contemplated and permitted by this Agreement, including failure to comply with Sections 9.3 and 9.10 of this Agreement.
- (f) Transfer or Sale of the Development Property or the Minimum Improvements or any part thereof by the Developer in violation of Sections 6.1 or 7.1 of this Agreement and without the prior written permission by the Authority;
- (g) If the Developer shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors or shall consent to the appointment of a receiver; or
- (h) Failure by either party to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or the Assessment Agreement;

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 of this Agreement occurs, the non-defaulting party may take any one or more of the following actions after providing 30 days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within 30 days, the defaulting party does not provide assurances to the non-defaulting party reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under this Agreement, including refusing to close on the Development Property, until it receives assurances from the defaulting party, deemed adequate by the non-defaulting party, that the defaulting party will cure its default and continue its performance under this Agreement;
- (b) Terminate or rescind this Agreement;
- (c) If the default occurs prior to completion of the Minimum Improvements, the Authority may withhold the Certificate of Completion and Release of Forfeiture;

(d) If the default occurs prior to issuance of the Certificate of Completion and Release of Forfeiture, revest title in the name of the Authority pursuant to Section 8.3 of this Agreement;

(e) Take whatever action, including legal or administrative action, which may appear necessary or desirable to the non-defaulting party to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the defaulting party under this Agreement; and

(f) If the Developer's default occurs prior to the Date of Closing, the Authority may retain any and all earnest money paid by the Developer pursuant to Section 3.1 of this Agreement.

Section 8.3. Revesting Interest in the Authority Upon Happening of Event of Default Subsequent to Conveyance to Developer. Pursuant to the requirements of Minnesota Statutes, Section 469.105, subd. 6, in the event that subsequent to conveyance of the Development Property to the Developer and prior to the issuance of a Certificate of Completion and Release of Forfeiture for the Minimum Improvements:

(a) the Developer, subject to Unavoidable Delays, fails to begin construction of the Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within 30 days after written notice from the Authority to the Developer to do so; or

(b) subject to Unavoidable Delays, the Developer, after commencement of the construction of the Minimum Improvements, fails to carry out its obligations with respect to the completion of construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within 30 days after written demand from the Authority to the Developer to do so; or

(c) the Developer shall fail to pay real estate taxes or assessments on the Development Property when due, or shall place thereon any encumbrance or lien unauthorized by this Agreement, or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Authority made for such payment, removal, or discharge, within 30 days after written demand by the Authority to do so or such longer period, not to exceed 60 days, as may reasonably be necessary to remove said lien or encumbrance; provided, that if the Developer shall first notify the Authority of its intention to do so, it may in good faith contest any mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal, but only if the Developer provides the Authority with a bank letter of credit or other security in the amount of the lien, in a form satisfactory to the Authority, pursuant to which the bank will pay to the Authority the amount of any lien in the event the lien is finally determined to be valid or, as an alternative to such forms of security, has made a deposit with the district court in the manner provided in Minnesota Statutes, section 514.10. During the course of such contest, the Developer shall keep the Authority informed respecting the status of such defense; or

(d) there is, in violation of Sections 6.1 or 7.1 of this Agreement, any transfer of the Development Property to an entity exempt from payment of real estate taxes or any Sale of the Development Property or the Minimum Improvements or any part thereof, and such violation shall not be cured within 30 days after written demand by the Authority to the Developer;

Then the Authority shall have the right to re-enter and take possession of the Development Property and to terminate and revest in the Authority the interest of the Developer in the Development Property; provided, however, that any exercise by the Authority of its rights or remedies hereunder shall always be subject to and limited by, and shall not defeat, render invalid or limit in any way the lien of any mortgage or other encumbrance specifically and previously authorized by the Authority in writing under this Agreement or any rights or interests provided in this Agreement for the protection of the holders of an approved encumbrance.

Section 8.4. Resale of Reacquired Development Property; Disposition of Proceeds. Upon the revesting in the Authority of title to and/or possession of the Development Property or any part thereof as provided herein, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the Development Property or part thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties (as determined by the Authority) who will assume the obligation of making or completing the Minimum Improvements or such other improvements in their stead as shall be satisfactory to the Authority in accordance with the uses specified for such Development Property or part thereof. During any time while the Authority has title to and/or possession of a parcel obtained by reverter, the Authority will not disturb the rights of any owner of any housing unit on such parcel. Upon resale of the Development Property, the proceeds thereof shall be applied:

(a) First, to reimburse the Authority for all costs and expenses incurred by them, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the Development Property (but less any income derived by the Authority from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Development Property or part thereof (or, in the event the Development Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Authority, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Authority assessing official) as would have been payable if the Development Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Development Property or part thereof at the time of revesting of title thereto in the Authority or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the Development Property or part thereof; and any amounts otherwise owing the Authority by the Developer and its successor or transferee; and

(b) Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the amount actually invested by it in making any of the subject improvements on the Development Property or part thereof.

(c) Any balance remaining after such reimbursements shall be retained by the Authority as its property.

Section 8.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the parties is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in Article IX of this Agreement.

Section 8.6. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

**ARTICLE IX**

**Additional Provisions**

Section 9.1. Conflict of Interests; Representatives Not Individually Liable. No officer, official, or employee of the Authority shall have any personal financial interest, direct or indirect, in this Agreement, nor shall any such officer, official, or employee participate in any decision relating to the Agreement which affects his or her personal financial interests, directly or indirectly. No officer, official, or employee of the Authority shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach or for any amount which may become due or on any obligation under the terms of this Agreement.

Section 9.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in this Agreement, it will comply with all applicable equal employment and nondiscrimination laws and regulations.

Section 9.3. Restrictions on Use. The Developer, for itself and its successors and assigns, agrees to devote the Property and Minimum Improvements only to such land use or uses as may be permissible under the City’s land use regulations. The Developer, for itself, its successors and assigns, acknowledges the limitations on use of the Property and the Minimum Improvements imposed by Section 469.105 of the EDA Act and agrees to comply with such restrictions.

Section 9.4. Provisions Not Merged With Deed; No Merger of Representations, Warranties. None of the provisions, representations or warranties contained in this Agreement are intended to be merged into any instruments of conveyance delivered at closing or shall be merged by reason of delivery of the Development Property Deed, but instead shall survive closing, and the parties shall be bound accordingly. The Development Property Deed shall not be deemed to affect

or impair the provisions and covenants of this Agreement.

Section 9.5. Notices and Demands. Except as otherwise expressly provided in this Agreement, any notice, demand, or other communication under the Agreement or any related document by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified United States mail, postage prepaid, return receipt requested, or delivered personally to:

- (a) in the case of the Authority: 118 Central Avenue North  
New Prague MN 56071  
Attn: Executive Director
- (b) in the case of the Developer: Rural Communications Holding Company,  
dba Bevcomm  
123 West 7th Street  
Blue Earth, MN 56013  
Attn: William Eckles

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section 9.5.

Section 9.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.7. Disclaimer of Relationships. The Developer acknowledges that nothing contained in this Agreement nor any act by the Authority or the Developer shall be deemed or construed by the Developer or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the Authority and the Developer.

Section 9.8. Release of Claims. The Developer and the Developer’s attorneys, agents, employees, former employees, insurers, heirs, administrators, representatives, successors and assigns, hereby releases and forever discharges the Authority, and its attorneys, agents, representatives, employees, former employees, insurers, heirs, executors and assigns of and from any and all past, present or future claims, demands, obligations, actions or causes of action, at law or in equity, whether arising by statute, common law or otherwise, and for all claims for damages, of whatever kind or nature, and for all claims for attorneys' fees, and costs and expenses, including but not limited to all claims of any kind arising out of the negotiation, Developer consideration, execution and performance of this Agreement between the parties. Nothing contained in this paragraph 9.8. is intended to prevent the exercise of any rights available pursuant to this Agreement.

Section 9.9. Modification and Waiver. No purported amendment, modification or waiver of any provision of this Agreement shall be binding unless set forth in a written document signed by both the Authority and the Developer (in the case of amendments or modifications) or by the party to be charged thereby (in the case of waivers). Any waiver shall be limited to the

circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term of this Agreement or of the same circumstance or event upon any recurrence thereof.

Section 9.10. Restrictions on Use. The Developer agrees that prior to the issuance of the Certificate of Completion and Release of Forfeiture, the Developer and its successors and assigns: (a) shall use the Development Property solely for the purpose of constructing and operating the Minimum Improvements pursuant to the terms of this Agreement and as defined by the definition of Use as set forth in this Agreement; (b) shall not discriminate upon the basis of race, color, creed, sex, national origin, or any other classification prohibited by law in the lease, rental, use or occupancy of any portion of the Minimum Improvements on the Development Property or any improvements erected or to be erected thereon, or any part thereof; and (c) shall otherwise comply with the restrictions on use set forth in this Agreement.

Section 9.11. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.12. Attorney Fees. Whenever any Event of Default occurs and if the Authority shall employ attorneys or incur other expenses for the collection of payments due or to become due, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten days of written demand by the Authority, pay to the Authority the reasonable fees of such attorneys and such other expenses so incurred by the Authority.

Section 9.13. Choice of Law and Venue; Interpretation. This Agreement shall be governed by, enforced and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 9.14. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Agreement. This Agreement may be modified, amended, terminated, or waived, in whole or in part, only by a writing signed by all of the parties.

Section 9.15. No Broker. The Authority represents that it has not engaged any real estate broker in connection with the sale of the Development Property. The Developer has engaged the services of a broker in connection with the sale of the Development Property and the Developer will be solely responsible for the costs of such broker and shall defend, indemnify and hold the Authority harmless from any claims of such broker.

Section 9.16. Specific Performance. This Agreement may be specifically enforced by the parties, provided that any action for specific enforcement is brought within six months after the date of the alleged breach. This paragraph is not intended to create an exclusive remedy for

breach of this Agreement; the parties reserve all other remedies available at law or in equity.

Section 9.17. Additional Documents. The Authority and the Developer agree to cooperate with the other and their representatives regarding any reasonable requests made subsequent to the execution of this Agreement to correct any clerical errors in this Agreement and to provide any and all additional documentation deemed necessary by either party to effectuate the transaction contemplated by this Agreement.

IN WITNESS WHEREOF, the Authority and the Developer have caused this Agreement to be duly executed in their names and behalves on or as of the date first above written.

**AUTHORITY:**

**NEW PRAGUE ECONOMIC  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Brent Quast  
President

By: \_\_\_\_\_  
Joshua M. Tetzlaff  
Executive Director

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF SCOTT        )

The foregoing instrument as acknowledged before me this \_\_\_\_\_ day of November, 2024, by Brent Quast and Joshua M. Tetzlaff, president and executive director, respectively, of the New Prague Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the New Prague Economic Development Authority.

\_\_\_\_\_  
Notary Public



**DEVELOPER:**

**RURAL COMMUNICATIONS  
HOLDING COMPANY,  
DBA BEVCOMM**

By: \_\_\_\_\_  
William Eckles  
Its: Chief Executive Officer

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was executed this \_\_\_\_ day of \_\_\_\_\_, 2024, by William Eckles, the Chief Executive Officer of Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**  
**LEGAL DESCRIPTION**

The Development Property is located in Scott County, Minnesota, and is legally described as:

Lot 3, Block 2, NEW PRAGUE BUSINESS PARK 11<sup>TH</sup> ADDITION, Scott County, Minnesota.

**EXHIBIT B**  
**FORM OF QUIT CLAIM DEED**

STATE DEED TAX DUE HEREON: \$ \_\_\_\_\_

Date: \_\_\_\_\_, 2024.

THIS INDENTURE, between the New Prague Economic Development Authority, a public body corporate and politic, under the laws of the State of Minnesota, Grantor, and Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm, Grantee.

WITNESSETH, that the Grantor, in consideration of the sum of One Hundred Eight-Four Thousand Four Hundred Ninety-Eight and 38/100 Dollars (\$184,498.38) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant, bargain, quit claim and convey to the Grantee, its successors and assigns, forever, all of the tract or parcel of land lying and being in the County of Scott and State of Minnesota described as follows:

Lot 3, Block 2, NEW PRAGUE BUSINESS PARK 11<sup>TH</sup> ADDITION, Scott County, Minnesota.

To have and to hold the same, together with all hereditaments and appurtenances thereunto belonging or in any way appertaining, to the Grantee, its successors and assigns, forever. Subject to and together with, however, the provisions of the Permitted Encumbrances described and referred to in Exhibit A attached hereto and incorporated herein by reference, including, without limitation, the right of the Grantor upon the happening of an Event of Default under that certain Purchase and Development Agreement between Grantor and Grantee dated as of \_\_\_\_\_, 2024, to re-enter and take possession of the Development Property and the improvements thereon and terminate the estate and all right, title and interest of the Grantee in and to the Development Property and improvements thereon, and revert in the Grantor all right, title, estate and interest of the Grantee in the Development Property and improvements thereon, free of any lien of any mortgage and other liens, except as permitted pursuant to the provisions of the Purchase and Development Agreement.



**EXHIBIT A TO  
QUIT CLAIM DEED**

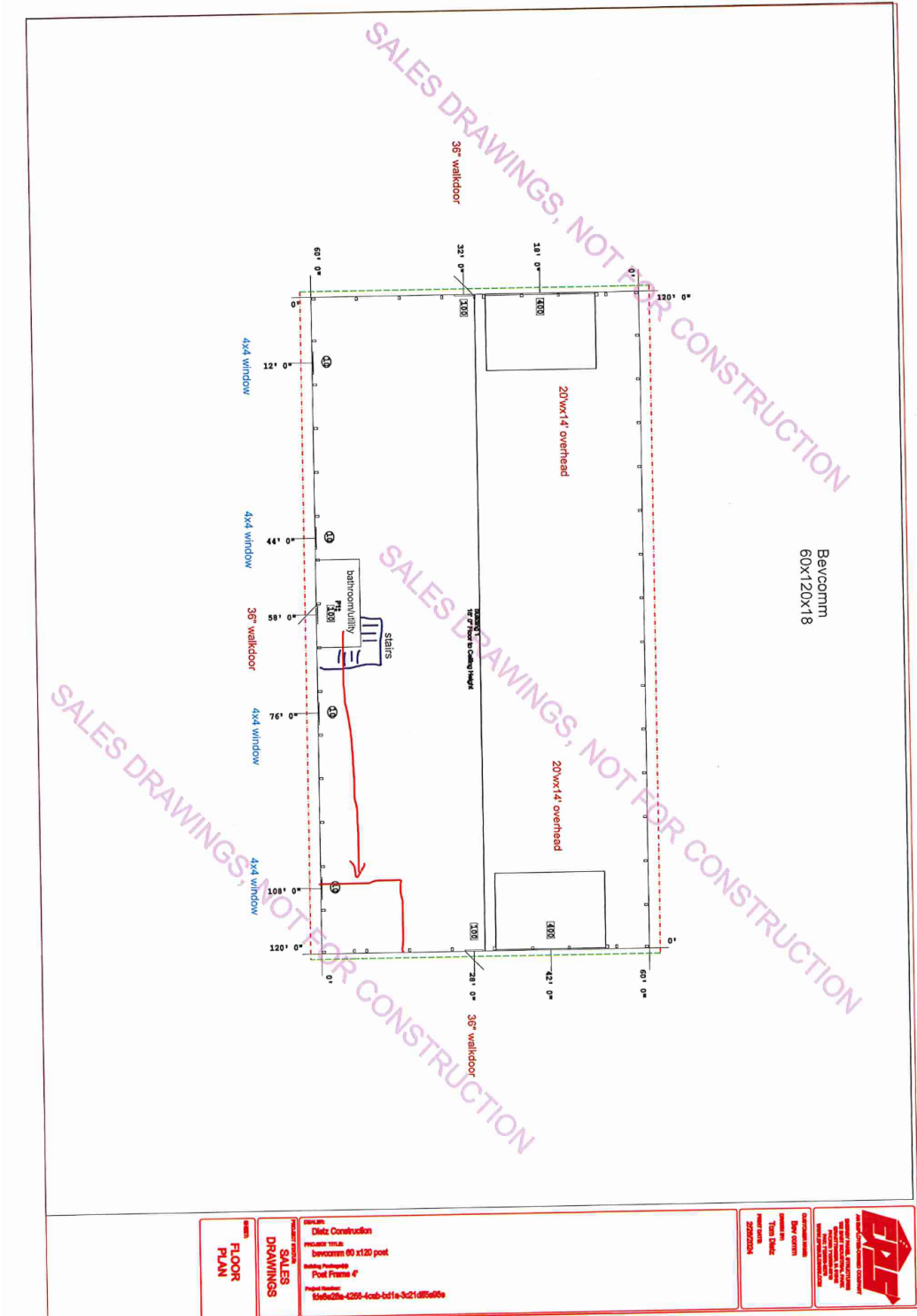
Permitted Encumbrances

1. Taxes and installments of special assessments payable in 2024 and in subsequent years.
2. Building and zoning laws; federal, state and local laws, ordinances and regulations.
3. Easements for public streets, drainage, utilities, highways and roads now existing.
4. The terms, conditions, covenants and agreements set forth in the Purchase and Development Agreement between the Grantor and Grantee named in the Deed to which this Exhibit is attached, which Purchase and Development Agreement is hereby made a part hereof by reference thereto.
5. Mortgage used to finance the purchase of the Development Property.

### EXHIBIT C

### LIST OF PRELIMINARY PLAN DOCUMENTS

The Minimum Improvements shall be constructed in accordance with the following preliminary plan documents: Site Plan



**EXHIBIT D**  
**FORM OF**  
**CERTIFICATE OF COMPLETION**  
**AND RELEASE OF FORFEITURE**

WHEREAS, the New Prague Economic Development Authority (the “Grantor”), by a deed recorded in the office of the County Recorder in Scott County, Minnesota, as Document No. \_\_\_\_\_, has conveyed to Rural Communications Holding Company, a Minnesota corporation, dba Bevcomm (the “Grantee”), the following described land in County of Scott and State of Minnesota, to-wit:

Lot 3, Block 2, NEW PRAGUE BUSINESS PARK 11<sup>TH</sup> ADDITION, Scott County, Minnesota

and

WHEREAS, said deed was executed pursuant to that certain Purchase and Development Agreement by and between the Grantor and the Grantee dated the \_\_\_\_ day of \_\_\_\_\_, 2024, and recorded in the office of the County Recorder in Scott County, Minnesota, as Document No. \_\_\_\_\_, which Purchase and Development Agreement contained certain covenants and restrictions regarding completion of the Minimum Improvements; and

WHEREAS, said Grantee has performed said covenants and conditions in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that all construction of the Minimum Improvements specified to be done and made by the Grantee has been completed and the covenants and conditions in the Purchase and Development Agreement have been performed by the Grantee therein and that the provisions for forfeiture of title and right to re-entry for breach of condition subsequent by Grantor is hereby released absolutely and forever, and the County Recorder in Scott County, Minnesota, is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions relating to completion of the Minimum Improvements.

Dated: \_\_\_\_\_, 20\_\_.

NEW PRAGUE ECONOMIC  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Brent Quast  
President

By: \_\_\_\_\_  
Joshua M. Tetzlaff  
Executive Director

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF SCOTT        )

The foregoing instrument as acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by Brent Quast and Joshua M. Tetzlaff, the president and executive director, respectively, of the New Prague Economic Development Authority, a public body corporate and politic, on behalf of the New Prague Economic Development Authority.

\_\_\_\_\_  
Notary Public





118 Central Avenue North, New Prague, MN 56071  
phone: 952-758-4401 fax: 952-758-1149

**MEMORANDUM**

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** JOSHUA TETZLAFF, CITY ADMINISTRATOR  
**SUBJECT:** ASSESSMENT DEFERL APPLICATIONS  
**DATE:** NOVEMBER 14, 2024

According to City Policy, property owners who face an assessment from the City are able to request deferral from the City Council if they meet certain criteria. For property owners who would like to request deferral based on age, disability, military service, or for having unimproved property, the request shall go before the City Council for approval. For applicants requesting deferral based on income, that request is handled administratively.

For the 2024 Street Project, there were three property owners who are requesting deferral. All three applicants are requesting deferral based on age:

- Michael and Katherine Hinderscheid (109 Lyndale Avenue N)
- Gergory Wood (103 Lyndale Avenue N)
- Gerald Stephens (703 Main Street E) – Of note, this application came in on November 14<sup>th</sup>, which was after the deadline for submittal. It is being included in the packet so that Council may decide whether to accept it or not. The deadline for submitting to the County is November 27<sup>th</sup>. It is my recommendation to accept the application.

The applications for the three assessment deferrals have been included for your review.

**Recommendation**

Staff recommends approval of the assessment deferrals for 109 Lyndale Avenue N, 703 Main Street E, 103 Lyndale Avenue N.

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

**CITY OF NEW PRAGUE  
RESOLUTION #24-11-18-04**

**DEFERRING SPECIAL ASSESMENT FOR CITY OF NEW PRAGUE 2024 STREET AND UTILITY  
IMPROVEMENT PROJECT FOR MICHAEL & KATHERINE HINDERSCHIED AGAINST CERTAIN  
PROPERTY BASED UPON AGE**

**WHEREAS**, the City of New Prague (the "City") has levied special assessments for the 2024 Street and Utility Improvement Project for street, water, sanitary sewer and storm drainage improvements, against benefited property; and

**WHEREAS**, Minnesota Statutes, sections 435.193 through 435.195 authorize the City to defer the payment of special assessments against any homestead property for certain citizens; and

**WHEREAS**, said deferment of assessment may be permitted at the discretion of the City Council of the City of New Prague (the "Council"); and,

**WHEREAS**, the Council finds and determines that deferral of special assessments for certain citizens is in the public interest; and

**WHEREAS**, the Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability (the "Applicant"). The City Administrator may record the deferment of special assessments where the following conditions are met:

- (1) The Applicant must apply for the deferment not later than 14 days after the assessment is adopted by the council.
- (2) The Applicant must be the owner of the property.
- (3) The Applicant must occupy the property as a principal place of residence.

AND

(4a) The Applicant must be 65 years of age, or older, or retired by virtue of permanent disability.

OR

(4b) The Applicant's income from all sources does not exceed the low-income limit as established by the Department of Housing and Urban Development as used in determining the eligibility for section VIII housing.

**WHEREAS**, the deferment will be granted for as long a period of time as the hardship exists and the conditions as aforementioned have been met.

**WHEREAS**, the Applicant must notify the City Administrator of any change in Applicant's status that would affect eligibility for deferment.

**WHEREAS**, the Council has determined that the above referenced conditions are satisfied by the Applicant and that it is reasonable and appropriate to defer special assessments against Applicant's property designated as Scott County Property I.D. No. 240060040 (the "Subject Property") as provided below;

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

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of New Prague as follows:

1. The Recitals set forth above in this Resolution and in Exhibit A attached to this Resolution are incorporated into and made part of this Resolution as if fully set forth herein.
2. Special assessments for street, water, sanitary sewer and storm drainage projects designated as City Project 2024 Street and Utility Improvement Project against the Subject Property in the total principal amount of \$15,030. Parcel I.D. #240060040 for \$15,030.00 is deferred and the option to defer the payment of special assessments terminates, and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:
  - a. the death of the Applicant when there is no spouse who is eligible for deferment;
  - b. the sale, transfer or subdivision of all or any part of the Subject Property;
  - c. loss of homestead status on the Subject Property; or
  - d. determination by the Council for any reason that there would be no hardship upon the Applicant to require immediate or partial payment.

Whereupon said special assessment, together with accrued interest, shall be due and payable.

3. Interest on the principal amount stated in paragraph 2 will accrue at the rate of 4.945% percent per annum until paid in full.
4. City staff and consultants are authorized to take all necessary further action to implement this Resolution.

Adopted by the City Council of the City of New Prague on this 18th day of November, 2024.

\_\_\_\_\_  
Duane J. Jirik  
Mayor

ATTEST:

\_\_\_\_\_  
Joshua M. Tetzlaff  
City Administrator

**State of Minnesota  
Counties of Le Sueur/Scott  
City of New Prague**

**City Administrator’s Certificate as to  
Deferred Assessment under Minnesota  
Statutes Sections 435.193 to 435.195  
(Assessment Deferral for Seniors, Disabled or  
Military Persons)**

The undersigned duly appointed and acting City Administrator of the City of New Prague, Minnesota, certifies that the following special assessment and interest thereon have been deferred by the City Council pursuant to Minnesota Statutes Sections 435.193 to 435.195 (Assessment Deferral for Seniors, Disable or Military Persons) and the terms of City of New Prague Resolution #24-11-18-04 adopted November 18, 2024.

The authority for this Deferred Assessment is based on a City of New Prague Special Assessment Policy which was adopted by the City Council on September 6, 2022.

Legal description of property assessed: Lot Five (5), Block One (1), Park Addition, City of New Prague, Scott County, Minnesota.

PID #'s of property assessed: 24-006-0040

Amount of assessment deferred: \$15,030.00

Such deferred assessment shall be payable upon: the death of the owner/applicant when there is no spouse who is eligible for deferment; the sale, transfer or subdivision of the property; the loss of homestead status on the property for any reason, subject to and Minnesota Statutes Sections 435.193 to 435.195 or within 30 years of the date of adoption of Resolution #24-11-18-04 which occurred on November 18, 2024, subject to the terms of the resolution and Minnesota Statutes Section 429.061.

Dated: November 18, 2024.

\_\_\_\_\_  
Joshua M. Tetzlaff, City Administrator

STATE OF MINNESOTA                    )  
  ) ss.  
COUNTIES OF SCOTT & LESUEUR        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of November, 2024, by Joshua M. Tetzlaff, the City Administrator of the City of New Prague, a Minnesota municipal corporation on behalf of the City.

\_\_\_\_\_  
Notary Public

This document drafted by:  
City of New Prague  
Ken Ondich – Planning Director  
118 Central Ave. N.  
New Prague, MN 56071  
(952) 758-4401

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

**CITY OF NEW PRAGUE  
RESOLUTION #24-11-18-05**

**DEFERRING SPECIAL ASSESMENT FOR CITY OF NEW PRAGUE 2024 STREET AND UTILITY  
IMPROVEMENT PROJECT FOR GERALD STEPHENS AGAINST CERTAIN PROPERTY BASED  
UPON AGE**

**WHEREAS**, the City of New Prague (the “City”) has levied special assessments for the 2024 Street and Utility Improvement Project for street, water, sanitary sewer and storm drainage improvements, against benefited property; and

**WHEREAS**, Minnesota Statutes, sections 435.193 through 435.195 authorize the City to defer the payment of special assessments against any homestead property for certain citizens; and

**WHEREAS**, said deferment of assessment may be permitted at the discretion of the City Council of the City of New Prague (the “Council”); and,

**WHEREAS**, the Council finds and determines that deferral of special assessments for certain citizens is in the public interest; and

**WHEREAS**, the Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability (the “Applicant”). The City Administrator may record the deferment of special assessments where the following conditions are met:

- (1) The Applicant must apply for the deferment not later than 14 days after the assessment is adopted by the council.
  - (2) The Applicant must be the owner of the property.
  - (3) The Applicant must occupy the property as a principal place of residence.
- AND
- (4a) The Applicant must be 65 years of age, or older, or retired by virtue of permanent disability.
- OR
- (4b) The Applicant’s income from all sources does not exceed the low-income limit as established by the Department of Housing and Urban Development as used in determining the eligibility for section VIII housing.

**WHEREAS**, the deferment will be granted for as long a period of time as the hardship exists and the conditions as aforementioned have been met.

**WHEREAS**, the Applicant must notify the City Administrator of any change in Applicant’s status that would affect eligibility for deferment.

**WHEREAS**, the Council has determined that the above referenced conditions are satisfied by the Applicant and that it is reasonable and appropriate to defer special assessments against Applicant’s property designated as Scott County Property I.D. No. 240040260 (the “Subject Property”) as provided below;

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

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of New Prague as follows:

1. The Recitals set forth above in this Resolution and in Exhibit A attached to this Resolution are incorporated into and made part of this Resolution as if fully set forth herein.
2. Special assessments for street, water, sanitary sewer and storm drainage projects designated as City Project 2024 Street and Utility Improvement Project against the Subject Property in the total principal amount of \$10,435. Parcel I.D. #240040260 for \$10,435.00 is deferred and the option to defer the payment of special assessments terminates, and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:
  - a. the death of the Applicant when there is no spouse who is eligible for deferment;
  - b. the sale, transfer or subdivision of all or any part of the Subject Property;
  - c. loss of homestead status on the Subject Property; or
  - d. determination by the Council for any reason that there would be no hardship upon the Applicant to require immediate or partial payment.

Whereupon said special assessment, together with accrued interest, shall be due and payable.

3. Interest on the principal amount stated in paragraph 2 will accrue at the rate of 4.945% percent per annum until paid in full.
4. City staff and consultants are authorized to take all necessary further action to implement this Resolution.

Adopted by the City Council of the City of New Prague on this 18th day of November, 2024.

\_\_\_\_\_  
Duane J. Jirik  
Mayor

ATTEST:

\_\_\_\_\_  
Joshua M. Tetzlaff  
City Administrator

**State of Minnesota  
Counties of Le Sueur/Scott  
City of New Prague**

**City Administrator’s Certificate as to  
Deferred Assessment under Minnesota  
Statutes Sections 435.193 to 435.195  
(Assessment Deferral for Seniors, Disabled or  
Military Persons)**

The undersigned duly appointed and acting City Administrator of the City of New Prague, Minnesota, certifies that the following special assessment and interest thereon have been deferred by the City Council pursuant to Minnesota Statutes Sections 435.193 to 435.195 (Assessment Deferral for Seniors, Disable or Military Persons) and the terms of City of New Prague Resolution #24-11-18-05 adopted November 18, 2024.

The authority for this Deferred Assessment is based on a City of New Prague Special Assessment Policy which was adopted by the City Council on September 6, 2022.

Legal description of property assessed: Lots 1 and 2, except the East 48 feet of said Lot 2, Block 5, Wertish Addition to New Prague, Scott County, Minnesota.

PID #'s of property assessed: 24-004-0260

Amount of assessment deferred: \$10,435.00

Such deferred assessment shall be payable upon: the death of the owner/applicant when there is no spouse who is eligible for deferment; the sale, transfer or subdivision of the property; the loss of homestead status on the property for any reason, subject to and Minnesota Statutes Sections 435.193 to 435.195 or within 30 years of the date of adoption of Resolution #24-11-18-05 which occurred on November 18, 2024, subject to the terms of the resolution and Minnesota Statutes Section 429.061.

Dated: November 18, 2024.

\_\_\_\_\_  
Joshua M. Tetzlaff, City Administrator

STATE OF MINNESOTA                    )  
  ) ss.  
COUNTIES OF SCOTT & LESUEUR    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of November, 2024, by Joshua M. Tetzlaff, the City Administrator of the City of New Prague, a Minnesota municipal corporation on behalf of the City.

\_\_\_\_\_  
Notary Public

This document drafted by:  
City of New Prague  
Ken Ondich – Planning Director  
118 Central Ave. N.  
New Prague, MN 56071  
(952) 758-4401

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

}

**CITY OF NEW PRAGUE  
RESOLUTION #24-11-18-06**

**DEFERRING SPECIAL ASSESMENT FOR CITY OF NEW PRAGUE 2024 STREET AND UTILITY  
IMPROVEMENT PROJECT FOR GREGORY WOOD AGAINST CERTAIN PROPERTY BASED  
UPON AGE**

**WHEREAS**, the City of New Prague (the “City”) has levied special assessments for the 2024 Street and Utility Improvement Project for street, water, sanitary sewer and storm drainage improvements, against benefited property; and

**WHEREAS**, Minnesota Statutes, sections 435.193 through 435.195 authorize the City to defer the payment of special assessments against any homestead property for certain citizens; and

**WHEREAS**, said deferment of assessment may be permitted at the discretion of the City Council of the City of New Prague (the “Council”); and,

**WHEREAS**, the Council finds and determines that deferral of special assessments for certain citizens is in the public interest; and

**WHEREAS**, the Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability (the “Applicant”). The City Administrator may record the deferment of special assessments where the following conditions are met:

- (1) The Applicant must apply for the deferment not later than 14 days after the assessment is adopted by the council.
- (2) The Applicant must be the owner of the property.
- (3) The Applicant must occupy the property as a principal place of residence.

AND

(4a) The Applicant must be 65 years of age, or older, or retired by virtue of permanent disability.

OR

(4b) The Applicant’s income from all sources does not exceed the low-income limit as established by the Department of Housing and Urban Development as used in determining the eligibility for section VIII housing.

**WHEREAS**, the deferment will be granted for as long a period of time as the hardship exists and the conditions as aforementioned have been met.

**WHEREAS**, the Applicant must notify the City Administrator of any change in Applicant’s status that would affect eligibility for deferment.

**WHEREAS**, the Council has determined that the above referenced conditions are satisfied by the Applicant and that it is reasonable and appropriate to defer special assessments against Applicant’s property designated as Scott County Property I.D. No. 240040200 (the “Subject Property”) as provided below;



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

}

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of New Prague as follows:

1. The Recitals set forth above in this Resolution and in Exhibit A attached to this Resolution are incorporated into and made part of this Resolution as if fully set forth herein.
2. Special assessments for street, water, sanitary sewer and storm drainage projects designated as City Project 2024 Street and Utility Improvement Project against the Subject Property in the total principal amount of \$15,030. Parcel I.D. #240040200 for \$15,030.00 is deferred and the option to defer the payment of special assessments terminates, and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:
  - a. the death of the Applicant when there is no spouse who is eligible for deferment;
  - b. the sale, transfer or subdivision of all or any part of the Subject Property;
  - c. loss of homestead status on the Subject Property; or
  - d. determination by the Council for any reason that there would be no hardship upon the Applicant to require immediate or partial payment.

Whereupon said special assessment, together with accrued interest, shall be due and payable.

3. Interest on the principal amount stated in paragraph 2 will accrue at the rate of 4.945% percent per annum until paid in full.
4. City staff and consultants are authorized to take all necessary further action to implement this Resolution.

Adopted by the City Council of the City of New Prague on this 18th day of November, 2024.

\_\_\_\_\_  
Duane J. Jirik  
Mayor

ATTEST:

\_\_\_\_\_  
Joshua M. Tetzlaff  
City Administrator

**State of Minnesota  
Counties of Le Sueur/Scott  
City of New Prague**

**City Administrator’s Certificate as to  
Deferred Assessment under Minnesota  
Statutes Sections 435.193 to 435.195  
(Assessment Deferral for Seniors, Disabled or  
Military Persons)**

The undersigned duly appointed and acting City Administrator of the City of New Prague, Minnesota, certifies that the following special assessment and interest thereon have been deferred by the City Council pursuant to Minnesota Statutes Sections 435.193 to 435.195 (Assessment Deferral for Seniors, Disable or Military Persons) and the terms of City of New Prague Resolution #24-11-18-06 adopted November 18, 2024.

The authority for this Deferred Assessment is based on a City of New Prague Special Assessment Policy which was adopted by the City Council on September 6, 2022.

Legal description of property assessed: The North 80 feet of Lot 1 and the North half of Lot 2, all in Block 4, Wertish Addition to New Prague, Scott County, Minnesota.

PID #'s of property assessed: 24-004-0200

Amount of assessment deferred: \$15,030.00

Such deferred assessment shall be payable upon: the death of the owner/applicant when there is no spouse who is eligible for deferment; the sale, transfer or subdivision of the property; the loss of homestead status on the property for any reason, subject to and Minnesota Statutes Sections 435.193 to 435.195 or within 30 years of the date of adoption of Resolution #24-11-18-06 which occurred on November 18, 2024, subject to the terms of the resolution and Minnesota Statutes Section 429.061.

Dated: November 18, 2024.

\_\_\_\_\_  
Joshua M. Tetzlaff, City Administrator

STATE OF MINNESOTA                    )  
  ) ss.  
COUNTIES OF SCOTT & LESUEUR    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of November, 2024, by Joshua M. Tetzlaff, the City Administrator of the City of New Prague, a Minnesota municipal corporation on behalf of the City.

\_\_\_\_\_  
Notary Public

This document drafted by:  
City of New Prague  
Ken Ondich – Planning Director  
118 Central Ave. N.  
New Prague, MN 56071  
(952) 758-4401

# 2025 ENTERPRISE FUNDS PRESENTATION

November 18, 2024

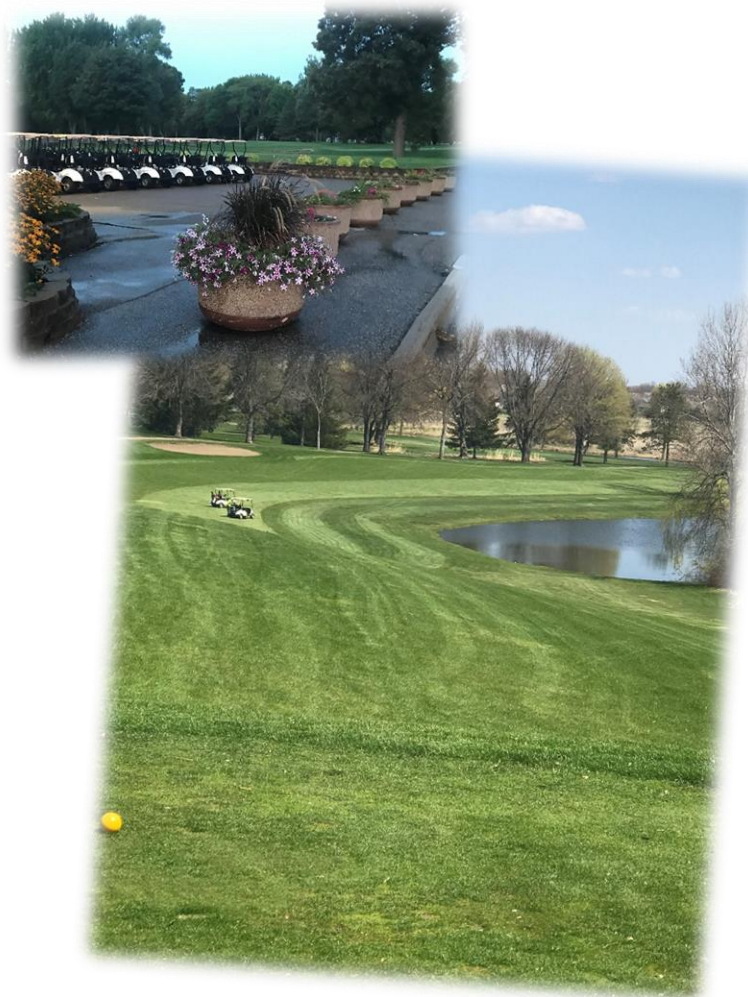


# DEPARTMENT UPDATES

## GOLF CLUB

### Notables from 2024

- Spring weather kept the number of rounds just under 30,000 for the first time in 3 years
- Nathan Proshek broke the course record with a 61. The old record of 62 stood for just over 1 year
- The playing surfaces continue to be in great shape. Many thanks to Grounds Superintendent Jeff Pint and his staff
- The flowers around the Facility are second to none! Thank you to Sandy Eaton (+Tom) and Mary Kay Proshek (+Todd) for their incredible beautification
- Thank you to Holly Werner, Jill Kes and the entire Food & Beverage staff for providing patrons with great food selections and great customer service, we continue to expand our offerings
- Junior Golf programs continue to be the largest in the area. A very special thanks to Dan Puls and Gerry Brown for their organization and commitment.
- New cart fleet arrived and has been received well! We added 10 vehicles to the fleet, which decreased the amount of rentals needed for large events



# **DEPARTMENT UPDATES**

## **GOLF CLUB**

### **Golf Course**

- **Projected to lower the Golf Club Fund by \$55,370.56**
  - **Estimated 1/1/2025 Fund Balance: \$648,374**
  - **\$320,000 in CIP requests.**
    - **\$220,000 in case reserves and 5-year equipment certificate, worth \$100,000 (Begin Pay 2026)**
    - **Clubhouse Chairs**
    - **Fairway Mower, Rough Mower, Sprayer**
  - **Increase of \$381,120, or 28.14%, in projected revenue**
    - **35.77% increase in Operations (changed how capital equipment is shown in budget)**
    - **5.66% increase in Food & Beverage**
  - **Increase of \$420,639, or 29.86%, in projected expenditures**
    - **67.64% increase in Operations (changed how capital equipment is shown in budget)**
    - **4.74% decrease in Food & Beverage**
    - **14.10% increase in Maintenance**

# DEPARTMENT UPDATES

## SANITARY AND STORM SEWERS

### Notables from 2024

- At one point in the spring, the wastewater plant was down three of its four total employees
- With new employees, there have been at least two employees in training most of year
- A new Superintendent is scheduled to start mid-December
- Experienced significant issues with the plant that were able to be fixed
- New Prague has been told it will become an MS-4 City in 2026 due to growth in size, which is a stormwater designation utilized by the US EPA and passed down to states and local communities.



# **DEPARTMENT UPDATES**

## **SANITARY AND STORM SEWERS**

### **Wastewater**

- ▶ Projected to draw \$501,826 from reserves
- ▶ Increase of \$129,329, or 3.52%, in projected revenues
  - ▶ 3.5% increase in rates
- ▶ Increase of \$251,510, or 6.20%, in budgeted expenditures
- ▶ Increase of \$52,326, or 7.09% in Personnel Costs
- ▶ Increase of \$199,485, or 8.31% in Operating Costs
- ▶ Decrease of \$303 in Debt Service

# **DEPARTMENT UPDATES**

## **SANITARY AND STORM SEWERS**

### Stormwater

- Projected to use \$50,657 in reserves
- Revenues projected to increase \$28,640, or 7.14%
  - 4.0% increase in rates
- Increase of \$76,892 in budgeted expenditures
  - Increase of \$37,704, or 14.47%, in Operating Expenses
  - Increase of \$27,000, or 57.61%, in Debt Service
  - Increase of \$11,000 in Capital Expenses



# DEPARTMENT UPDATES

## UTILITIES



### Notable 2024 Water Updates

- Replaced 5000' of water main and 90 service lines on the Lyndale and Lexington Ave
- Replaced well #2 failed pump
- Completed Water System Modeling Study
- Finished lead service line inventory and applied for funding from the state to start lead service line replacement in 2025

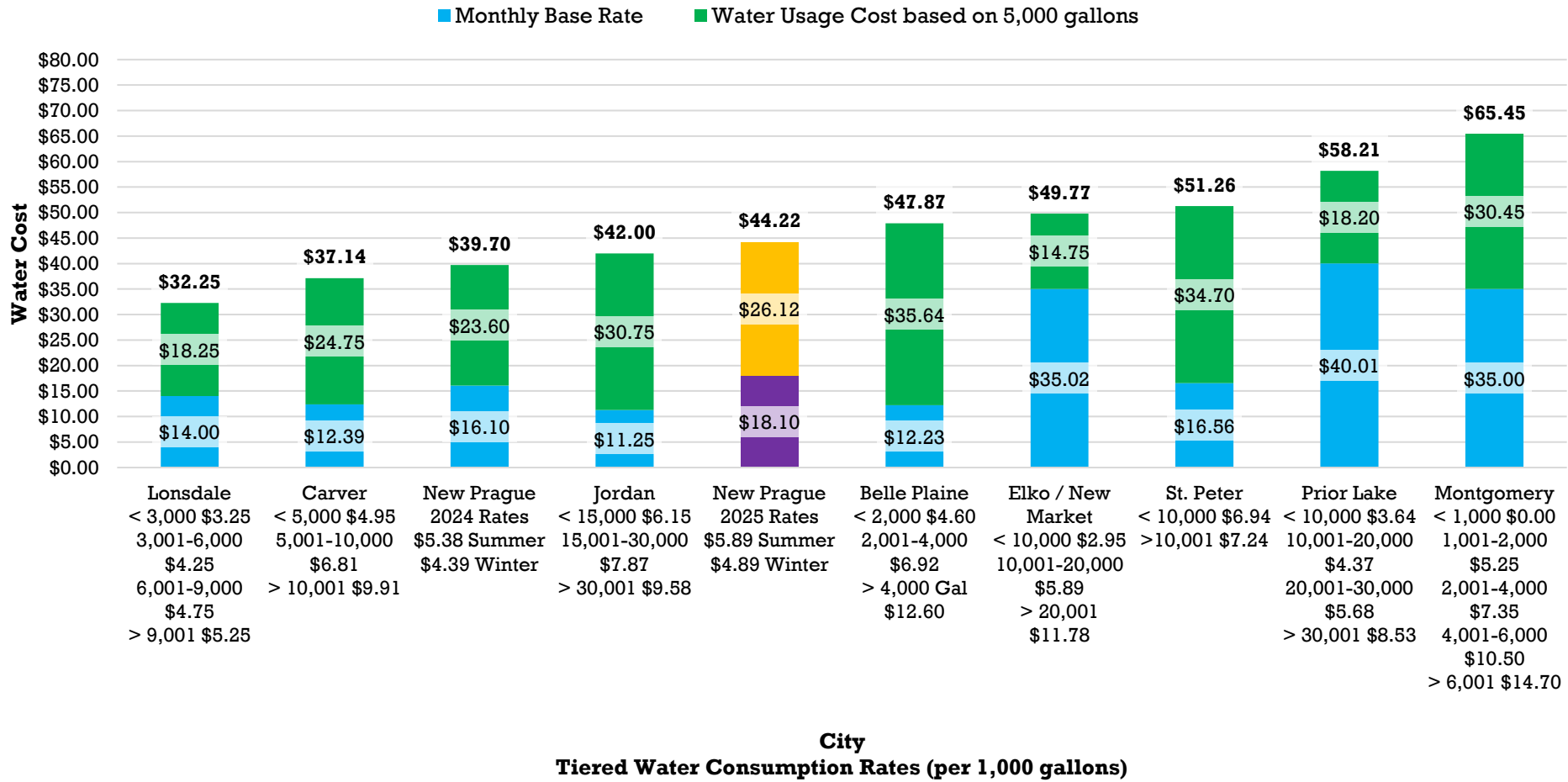
# **DEPARTMENT UPDATES**

## **UTILITIES**

### Water

- Projected to add \$341,842 to reserves
- Increase of \$179,000, or 9.53%, in projected revenues
  - Increase of \$.50/1000 gallons and \$2.00/monthly customer charge for all customer classes commercial and residential rates
- Increase of \$125,195, or 7.87%, in budgeted expenditures
  - Decrease of \$6,000 in distribution
  - Decrease of \$8,127 in personnel costs
  - Increase of \$6,642 in administration/general

## New Prague Utilities Commission Monthly water costs compared to surrounding cities based on 5,000 gallon usage



# DEPARTMENT UPDATES

## UTILITIES

### Notable 2024 Electric Updates

- Installed 20,500' of new underground distribution lines, 19 transformers, and 65 house services furthering the goal to have all residential lines underground
- Installed commercial services to Scott Equipment and Scooters Coffee
- Replaced Cooling towers as part of SMMPA's \$225,000 capital improvement plan
- Installed fiber optic and electrical services to the new dog park and parks department building



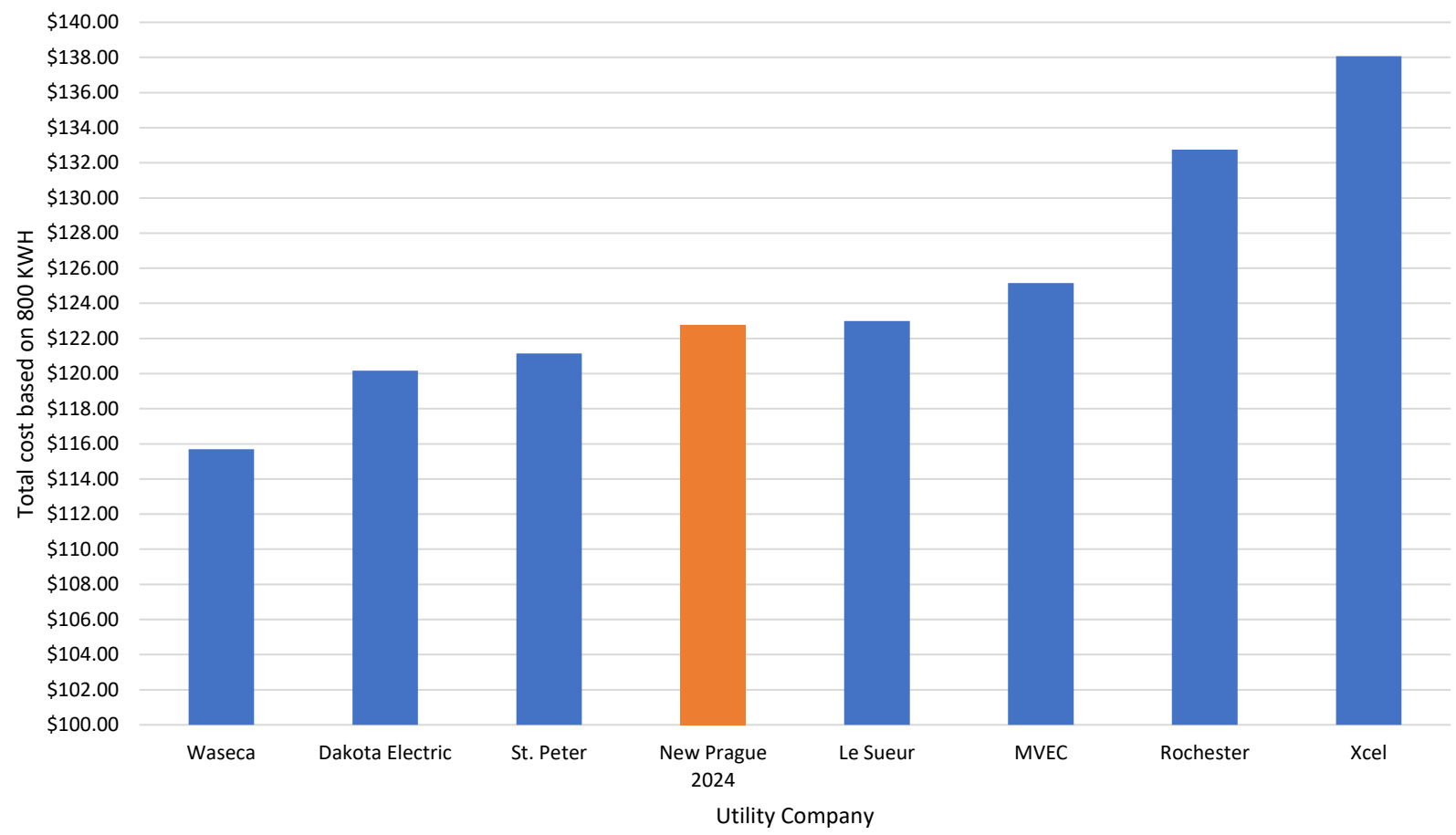
# **DEPARTMENT UPDATES**

## **UTILITIES**

### **Electric**

- ▶ Projected to add \$380,784 to reserves
- ▶ Decrease of \$69,004 or 0.66%, in budgeted revenues
  - ▶ Increase of 2% and \$1.00 in base fees for all residential and commercial rate classes
  - ▶ Increase of 2.3% for industrial rates
- ▶ Decrease of \$52,376, or 0.52%, in budgeted expenditures
  - ▶ Decrease of \$205,472 in purchased power
  - ▶ Decrease of \$154,445 in SMMPA O&M expenses
  - ▶ Increase of \$161,665 in personnel costs

### New Prague Utilities Commission 2024 Summer Rate Comparison



# **DEPARTMENT UPDATES**

## **AMBULANCE**

### **Ambulance**

- Projected to add \$3,342 to reserves
- Revenues projected to remain consistent with 2024
- Increase of \$4,292, or 34.71%, in budgeted expenditures
  - Change in utility and insurance costs

# QUESTIONS?



Description	Golf 603		Enterprise Funds			
	Account Code	FY2023 Actuals	2024 Adopted	2025	Difference 2025-2024	% Difference
			Budget	Proposed		
<b>Golf</b>						
	<b>Revenue</b>	<b>\$10,755.35</b>	<b>\$0.00</b>	<b>\$0.00</b>	\$0.00	0
STATE AID-PERA	603-3-0000-33426	\$4,295.01	\$0.00	\$0.00	\$0.00	0
PERA PENSION OTHER REVENUE	603-3-0000-33439	\$27.00	\$0.00	\$0.00	\$0.00	0
SALE OF FIXED ASSETS	603-3-0000-39101	\$0.00	\$0.00	\$0.00	\$0.00	0
BOND PREMIUM AMORTIZATION	603-3-0000-39500	\$6,433.34	\$0.00	\$0.00	\$0.00	0
<b>Golf Food &amp; Beverage</b>						
	<b>Expense</b>	<b>\$349,290.97</b>	<b>\$350,294.00</b>	<b>\$333,676.00</b>	-\$16,618.00	-5%
WAGES OVERTIME	603-4-4512-102	\$734.07	\$0.00	\$500.00	\$500.00	0
WAGES PART-TIME	603-4-4512-103	\$102,957.08	\$101,270.00	\$102,000.00	\$730.00	1%
GRATUITIES	603-4-4512-104	\$11,918.25	\$11,000.00	\$11,000.00	\$0.00	0%
EMPLOYEE BENEFITS	603-4-4512-113	\$0.00	\$0.00	\$0.00	\$0.00	0
UNEMPLOYMENT BENEFITS	603-4-4512-114	\$312.12	\$0.00	\$0.00	\$0.00	0
EMPLOYER CONT. P E R A	603-4-4512-121	\$4,494.91	\$9,206.00	\$4,500.00	-\$4,706.00	-51%
EMPLOYER CONT. F I C A	603-4-4512-122	\$8,907.07	\$9,431.00	\$7,000.00	-\$2,431.00	-26%
EMPLOYER PAID INSURANCE	603-4-4512-130	\$0.00	\$0.00	\$0.00	\$0.00	0
WORKER'S COMPENSATION	603-4-4512-151	\$787.00	\$917.00	\$866.00	-\$51.00	-6%
SUPPLIES - GENERAL	603-4-4512-210	\$20,330.89	\$18,000.00	\$18,000.00	\$0.00	0%
TOWELS/LINENS	603-4-4512-217	\$5,140.94	\$7,500.00	\$4,800.00	-\$2,700.00	-36%
COGS - ALCOHOL	603-4-4512-251	\$61,314.74	\$60,000.00	\$60,000.00	\$0.00	0%
COGS - BEV NON-ALCOHOL	603-4-4512-254	\$18,689.30	\$22,000.00	\$17,000.00	-\$5,000.00	-23%
COGS - FOOD	603-4-4512-259	\$84,863.32	\$80,000.00	\$81,760.00	\$1,760.00	2%
COGS - SUNDRIES	603-4-4512-262	\$9,995.35	\$7,470.00	\$7,650.00	\$180.00	2%
EXPIRED GOODS	603-4-4512-263	\$999.01	\$500.00	\$500.00	\$0.00	0%
ADVERTISING & PUBLICATIONS	603-4-4512-340	\$0.00	\$0.00	\$0.00	\$0.00	0
INSURANCE DEDUCTIBLE	603-4-4512-365	\$0.00	\$0.00	\$0.00	\$0.00	0
REPAIRS & MAINTENANCE	603-4-4512-404	\$4,504.92	\$4,000.00	\$4,000.00	\$0.00	0%
EQUIPMENT RENTAL	603-4-4512-415	\$2,746.80	\$2,500.00	\$2,600.00	\$100.00	4%
MISCELLANEOUS EXPENSE	603-4-4512-430	\$6,334.77	\$2,000.00	\$2,000.00	\$0.00	0%
LICENSE FEES/REGISTRATION	603-4-4512-460	\$4,260.43	\$4,500.00	\$4,500.00	\$0.00	0%

Description	Account Code	FY2023 Actuals	Enterprise Funds		Difference 2025-2024	% Difference
			2024 Adopted Budget	2025 Proposed		
CAPITAL OUTLAY	603-4-4512-500	\$0.00	\$10,000.00	\$5,000.00	-\$5,000.00	-50%
	<b>Revenue</b>	<b>\$418,370.87</b>	<b>\$389,000.00</b>	<b>\$411,000.00</b>	\$22,000.00	6%
FACILITY FEES	603-3-4512-38044	\$6,268.00	\$6,000.00	\$6,000.00	\$0.00	0%
GRATUITIES	603-3-4512-38045	\$11,918.25	\$11,000.00	\$11,000.00	\$0.00	0%
FOOD SALES	603-3-4512-38140	\$159,725.35	\$150,000.00	\$160,000.00	\$10,000.00	7%
BEVERAGE NON-ALCOHOL	603-3-4512-38141	\$29,807.33	\$28,000.00	\$30,000.00	\$2,000.00	7%
BEVERAGE ALCOHOL	603-3-4512-38142	\$200,917.22	\$185,000.00	\$195,000.00	\$10,000.00	5%
SUNDRIES	603-3-4512-38143	\$9,734.72	\$9,000.00	\$9,000.00	\$0.00	0%
	<b>Golf Maintenance</b>					
	<b>Expense</b>	<b>\$614,386.27</b>	<b>\$520,658.00</b>	<b>\$594,078.00</b>	\$73,420.00	14%
WAGES FULL-TIME	603-4-4513-101	\$172,463.60	\$182,506.00	\$191,045.00	\$8,539.00	5%
WAGES OVERTIME	603-4-4513-102	\$1,769.38	\$1,000.00	\$1,000.00	\$0.00	0%
WAGES PART-TIME	603-4-4513-103	\$96,859.58	\$80,000.00	\$105,000.00	\$25,000.00	31%
EMPLOYEE BENEFITS	603-4-4513-113	\$760.00	\$760.00	\$760.00	\$0.00	0%
UNEMPLOYMENT BENEFITS	603-4-4513-114	\$0.00	\$2,546.00	\$0.00	-\$2,546.00	-100%
VACATION ACCRUAL	603-4-4513-115	-\$104.38	\$0.00	\$0.00	\$0.00	0
EMPLOYER CONT. P E R A	603-4-4513-121	\$15,354.69	\$14,324.00	\$14,283.00	-\$41.00	0%
EMPLOYER CONT. F I C A	603-4-4513-122	\$20,248.10	\$20,276.00	\$20,211.00	-\$65.00	0%
GERF CHANGE	603-4-4513-129	\$37,296.00	\$0.00	\$0.00	\$0.00	0
HEALTH INSURANCE	603-4-4513-131	\$12,594.08	\$13,312.00	\$29,959.00	\$16,647.00	125%
DENTAL INSURANCE	603-4-4513-132	\$2,385.00	\$1,796.00	\$1,731.00	-\$65.00	-4%
LIFE & S-T DISABILITY	603-4-4513-133	\$542.30	\$525.00	\$536.00	\$11.00	2%
OPEB EXPENSE	603-4-4513-135	\$405.00	\$0.00	\$0.00	\$0.00	0
WORKER'S COMP INSURANCE	603-4-4513-151	\$3,624.71	\$2,663.00	\$3,822.00	\$1,159.00	44%
SUPPLIES - GENERAL	603-4-4513-210	\$7,079.02	\$6,000.00	\$8,000.00	\$2,000.00	33%
MOTOR FUELS	603-4-4513-212	\$24,568.03	\$25,000.00	\$25,000.00	\$0.00	0%
FERTILIZER & CHEMICALS	603-4-4513-216	\$64,561.78	\$40,000.00	\$45,000.00	\$5,000.00	13%
R & M - MACHINERY PARTS	603-4-4513-221	\$26,989.78	\$30,000.00	\$30,000.00	\$0.00	0%
R & M - IRRIGATION	603-4-4513-222	\$13,825.95	\$15,000.00	\$15,000.00	\$0.00	0%
SAFETY EQUIP & TRAINING	603-4-4513-231	\$639.54	\$800.00	\$631.00	-\$169.00	-21%
R & M - COURSE GEN IMPROV	603-4-4513-247	\$11,650.53	\$15,000.00	\$15,000.00	\$0.00	0%

Description	Account Code	FY2023 Actuals	Enterprise Funds		Difference 2025-2024	% Difference
			2024 Adopted Budget	2025 Proposed		
TRAVEL, CONF, MILEAGE ALLOW	603-4-4513-330	\$115.00	\$500.00	\$500.00	\$0.00	0%
ELECTRIC	603-4-4513-381	\$1,883.22	\$1,400.00	\$1,600.00	\$200.00	14%
WATER/SEWER	603-4-4513-382	\$81,930.67	\$62,000.00	\$62,000.00	\$0.00	0%
REPAIRS & MAINTENANCE	603-4-4513-404	\$805.13	\$1,750.00	\$2,000.00	\$250.00	14%
R & M - PRIVATE CART REPAIRS	603-4-4513-405	\$5,396.91	\$3,500.00	\$5,000.00	\$1,500.00	43%
UNIFORMS	603-4-4513-417	\$0.00	\$0.00	\$0.00	\$0.00	0
OPERATING LEASE PAYMENTS	603-4-4513-419	\$0.00	\$0.00	\$0.00	\$0.00	0
MISCELLANEOUS EXPENSE	603-4-4513-430	\$5.15	\$0.00	\$1,000.00	\$1,000.00	0
SPECIAL PROJECTS	603-4-4513-441	\$10,737.50	\$0.00	\$15,000.00	\$15,000.00	0
CAPITAL OUTLAY	603-4-4513-500	\$0.00	\$0.00	\$0.00	\$0.00	0
<b>Golf Operations</b>						
	<b>Expense</b>	<b>\$540,991.85</b>	<b>\$537,881.11</b>	<b>\$901,718.56</b>	<b>\$263,837.45</b>	<b>49%</b>
WAGES FULL-TIME-	603-4-4511-101	\$18,065.16	\$50,920.00	\$21,744.00	-\$29,176.00	-57%
WAGES OVERTIME	603-4-4511-102	\$506.50	\$250.00	\$250.00	\$0.00	0%
WAGES PART-TIME	603-4-4511-103	\$58,384.00	\$50,000.00	\$50,000.00	\$0.00	0%
EMPLOYEE BENEFITS	603-4-4511-113	\$8.68	\$117.00	\$117.00	\$0.00	0%
EMPLOYER CONT. P E R A	603-4-4511-121	\$2,936.08	\$2,613.00	\$2,675.00	\$62.00	2%
EMPLOYER CONT. F I C A	603-4-4511-122	\$5,788.66	\$9,953.00	\$5,517.00	-\$4,436.00	-45%
EMPLOYER PAID INSURANCE	603-4-4511-130	\$0.00	\$0.00	\$0.00	\$0.00	0
HEALTH INSURANCE	603-4-4511-131	\$3,766.37	\$3,572.00	\$3,953.00	\$381.00	11%
DENTAL INSURANCE	603-4-4511-132	\$341.70	\$362.00	\$319.00	-\$43.00	-12%
LIFE & S-T DISABILITY	603-4-4511-133	\$59.82	\$62.00	\$63.00	\$1.00	2%
WORKER'S COMP INSURANCE	603-4-4511-151	\$765.44	\$651.00	\$859.00	\$208.00	32%
COMPUTER SUPPORT SERVICES	603-4-4511-207	\$11,383.62	\$11,250.00	\$13,550.00	\$2,300.00	20%
SUPPLIES - GENERAL	603-4-4511-210	\$4,738.51	\$5,500.00	\$5,500.00	\$0.00	0%
SUPPLIES - CLEANING	603-4-4511-211	\$603.53	\$500.00	\$1,000.00	\$500.00	100%
MOTOR FUELS	603-4-4511-212	\$0.00	\$0.00	\$0.00	\$0.00	0
COGS - GOLF MERCHANDISE	603-4-4511-260	\$24,348.80	\$25,000.00	\$30,000.00	\$5,000.00	20%
COGS - CLOTHING	603-4-4511-261	\$18,712.98	\$15,000.00	\$17,500.00	\$2,500.00	17%
COGS - SPECIAL ORDER	603-4-4511-262	\$9,299.29	\$8,000.00	\$8,000.00	\$0.00	0%
SUPPLIES - OFFICE	603-4-4511-264	\$2,327.25	\$2,400.00	\$2,000.00	-\$400.00	-17%

Description	Account Code	FY2023 Actuals	Enterprise Funds		Difference 2025-2024	% Difference
			2024 Adopted Budget	2025 Proposed		
DRIVING RANGE	603-4-4511-265	\$7,386.62	\$5,000.00	\$7,000.00	\$2,000.00	40%
AUDIT	603-4-4511-301	\$6,745.76	\$5,250.00	\$7,102.00	\$1,852.00	35%
CIVIL LEGAL FEES	603-4-4511-305	\$88.60	\$750.00	\$500.00	-\$250.00	-33%
PROFESSIONAL SERVICES	603-4-4511-310	\$121.80	\$0.00	\$0.00	\$0.00	0
HANDICAP SERVICES	603-4-4511-318	\$5,970.00	\$6,000.00	\$6,000.00	\$0.00	0%
PROF. FEES - CONSULTING	603-4-4511-319	\$114.11	\$0.00	\$0.00	\$0.00	0
TELEPHONE / CABLE	603-4-4511-321	\$6,860.51	\$7,600.00	\$7,600.00	\$0.00	0%
COMPUTER COMM/MAINT	603-4-4511-322	\$3,607.24	\$4,000.00	\$4,000.00	\$0.00	0%
POSTAGE	603-4-4511-323	\$931.08	\$900.00	\$950.00	\$50.00	6%
ADVERTISING & PUBLICATIONS	603-4-4511-340	\$564.40	\$1,500.00	\$1,000.00	-\$500.00	-33%
PROMOTION	603-4-4511-341	\$4,150.00	\$4,500.00	\$3,800.00	-\$700.00	-16%
INSURANCES	603-4-4511-369	\$14,443.10	\$12,662.11	\$13,928.00	\$1,265.89	10%
ELECTRIC	603-4-4511-381	\$22,290.05	\$21,000.00	\$23,000.00	\$2,000.00	10%
WATER/SEWER	603-4-4511-382	\$5,217.09	\$5,000.00	\$5,500.00	\$500.00	10%
STORM SEWER UTILITIES	603-4-4511-383	\$5,989.04	\$6,000.00	\$6,000.00	\$0.00	0%
REFUSE	603-4-4511-384	\$4,208.93	\$4,000.00	\$4,500.00	\$500.00	13%
NATURAL GAS	603-4-4511-385	\$7,885.31	\$9,500.00	\$9,500.00	\$0.00	0%
CONTRACTED SERVICES	603-4-4511-401	\$94,609.00	\$100,170.00	\$102,173.00	\$2,003.00	2%
REPAIRS & MAINTENANCE	603-4-4511-404	\$13,969.09	\$13,000.00	\$13,000.00	\$0.00	0%
EQUIPMENT RENTAL	603-4-4511-411	\$5,925.74	\$5,200.00	\$5,200.00	\$0.00	0%
TOURNAMENT FLEET RENTALS	603-4-4511-412	\$10,630.00	\$6,000.00	\$3,000.00	-\$3,000.00	-50%
PORTABLE TOILETS	603-4-4511-418	\$2,221.14	\$1,800.00	\$2,000.00	\$200.00	11%
DEPRECIATION	603-4-4511-420	\$98,716.74	\$84,000.00	\$143,105.00	\$59,105.00	70%
MISCELLANEOUS EXPENSE	603-4-4511-430	\$4.76	\$250.00	\$0.00	-\$250.00	-100%
CASH (OVER) SHORT	603-4-4511-431	\$6,284.13	\$0.00	\$0.00	\$0.00	0
DUES & SUBSCRIPTIONS	603-4-4511-433	\$1,247.38	\$1,000.00	\$1,200.00	\$200.00	20%
CREDIT CARD FEES	603-4-4511-437	\$32,574.29	\$29,000.00	\$29,000.00	\$0.00	0%
BAD DEBT EXPENSE	603-4-4511-438	\$0.00	\$250.00	\$0.00	-\$250.00	-100%
LICENSE FEES/REGISTRATION	603-4-4511-460	\$175.00	\$1,000.00	\$1,000.00	\$0.00	0%
DONATION OTHER CIVIC ORG.	603-4-4511-490	\$0.00	\$0.00	\$0.00	\$0.00	0
CAPITAL OUTLAY	603-4-4511-500	\$0.00	\$0.00	\$320,000.00	\$320,000.00	0

Description	Account Code	FY2023 Actuals	Enterprise Funds		Difference 2025-2024	% Difference
			2024 Adopted Budget	2025 Proposed		
DEBT SERVICE INTEREST	603-4-4511-611	\$12,864.55	\$10,399.00	\$13,613.56	\$3,214.56	31%
BOND ISSUANCE FEES	603-4-4511-620	\$3,160.00	\$6,000.00	\$5,000.00	-\$1,000.00	-17%
	<b>Revenue</b>	<b>\$1,125,772.02</b>	<b>\$1,003,982.00</b>	<b>\$1,363,102.00</b>	<b>\$359,120.00</b>	<b>36%</b>
EMPLOYEE GOLF PUNCH CARD	603-3-4511-34710	\$2,334.08	\$0.00	\$0.00	\$0.00	0
INTEREST INCOME	603-3-4511-36210	\$11,635.31	\$0.00	\$5,000.00	\$5,000.00	0
FINANCE CHARGE INCOME	603-3-4511-36220	\$0.00	\$0.00	\$0.00	\$0.00	0
ATM INCOME	603-3-4511-36221	\$0.00	\$0.00	\$0.00	\$0.00	0
CONTRIBUTIONS AND DONATIONS	603-3-4511-36230	\$1,283.14	\$0.00	\$1,300.00	\$1,300.00	0
REIMBURSEMENTS	603-3-4511-36240	\$879.46	\$500.00	\$500.00	\$0.00	0%
MEMBERSHIP DUES	603-3-4511-38040	\$299,037.57	\$306,000.00	\$315,000.00	\$9,000.00	3%
ADDITIONAL FEES	603-3-4511-38041	\$8,270.00	\$8,500.00	\$8,500.00	\$0.00	0%
RENTALS	603-3-4511-38042	\$100.00	\$500.00	\$500.00	\$0.00	0%
LESSONS	603-3-4511-38043	\$0.00	\$2,500.00	\$2,500.00	\$0.00	0%
MISCELLANEOUS INCOME	603-3-4511-38045	\$1,378.80	\$0.00	\$1,500.00	\$1,500.00	0
GOLF MERCHANDISE	603-3-4511-38046	\$40,061.99	\$50,000.00	\$50,000.00	\$0.00	0%
CLOTHING	603-3-4511-38047	\$25,971.46	\$20,000.00	\$25,000.00	\$5,000.00	25%
GREEN FEES	603-3-4511-38048	\$350,403.01	\$304,459.00	\$342,404.00	\$37,945.00	12%
DAILY CART FEES	603-3-4511-38049	\$207,563.23	\$214,727.00	\$223,198.00	\$8,471.00	4%
PRIVATE CART FEES	603-3-4511-38050	\$14,445.00	\$17,850.00	\$27,000.00	\$9,150.00	51%
DRIVING RANGE	603-3-4511-38051	\$24,375.90	\$25,000.00	\$26,000.00	\$1,000.00	4%
SPECIAL ORDER-MERCHANDISE	603-3-4511-38052	\$9,489.20	\$8,000.00	\$9,200.00	\$1,200.00	15%
PRIVATE CART REPAIRS	603-3-4511-38053	\$7,273.87	\$4,000.00	\$5,500.00	\$1,500.00	38%
OPERATING TRANSFER IN	603-3-4511-39200	\$121,270.00	\$41,946.00	\$0.00	-\$41,946.00	-100%
BOND PROCEEDS	603-3-4511-38054	\$0.00	\$0.00	\$100,000.00	\$100,000.00	0
USE OF FUND BALANCE	603-3-4511-38055	\$0.00	\$0.00	\$220,000.00	\$220,000.00	0
	<b>Grand Total Exp-Rev</b>	<b>-\$50,229.15</b>	<b>\$15,851.11</b>	<b>\$55,370.56</b>		

Sum of Amount	Years												
Funding Sources	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2040	Grand Total
<b>Golf</b>	<b>321,500</b>	<b>298,500</b>	<b>149,000</b>	<b>81,600</b>	-	<b>330,000</b>	<b>84,000</b>	<b>6,500</b>	<b>277,000</b>	<b>5,000</b>	<b>30,000</b>	<b>23,509</b>	<b>1,606,609</b>
<b>Backflow Prevention for Irr. System</b>												<b>2</b>	<b>2</b>
RPZ Backflow 2016, Rebuild is possible.												2	2
<b>Brush Chipper (35% of cost)</b>				<b>12,600</b>									<b>12,600</b>
2028-Brush Chipper - 20% Streets, 15% Electric, 30% Parks, 35% Golf. (Replacement of a 2013 Morbark Brush Chipper M12-R)				12,600									12,600
<b>Clubhouse Chairs</b>	<b>2,500</b>	<b>2,500</b>											<b>5,000</b>
Replace first half of dining room chairs in clubhouse.	2,500												2,500
Replace second half of dining room chairs in clubhouse.		2,500											2,500
<b>Core Harvester</b>													
Ryan Core Harvester 2015, Picks up cores after aerification.													
<b>Dump Truck</b>		<b>15,000</b>											<b>15,000</b>
Chevy Dump Truck 1992		15,000											15,000
<b>Equipment Lift</b>													
Equipment lift 2015													
<b>Fairway / Deep Tine Aerifier</b>			<b>65,000</b>										<b>65,000</b>
Vertidrain 7120 2011			65,000										65,000
<b>Fairway Mower #1</b>	<b>70,000</b>												<b>70,000</b>
Jacobsen 570 2011	70,000												70,000
<b>Fairway Mower #2</b>						<b>80,000</b>							<b>80,000</b>
Toro 3555 2018						80,000							80,000
<b>Fertilizer Spreader #1</b>								<b>6,500</b>					<b>6,500</b>
Lely Fert Spreader 2012								6,500					6,500

Sum of Amount	Years												Section 12, Item a.	
Funding Sources	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2040	Grand Total	
<b>Fertilizer Spreader #2</b>														
Earthway 2015														
<b>Golf Carts</b>						<b>250,000</b>							<b>250,000</b>	
(60) Club Cars 2024						250,000							250,000	
<b>Greens / Tee Aerifier</b>				<b>50,000</b>									<b>50,000</b>	
Toro ProCore 648 2012				50,000									50,000	
<b>Greens Brush</b>												<b>1</b>	<b>1</b>	
Greens Brush 2013												1	1	
<b>Greens Mower #1</b>		<b>44,000</b>											<b>44,000</b>	
Toro 3220 #1 2016		44,000											44,000	
<b>Greens Mower #2</b>		<b>44,000</b>											<b>44,000</b>	
Toro 3220 #2 2016		44,000											44,000	
<b>Greens Roller #1</b>		<b>18,000</b>											<b>18,000</b>	
Smithco Roller 2011		18,000											18,000	
<b>Greens Roller #2</b>				<b>19,000</b>									<b>19,000</b>	
Toro 1260 Roller 2014				19,000									19,000	
<b>Leaf Blower #1</b>			<b>15,000</b>										<b>15,000</b>	
Buffalo Blower 2004			15,000										15,000	
<b>Leaf Blower #2</b>			<b>15,000</b>										<b>15,000</b>	
Buffalo Blower 2007			15,000										15,000	
<b>Leaf Blower #3</b>												<b>15,000</b>	<b>15,000</b>	
Turfc0 Blower 2018												15,000	15,000	
<b>Mower #3</b>									<b>48,000</b>				<b>48,000</b>	
Toro 3320 #3 2023									48,000				48,000	

Sum of Amount	Years													
Funding Sources	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2040	Grand Total	
<b>Mower #4</b>									48,000				48,000	
Toro 3320 #4 2023									48,000				48,000	
<b>Pressure Washer</b>												8,500	8,500	
Hotsy Pressure Washer 2014												8,500	8,500	
<b>Reel Sharpener</b>		85,000											85,000	
Duel Express Grinder 2005		85,000											85,000	
<b>Rough Mower #1</b>	105,000												105,000	
Toro 4100D 2015	105,000												105,000	
<b>Rough Mower #2</b>									105,000				105,000	
Toro 4700 2023									105,000				105,000	
<b>Skid Loader</b>									36,000				36,000	
Bobcat Skid loader 2013									36,000				36,000	
<b>Slit Seeder</b>												1	1	
Turfco Tri Wave 2014												1	1	
<b>Sod Cutter</b>												1	1	
Ryan Sod Cutter 2013												1	1	
<b>Sprayer</b>	75,000												75,000	
Toro Sprayer 300 2013	75,000												75,000	
<b>Stump Grinder (1/3 of cost)</b>										5,000			5,000	
Split equally between Streets, Parks, and Golf.										5,000			5,000	
<b>Top dresser</b>												1	1	
Turfco Top dresser 2015												1	1	
<b>Tractor</b>							40,000						40,000	
Toro Sand Pro 2023											30,000		30,000	

Section 12, Item a.



# *New Prague, Minnesota*

*A Tradition of Progress*



## **CITY OF NEW PRAGUE 2025 PROPOSED STORM SEWER BUDGET REPORT**

# TABLE OF CONTENTS

2025 MANAGEMENT STATEMENT & FORECAST ..... 1

2025 PROPOSED STORM SEWER BUDGET ..... 2

2025 STORM SEWER REVENUE & EXPENSE CHARTS ..... 3

RESIDENTIAL STORM SEWER RATE HISTORY ..... 4

STORM SEWER GO BOND PAYMENTS ..... 5

2025-2032 CAPITAL IMPROVEMENT PLAN ..... 6

## MANAGEMENT STATEMENT

It is the responsibility of the City of New Prague to effectively and efficiently regulate, manage and maintain the storm water drainage infrastructure.

## FORECAST

The 2025 Storm Sewer Budget is projected to forecast the financial operation of the City of New Prague.

## REVENUE

The 2025 Revenue Budget reflects a 4% increase in residential and commercial storm sewer rates..

## EXPENSES

Personnel Costs:

- Approximately 7.65% of Street, Billing and Administrative wages are allocated to the Storm Sewer.
  - Currently there are no employee(s) assigned strictly to Storm Sewer.
- 2025 wages reflect a 2.8% wage adjustment and step increases.
- Health Insurance – 4.7% premium increase for 2025; Employer cost share remains at 80% and HSA contributions will increase to \$2,250 (family) and \$1,125 (single).

Operating Expenses:

- The purchase of a mini excavator is included in the budget for 2025, this equipment purchase is split with other departments.

## OPERATION & MAINTENANCE

Currently, the City of New Prague has 36 miles of storm pipe in addition to 30 storm water ponds and water ways all monitored and maintained by the street department. Maintenance includes repairing and cleaning leaves out of the catch basins every fall (weather permitting), cleaning dirt and sand in front of the inlet and discharge pipes along with noxious weed and tree control at the ponds.

## ONGOING CHALLENGES FOR 2025

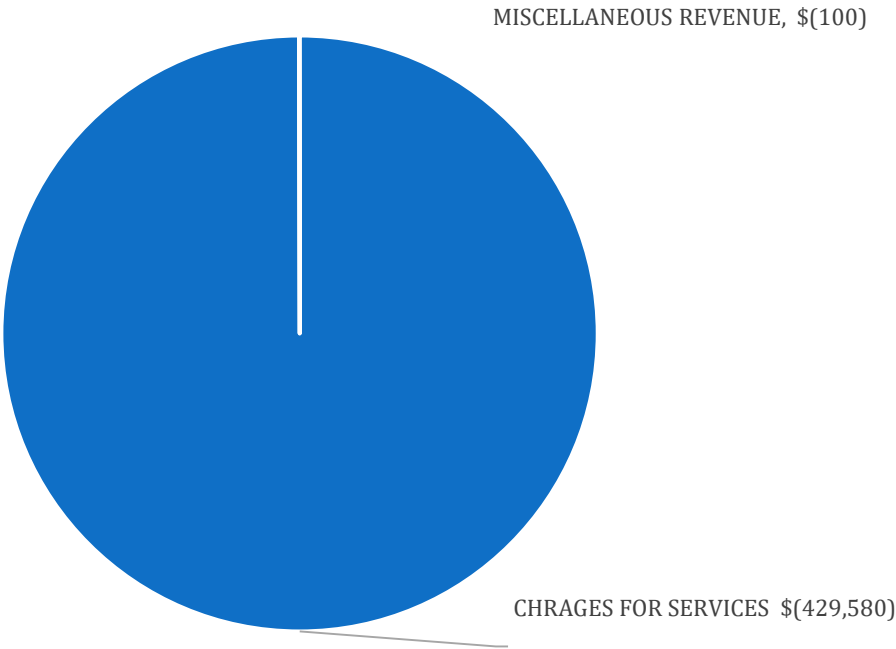
We were notified that starting in 2026, New Prague will be recognized as an MS4 City, this designation will require additional documentation and reporting on our ponds, which will ultimately cause additional expenses. Spraying noxious weeds around the ponds is one of the biggest challenges due to staffing, weather and available equipment needed to do the job. The maintenance of the storm water catch basins and the ponds is very time consuming and because of limited staff, we do not spend as much time taking care of them as we really should.

City staff continues to struggle getting residents to stop cutting grass past their property line. It is important that resident don't disturb the buffer zone around ponds. The buffer zone around ponds is what keeps our water ways healthy.

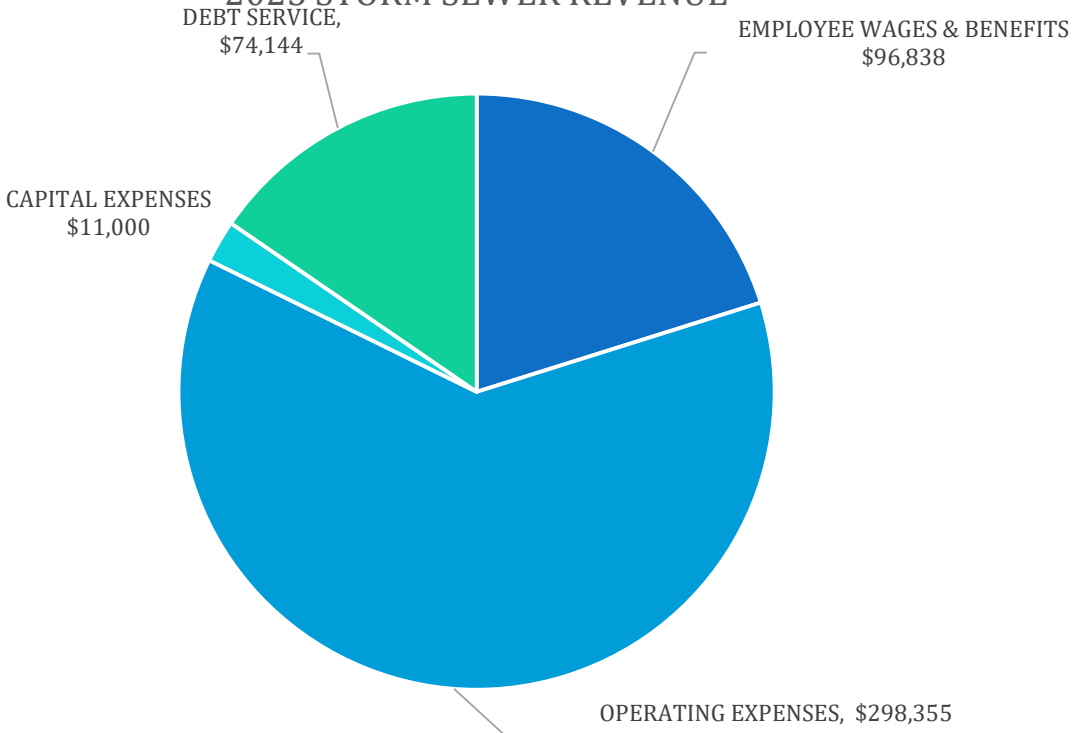
Staff will continue to monitor storm sewer permit requirements.

	2023	2024	2025	2024 TO 2025	2024 TO 2025
	ACTUAL	ADOPTED	PROPOSED	(\$)	(%)
STORM WATER REVENUE	FUND	BUDGET	BUDGET	DIFFERENCE	DIFFERENCE
CHARGES FOR SERVICES	\$ (406,599)	\$ (400,940)	\$ (429,580)	\$ (28,640)	7.14%
MISCELLANEOUS REVENUE	\$ (43,989)	\$ (100)	\$ (100)	\$ -	0.00%
<b>TOTAL REVENUE</b>	<b>\$ (450,587)</b>	<b>\$ (401,040)</b>	<b>\$ (429,680)</b>	<b>\$ (28,640)</b>	<b>7.14%</b>
	2023	2024	2025	2024 TO 2025	2024 TO 2025
	ACTUAL	ADOPTED	PROPOSED	(\$)	(%)
STORM WATER EXPENSES	FUND	BUDGET	BUDGET	DIFFERENCE	DIFFERENCE
EMPLOYEE WAGES & BENEFITS	\$ 96,115	\$ 95,750	\$ 96,838	\$ 1,088	1.14%
OPERATING EXPENSES	\$ 260,751	\$ 260,651	\$ 298,355	\$ 37,704	14.47%
CAPITAL EXPENSES	\$ -	\$ -	\$ 11,000	\$ 11,000	0.00%
DEBT SERVICE	\$ 59,062	\$ 47,044	\$ 74,144	\$ 27,100	57.61%
<b>TOTAL EXPENSES</b>	<b>\$ 415,927</b>	<b>\$ 403,445</b>	<b>\$ 480,337</b>	<b>\$ 76,892</b>	<b>19.06%</b>
<b>DIFFERENCE</b>	<b>\$ (34,660)</b>	<b>\$ 2,405</b>	<b>\$ 50,657</b>	<b>\$ 48,252</b>	

### 2025 STORM SEWER REVENUE



### 2025 STORM SEWER REVENUE



Sum of Amount	Years								
Funding Sources	2025	2026	2027	2028	2029	2030	2031	2032	Grand Total
<b>Storm Water</b>	<b>497,000</b>	<b>601,001</b>	<b>65,000</b>	<b>300,000</b>	<b>325,000</b>	<b>325,000</b>	<b>7,500</b>	<b>5,000</b>	<b>2,125,501</b>
2025 CIP	486,000								486,000
2026 CIP		601,001							601,001
2027 CIP			65,000						65,000
2028 CIP				300,000					300,000
2029 CIP					325,000				325,000
2030 CIP						325,000			325,000
Mini Excavator Backhoe (1/3 of Cost)	11,000								11,000
Utility Vehicle 50%							7,500		7,500
Vehicle Replacement - Public Works Director 10%								5,000	5,000
<b>Grand Total</b>	<b>497,000</b>	<b>601,001</b>	<b>65,000</b>	<b>300,000</b>	<b>325,000</b>	<b>325,000</b>	<b>7,500</b>	<b>5,000</b>	<b>2,125,501</b>

		Storm Sewer	606	Enterprise Funds		
Description	Account Code	FY2023 Actuals	2024 Adopted	2025	Difference 2025 -	
			Budget	Proposed	2024	% Difference
<b>Storm Sewer</b>						
	<b>Expense</b>	<b>\$415,927.18</b>	<b>\$403,445.00</b>	<b>\$480,337.00</b>	\$76,892.00	19%
WAGES FULL-TIME	606-4-4311-101	\$64,474.74	\$68,092.00	\$67,390.00	-\$702.00	-1%
WAGES OVERTIME	606-4-4311-102	\$169.06	\$0.00		\$0.00	0
EMPLOYEE BENEFITS	606-4-4311-113	\$0.00	\$246.00	\$246.00	\$0.00	0%
EMPLOYER CONT. PERA	606-4-4311-121	\$4,799.61	\$5,107.00	\$5,054.00	-\$5,107.00	-100%
EMPLOYER CONT. FICA	606-4-4311-122	\$4,446.84	\$5,228.00	\$5,174.00	-\$54.00	-1%
PENSION (GERF) CHANGE	606-4-4311-129	\$5,746.00	\$0.00		\$0.00	0
HEALTH INSURANCE	606-4-4311-131	\$11,719.59	\$12,740.00	\$14,549.00	\$1,809.00	14%
DENTAL INSURANCE	606-4-4311-132	\$1,375.99	\$1,323.00	\$1,434.00	\$111.00	8%
LIFE & S-T DISABILITY INS	606-4-4311-133	\$232.64	\$208.00	\$202.00	-\$6.00	-3%
OPEB EXPENSE	606-4-4311-135	\$118.00	\$0.00		\$0.00	0
WORKER'S COMPENSATION	606-4-4311-151	\$3,032.39	\$2,806.00	\$2,789.00	-\$17.00	-1%
SUPPLIES	606-4-4311-200	\$26.92	\$50.00	\$50.00	\$0.00	0%
MOTOR FUEL	606-4-4311-212	\$1,972.98	\$5,000.00	\$5,000.00	\$0.00	0%
REPAIRS & MAINT. SUPPLIES	606-4-4311-220	\$1,408.41	\$3,500.00	\$4,500.00	\$1,000.00	29%
AUDIT	606-4-4311-301	\$871.29	\$950.00	\$950.00	\$0.00	0%
ENGINEERING FEES	606-4-4311-303	\$0.00	\$500.00	\$500.00	\$0.00	0%
LINE LOCATES	606-4-4311-306	\$578.69	\$800.00	\$800.00	\$0.00	0%
PROFESSIONAL SERVICES	606-4-4311-310	\$3,222.35	\$1,000.00	\$100.00	-\$900.00	-90%
ADMINISTRATIVE FEES	606-4-4311-315	\$6,766.20	\$6,500.00	\$6,900.00	\$400.00	6%
POSTAGE	606-4-4311-320	\$0.00	\$50.00	\$50.00	\$0.00	0%
TELEPHONE	606-4-4311-321	\$84.46	\$100.00	\$100.00	\$0.00	0%
COMPUTER COMM/MAINT	606-4-4311-322	\$712.78	\$825.00	\$825.00	\$0.00	0%
ADVERTISING & PUBLICATIONS	606-4-4311-340	\$0.00	\$50.00	\$50.00	\$0.00	0%
INSURANCES	606-4-4311-369	\$979.19	\$1,056.00	\$1,162.00	\$106.00	10%
CONTRACTED SERVICES	606-4-4311-401	\$0.00	\$1,000.00	\$1,000.00	\$0.00	0%
REPAIRS & MAINTENANCE	606-4-4311-404	\$3,114.11	\$3,000.00	\$3,000.00	\$0.00	0%
RENTALS/LEASES/CONTRACTS	606-4-4311-410	\$0.00	\$100.00		-\$100.00	-100%
DEPRECIATION	606-4-4311-420	\$239,316.71	\$235,120.00	\$271,118.00	\$35,998.00	15%

Description	Account Code	FY2023 Actuals	Enterprise Funds		Difference 2025 -	
			2024 Adopted Budget	2025 Proposed	2024	% Difference
MISCELLANEOUS EXPENSE	606-4-4311-430	\$2.08	\$0.00		\$0.00	0
CREDIT CARD EXPENSE	606-4-4311-431	\$1,672.07	\$1,000.00	\$2,200.00	\$1,200.00	120%
DUES & SUBSCRIPTIONS	606-4-4311-433	\$5.00	\$50.00	\$50.00	\$0.00	0%
BAD DEBT	606-4-4311-438	\$17.32	\$0.00		\$0.00	0
CAPITAL OUTLAY	606-4-4311-500	\$0.00	\$0.00	\$11,000.00	\$11,000.00	0
DEBT SERVICE-INTEREST	606-4-4311-610	\$44,183.15	\$47,044.00	\$74,144.00	\$27,100.00	58%
BOND ISSUANCE FEES	606-4-4311-620	\$14,878.61	\$0.00		\$0.00	0
AMORITIZATION EXPENSE	606-4-4311-630	\$0.00	\$0.00		\$0.00	0
OPERATING TRANSFER-OUT	606-4-4311-720	\$0.00	\$0.00		\$0.00	0
	<b>Revenue</b>	<b>\$450,587.41</b>	<b>\$401,040.00</b>	<b>\$429,680.00</b>	<b>\$28,640.00</b>	<b>7%</b>
PERA PENSION OTHER REVENUE	606-3-0000-33439	\$6.00	\$0.00		\$0.00	0
SPECIAL ASSESSMENTS	606-3-0000-36100	\$0.00	\$0.00		\$0.00	0
MISCELLANEOUS REVENUE	606-3-0000-36200	\$0.00	\$0.00		\$0.00	0
INTEREST INCOME	606-3-0000-36210	\$32,214.75	\$100.00	\$100.00	\$0.00	0%
REIMBURSEMENTS	606-3-0000-36240	\$45.33	\$0.00		\$0.00	0
STORM SEWER REVENUE	606-3-0000-37205	\$405,186.58	\$399,840.00	\$428,480.00	\$28,640.00	7%
CONTRIBUTED CAPITAL	606-3-0000-37415	\$0.00	\$0.00		\$0.00	0
PENALTIES	606-3-0000-37460	\$1,412.10	\$1,100.00	\$1,100.00	\$0.00	0%
TRANSFER IN	606-3-0000-39200	\$0.00	\$0.00		\$0.00	0
BOND PREM AMORTIZATION	606-3-0000-39500	\$11,722.65	\$0.00		\$0.00	0
STATE AID	606-3-4311-33435	\$0.00	\$0.00		\$0.00	0
CONTR. OF CAPITAL ASSET	606-3-4311-37415	\$0.00	\$0.00		\$0.00	0
	<b>Grand Total Exp-Rev</b>	<b>-\$34,660.23</b>	<b>\$2,405.00</b>	<b>\$50,657.00</b>		



# *New Prague, Minnesota*

*A Tradition of Progress*



## **CITY OF NEW PRAGUE 2025 PROPOSED SANITARY SEWER BUDGET REPORT**

# TABLE OF CONTENTS

2025 MANAGEMENT STATEMENT AND FORECAST ..... 1  
2025 PROPOSED WASTEWATER BUDGET ..... 3  
WASTEWATER REVENUE & EXPENSE CHART..... 4  
WASTEWATER RATE HISTORY ..... 5  
WASTEWATER GO BOND PAYMENTS ..... 6  
2025-2034 CAPITAL IMPROVEMENT PLAN..... 7

## MANAGEMENT STATEMENT

The overall management goal for the City of New Prague is our commitment to the community to provide wastewater collection, treatment, and disposal services to protect public health and preserve the environment for current and future generations.

## FORECAST

The 2025 Wastewater Budget is projected to forecast the financial operation of the City of New Prague. A component of the Wastewater Budget is that there is 42 miles of sanitary sewer mains and 799 sanitary sewer manholes that are currently maintained by the Street Department. The Wastewater Treatment Plant also serves the residents of the Cedar Lake Area Water and Sanitary Sewer District which contributes average annual flows of up to 14 million gallons of wastewater.

## REVENUE

The 2025 Revenue Budget reflects a 3.5% increase for Residential and Commercial Wastewater Rates. Currently there are 2,941 wastewater connections.

### Sewer Hook-ups:

- The city is anticipating 10 new residential building permits. Each permit brings in \$5,934.50 in hook-up charges.

## EXPENSES

### Personal Costs:

- Wages Full-Time - reflect a 2.8% wage adjustment and step increases.
- Health Insurance – There will be a 4.7% premium increase for 2025; Employer cost share remains at 80% and HSA contributions will remain at \$2,250 (family) and \$1,125 (single).

### Operating Expenses:

#### Chemicals

- Due to demand and supply chain issues, supplier pricing continues to rise.

### Utilities:

- Electric, natural gas and water expenditures are all anticipated to increase for 2025.

## OPERATION & MAINTENANCE

The Wastewater Department consists of four (4) employees who are responsible for the operation and maintenance of a 1.8 million gallon per day capacity Biological Aerated Filtration Plant along with nine (9) lift stations.

- The lift stations are checked one (1) time per week by two (2) employees.
- Multiple samples are collected, tested in house and by private labs.

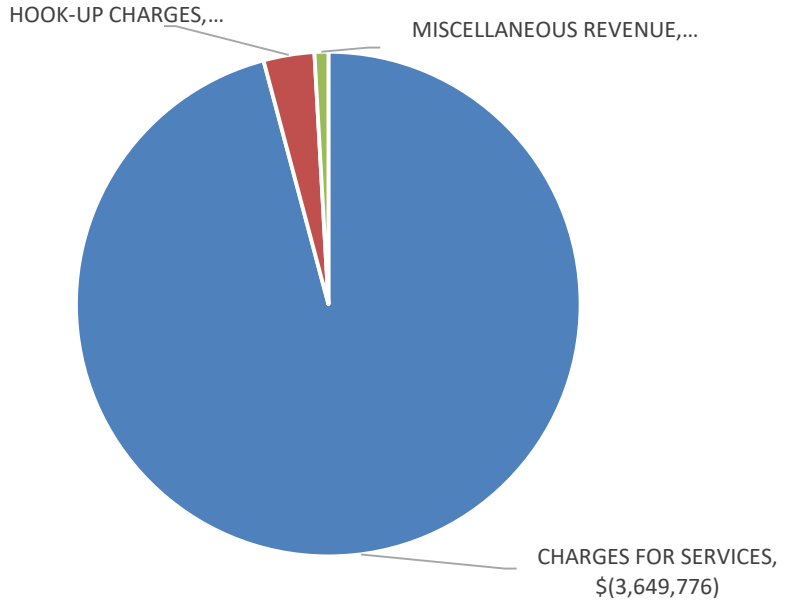
## ONGOING CHALLENGES FOR 2025

The Wastewater Treatment Plant has proven to be a constant financial and labor intense challenge. Following renewal of the Wastewater Permit, increased testing and testing limits requirements are changing. In 2024 we filed for a 15-year extension to meet the new requirements.

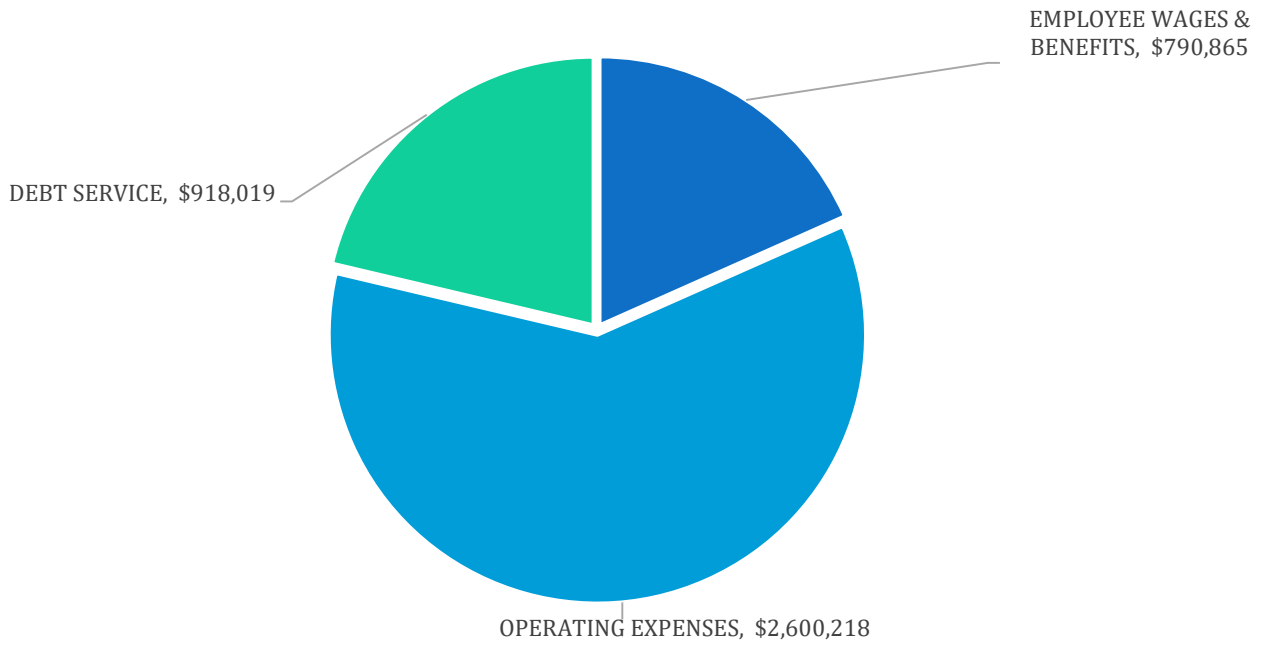
The cost of equipment maintenance at the plant is rising constantly due to the corrosive environment it is in, along with the cost of replacing some of the equipment out in the field at existing lift stations due mostly to age along with a large increase due to supply chain challenges and demand.

	2023	2024	2025	2024 TO 2025	2024 TO 2025
	ACTUAL	ADOPTED	PROPOSED	(\$)	(%)
SANITARY SEWER REVENUE	FUND	BUDGET	BUDGET	DIFFERENCE	DIFFERENCE
CHARGES FOR SERVICES	\$ (3,476,554)	\$ (3,526,353)	\$ (3,649,776)	\$ (123,423)	3.50%
HOOK-UP CHARGES	\$ (111,753)	\$ (120,000)	\$ (124,200)	\$ (4,200)	3.50%
MISCELLANEOUS REVENUE	\$ (359,691)	\$ (31,594)	\$ (33,300)	\$ (1,706)	5.40%
<b>TOTAL REVENUE</b>	<b>\$ (3,947,997)</b>	<b>\$ (3,677,947)</b>	<b>\$ (3,807,276)</b>	<b>\$ (129,329)</b>	<b>3.52%</b>
	2023	2024	2025	2024 TO 2025	2024 TO 2025
	ACTUAL	ADOPTED	PROPOSED	(\$)	(%)
SANITARY SEWER EXPENSES	FUND	BUDGET	BUDGET	DIFFERENCE	DIFFERENCE
EMPLOYEE WAGES & BENEFITS	\$ 659,942	\$ 738,537	\$ 790,865	\$ 52,328	7.09%
OPERATING EXPENSES	\$ 2,427,809	\$ 2,400,733	\$ 2,600,218	\$ 199,485	8.31%
CAPITAL EXPENSES	\$ -	\$ -	\$ -	\$ -	0.00%
DEBT SERVICE	\$ 945,670	\$ 918,322	\$ 918,019	\$ (303)	-0.03%
<b>TOTAL EXPENSES</b>	<b>\$ 4,033,421</b>	<b>\$ 4,057,592</b>	<b>\$ 4,309,102</b>	<b>\$ 251,510</b>	<b>6.20%</b>
<b>DIFFERENCE</b>	<b>\$ 85,424</b>	<b>\$ 379,645</b>	<b>\$ 501,826</b>	<b>\$ 122,181</b>	

### 2025 Sanitary Sewer Revenue Budget



### 2025 Sanitary Sewer Expenditure Budget



Sum of Amount	Years										
Funding Sources	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Grand Total
<b>Wastewater</b>	<b>1,132,358</b>	<b>712,552</b>	<b>1,118,363</b>	<b>739,297</b>	<b>2,217,356</b>	<b>1,405,550</b>	<b>1,483,884</b>	<b>435,362</b>	<b>1,165,994</b>	<b>634,786</b>	<b>11,045,502</b>
1/2 Ton Pickup			40,000								40,000
Air Compressor Replacement				100,000							100,000
Air Heater Skid Replacement									500,000		500,000
All Polymer Injection Systems Replacement									75,000		75,000
Bypass Lift Station Control Cabinet	80,000										80,000
Chalupsky Lift Station					100,000						100,000
Chemical Feed Pumps Replacement										300,000	300,000
Chemical Tank & PVC Replacement		100,000									100,000
Clarifier Scraper System Replacement		70,000									70,000
Confined Space Entry Equipment for Lift Stations/Hatches	14,000	11,000									25,000
Forklift Replacement								33,000			33,000
Future CIP	536,500	48,000	52,000	300,001	325,000	325,000	350,000				1,936,501
HVAC Controls Upgrade					400,000						400,000
Lift Station Rehab & Pump Replacement Program	29,941	30,839	31,764	32,717	33,698	34,709	35,751	36,823	37,928	39,066	343,236
Membrane Cartridge Replacement	180,000	180,000	180,000	200,000	200,000	200,000	200,000	200,000	200,000		1,740,000
Mini Excavator Backhoe (1/3 of Cost)	11,000										11,000
Pipe Gallery Lift Station Controls Replacement	30,000										30,000
Plant Blowers			25,000	25,000	15,000						65,000
Pond Lift Station & Piping		50,000	750,000								800,000
Pump and Instrument Panel Replacement	35,917	37,713	39,599	41,579	43,658	45,841	48,133	50,539	53,066	55,720	451,765
Rebuild Sludge Tank Blower		35,000									35,000

Wastewater 602

Description	Account Code	FY2023 Actuals	Enterprise Funds		Difference 2025-2024	% Difference
			2024 Adopted Budget	2025 Proposed		
<b>Wastewater</b>						
	<b>Expense</b>	<b>\$4,033,421.12</b>	<b>\$4,057,592.00</b>	<b>\$4,309,102.00</b>	\$251,510.00	6%
WAGES FULL-TIME	602-4-4945-101	\$420,740.61	\$497,758.00	\$539,730.00	\$41,972.00	8%
WAGES OVERTIME	602-4-4945-102	\$5,509.73	\$8,500.00	\$8,500.00	\$0.00	0%
WAGES ON-CALL	602-4-4945-106	\$25,290.50	\$26,661.00	\$27,212.00	\$551.00	2%
EMPLOYEE BENEFITS	602-4-4945-113	\$1,867.36	\$2,318.00	\$2,251.00	-\$67.00	-3%
VACATION ACCRUAL	602-4-4945-115	-\$653.43	\$0.00	\$0.00	\$0.00	0
EMPLOYER CONT. P E R A	602-4-4945-121	\$33,506.31	\$39,969.00	\$40,311.00	\$342.00	1%
EMPLOYER CONT. F I C A	602-4-4945-122	\$31,739.59	\$40,946.00	\$41,289.00	\$343.00	1%
PENSION (GERF) CHANGE	602-4-4945-129	\$38,583.00	\$0.00	\$0.00	\$0.00	0
HEALTH INSURANCE	602-4-4945-131	\$72,936.91	\$89,814.00	\$99,186.00	\$9,372.00	10%
DENTAL INSURANCE	602-4-4945-132	\$5,610.70	\$9,285.00	\$9,730.00	\$445.00	5%
LIFE & S-T DISABILITY INS	602-4-4945-133	\$1,313.03	\$1,512.00	\$1,485.00	-\$27.00	-2%
OPEB EXPENSE	602-4-4945-135	\$4,135.00	\$0.00	\$0.00	\$0.00	0
WORKER'S COMP PREMIUMS	602-4-4945-151	\$19,362.54	\$21,774.00	\$21,171.00	-\$603.00	-3%
SUPPLIES	602-4-4945-200	\$68.93	\$200.00	\$200.00	\$0.00	0%
CHEMICALS	602-4-4945-201	\$204,861.25	\$214,000.00	\$243,000.00	\$29,000.00	14%
COMPUTER SUPPORT SERVICES	602-4-4945-207	\$15,869.46	\$18,100.00	\$19,100.00	\$1,000.00	6%
GENERATOR FUEL	602-4-4945-211	\$6,721.82	\$8,000.00	\$8,000.00	\$0.00	0%
MOTOR FUELS	602-4-4945-212	\$2,588.48	\$4,000.00	\$4,000.00	\$0.00	0%
REPAIRS & MAINT. SUPPLIES	602-4-4945-220	\$28,584.36	\$37,000.00	\$37,000.00	\$0.00	0%
GEN. EXPENSE-EQUIPMENT	602-4-4945-224	\$47,555.92	\$43,000.00	\$43,000.00	\$0.00	0%
SAFETY EQUIP & TRAINING	602-4-4945-231	\$5,502.00	\$6,000.00	\$4,100.00	-\$1,900.00	-32%
AUDIT	602-4-4945-301	\$14,216.01	\$12,000.00	\$15,900.00	\$3,900.00	33%
ENGINEERING FEES	602-4-4945-303	\$208.00	\$2,000.00	\$3,000.00	\$1,000.00	50%
CIVIL LEGAL FEES	602-4-4945-305	\$0.00	\$2,000.00	\$2,000.00	\$0.00	0%
LINE LOCATES	602-4-4945-306	\$578.63	\$1,000.00	\$1,000.00	\$0.00	0%
PROFESSIONAL SERVICES	602-4-4945-310	\$7,750.87	\$14,500.00	\$17,000.00	\$2,500.00	17%
ADMINISTRATIVE FEES	602-4-4945-315	\$7,043.60	\$6,500.00	\$7,500.00	\$1,000.00	15%
TESTING ANALYSIS	602-4-4945-317	\$24,664.56	\$36,000.00	\$51,000.00	\$15,000.00	42%

Description	Account Code	Enterprise Funds			Difference 2025-	
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed	2024	% Difference
POSTAGE	602-4-4945-320	\$0.00	\$200.00	\$200.00	\$0.00	0%
TELEPHONE	602-4-4945-321	\$5,012.75	\$4,600.00	\$4,300.00	-\$300.00	-7%
COMPUTER COMM/MAINT	602-4-4945-322	\$11,962.37	\$4,000.00	\$5,000.00	\$1,000.00	25%
TRAVEL, CONF, MILEAGE ALLOW.	602-4-4945-330	\$0.00	\$150.00	\$150.00	\$0.00	0%
ADVERTISING & PUBLICATIONS	602-4-4945-340	\$544.00	\$100.00	\$100.00	\$0.00	0%
PRINTING & BINDING	602-4-4945-350	\$0.00	\$0.00		\$0.00	0
INSURANCE DEDUCTIBLES	602-4-4945-365	\$2,178.37	\$5,000.00	\$5,000.00	\$0.00	0%
INSURANCES	602-4-4945-369	\$56,763.22	\$61,219.00	\$67,341.00	\$6,122.00	10%
ELECTRIC	602-4-4945-381	\$273,167.10	\$270,000.00	\$300,000.00	\$30,000.00	11%
WATER	602-4-4945-382	\$4,199.61	\$5,000.00	\$6,000.00	\$1,000.00	20%
REFUSE	602-4-4945-384	\$3,601.12	\$3,000.00	\$3,300.00	\$300.00	10%
NATURAL GAS	602-4-4945-385	\$88,286.05	\$65,000.00	\$75,000.00	\$10,000.00	15%
NATURAL GAS - DRYER	602-4-4945-386	\$26,992.95	\$24,000.00	\$26,600.00	\$2,600.00	11%
CONTRACTED SERVICES	602-4-4945-401	\$0.00	\$0.00		\$0.00	0
REPAIRS & MAINTENANCE	602-4-4945-404	\$14,160.59	\$11,000.00	\$10,500.00	-\$500.00	-5%
VEHICLE MAINTENANCE	602-4-4945-408	\$580.87	\$700.00	\$700.00	\$0.00	0%
RENTALS/LEASES/CONTRACTS	602-4-4945-410	\$1,175.77	\$1,500.00	\$1,500.00	\$0.00	0%
DEPRECIATION	602-4-4945-420	\$1,546,780.53	\$1,519,739.00	\$1,608,252.00	\$88,513.00	6%
MISCELLANEOUS EXPENSE	602-4-4945-430	\$25.98	\$0.00	\$1,000.00	\$1,000.00	0
CREDIT CARD EXPENSE	602-4-4945-431	\$13,933.93	\$8,500.00	\$15,600.00	\$7,100.00	84%
DUES & SUBSCRIPTIONS	602-4-4945-433	\$29.89	\$75.00	\$75.00	\$0.00	0%
LICENSE FEES/REGISTRATION	602-4-4945-434	\$9,203.00	\$9,450.00	\$9,600.00	\$150.00	2%
BAD DEBT EXPENSE	602-4-4945-438	\$215.65	\$0.00		\$0.00	0
TRAINING & SEMINARS	602-4-4945-450	\$2,781.61	\$3,200.00	\$4,200.00	\$1,000.00	31%
DEBT SERVICE-INTEREST	602-4-4945-610	\$934,484.70	\$915,472.00	\$908,019.00	-\$7,453.00	-1%
OTHER INTEREST EXPENSE	602-4-4945-619	\$1,688.65	\$100.00	\$1,000.00	\$900.00	900%
BOND ISSUANCE FEES	602-4-4945-620	\$9,496.67	\$2,750.00	\$9,000.00	\$6,250.00	227%
	<b>Revenue</b>	<b>\$3,947,997.40</b>	<b>\$3,677,947.00</b>	<b>\$3,807,276.00</b>	\$129,329.00	4%
PERA PENSION OTHER REVENUE	602-3-0000-33439	\$40.00	\$0.00		\$0.00	0
SPECIAL ASSESSMENTS-CO	602-3-0000-36100	\$72,210.00	\$0.00		\$0.00	0
MISCELLANEOUS INCOME	602-3-0000-36200	\$8,815.32	\$500.00	\$500.00	\$0.00	0%



Description	Account Code	Enterprise Funds			Difference 2025-	
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed	2024	% Difference
INTEREST INCOME	602-3-0000-36210	\$253,825.09	\$10,000.00	\$10,000.00	\$0.00	0%
REIMBURSEMENTS	602-3-0000-36240	\$2,087.76	\$0.00		\$0.00	0
SANITARY SEWER CHARGES	602-3-0000-37200	\$3,316,827.41	\$3,378,873.00	\$3,497,134.00	\$118,261.00	4%
CEDAR LAKE SEWER CHARGES	602-3-0000-37271	\$144,291.72	\$132,480.00	\$137,117.00	\$4,637.00	4%
PENALTIES	602-3-0000-37460	\$15,434.46	\$15,000.00	\$15,525.00	\$525.00	4%
BOND PREMIUM AMORTIZATION	602-3-0000-39500	\$22,713.07	\$21,094.00	\$22,800.00	\$1,706.00	8%
SEWER HOOKUP	602-3-4945-35304	\$111,752.57	\$120,000.00	\$124,200.00	\$4,200.00	4%
<b>Grand Total Exp-Rev</b>		<b>\$ 85,423.72</b>	<b>\$ 379,645.00</b>	<b>\$ 501,826.00</b>		

# *New Prague, Minnesota*

*A Tradition of Progress*



## **NEW PRAGUE UTILITIES COMMISSION 2025 PROPOSED WATER BUDGET REPORT**

# TABLE OF CONTENTS

## Contents

2025 MANAGEMENT STATEMENT & FORECAST .....	1
2025 PROPOSED WATER BUDGET .....	3
PROJECTED WATER REVENUE & EXPENSE CHART .....	4
2025 PROJECTED WATER SALES .....	5
DEBT SERVICE CHART (Existing and Future) .....	6
WATER RATE INFORMATION .....	7
WATER RATE COMPARISION .....	8
10-YEAR CAPITAL PROJECTS .....	9
PROPOSED 2025 RATES .....	10
WATER OPERATING RESULTS AT PROPOSED RATES .....	11

## MANAGEMENT STATEMENT

The overall management goal for the New Prague Utilities Water Department is our commitment to the Community in providing a safe and reliable water supply to the City of New Prague. During the past couple of years, we had to change the focus of our budget to include major CIP reconstruction projects that affect the water distribution system. That focus is forecasted to continue through 2026 with large CIP projects. It is estimated that total bonding will exceed \$3.5 million for all projects through 2026.

## FORECAST

The 2025 water department budget is projected to forecast the financial operation of the New Prague Utilities Commission. The New Prague Utilities Commission has been able to keep rates relatively flat with an average increase of only 1.9% per year over the past several years but due to large CIP projects and higher bonding cost rates will need to be increased. The 2025 budget reflects a change in rates to include both the usage and customer service charges.

## REVENUE

The 2025 Revenue budget reflects an increase of \$.50 / 1000 gallons and \$2.00 / month customer charge for all customer classes. Residential customers with an average usage of 5000 gallons a month will see approximately a \$4.52 per month increase. Seasonal rates will continue in 2025 with higher usage rates during the summer months of June through September to meet the water conservation pricing requirement set forth by the state.

## EXPENSES

### **Personnel Costs:**

- Wages Full-Time and Part-Time – Reflects a 2.8% COLA wage adjustment and step increases.
- Health Insurance – There will be a 4.7% increase in health insurance premiums for 2025. HSA contributions will increase from \$1,000 (family) to \$2,250 and \$500 (single) to \$1,125.
  - Note: Insurance providers will change effective Jan. 1, 2025 from HealthPartners to BlueCross Blue Shield. This change is effective for the entire Sourcewell insurance pool.
- Dental Insurance – There is an 12.6% decrease in dental insurance premiums for 2025.
  - Note: Insurance providers will change effective Jan. 1, 2025 from Delta Dental to HealthPartners. This change is due to bid results completed in 2024
- Life, Long-Term Disability and Short-Term Disability – 0% change in 2025 as part of the 36-month rate guarantee established in 2023.

### **Operating Expenses:**

- Projected increase of 15% in water hook-up fees due to projected homes being built in 2025.
- Debt service interest increased by 38.39% due to the cost of CIP projects.
- Distribution decreased by 8.51% due to the cost of planned projects.

## 2025 KEY WATER BUDGET AND OPERATIONAL CHALLENGES

- Replaced 4,000’ of water main and 60 service lines in the NE sector or town.
- Continue to make updates to the GIS mapping system.
- Continue CIP Planning for reconstruction of 1<sup>st</sup> Ave SE
- Start the process of working with customers to replace lead service lines.

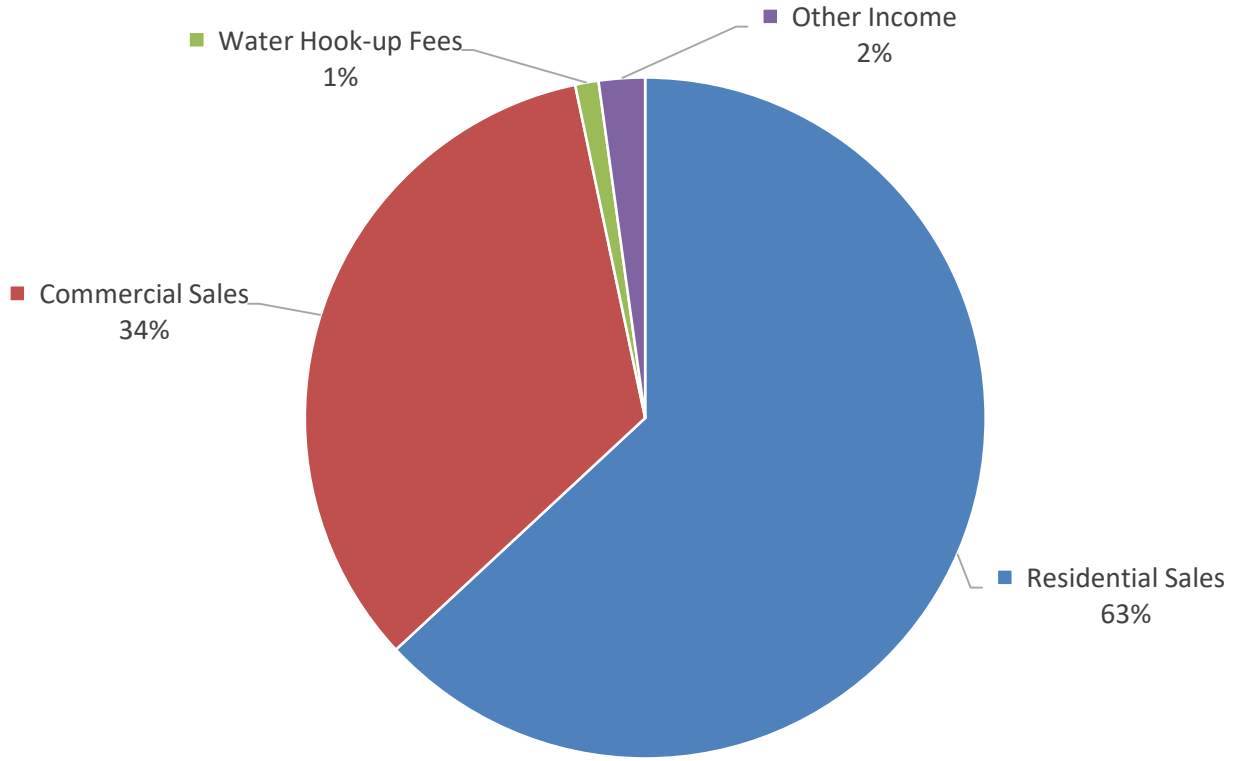
## 2024 KEY ACCOMPLISHMENTS

- Replaced 5000' of water main and 90 service lines on the Lyndale and Lexington Ave CIP project.
- Replaced well #2 failed pump.
- Long and short-term planning for several reconstruction projects that are planned in the NE sector of town over the next three years.
- Completed Water System Modeling Study
- Finished lead service line inventory and applied for funding from the state to start lead service line replacement in 2025

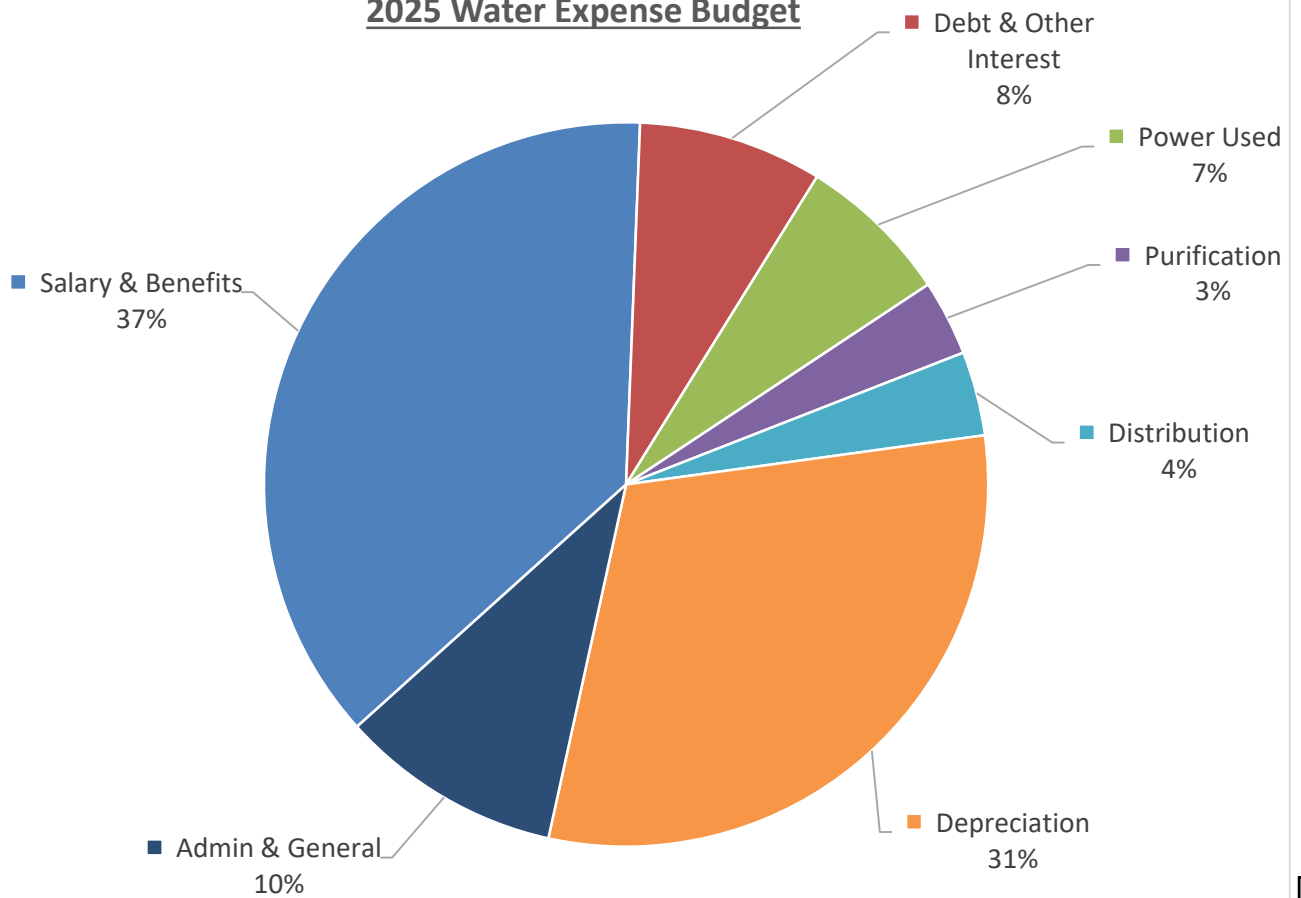
**NEW PRAGUE UTILITIES COMMISSION  
PROPOSED WATER BUDGET  
As of 9/30/2024**

<b>REVENUES</b>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>	<u>2024-2025</u>	
	<u>ACTUAL</u>	<u>Y-T-D ACTUAL</u>	<u>CURRENT BUDGET</u>	<u>PROPOSED BUDGET</u>	<u>\$ DIFFERENCE</u>	<u>% DIFFERENCE</u>
Unbilled Accounts Receivable	\$ (10,208.54)	\$ -	\$ -	\$ -	\$ -	0.00%
Residential	\$ 1,272,612.04	\$ 1,167,088.00	\$ 1,167,088.00	\$ 1,297,761.00	\$ 130,673.00	11.20%
Commercial	\$ 594,770.28	\$ 619,473.00	\$ 619,473.00	\$ 691,090.00	\$ 71,617.00	11.56%
Water Hook-up Fees	\$ 40,647.96	\$ 33,711.00	\$ 20,000.00	\$ 23,000.00	\$ 3,000.00	15.00%
Other Income	\$ 256,750.50	\$ 43,673.38	\$ 71,400.00	\$ 45,110.00	\$ (26,290.00)	-36.82%
<b>TOTAL REVENUES</b>	<b>\$ 2,154,572.24</b>	<b>\$ 1,863,945.38</b>	<b>\$ 1,877,961.00</b>	<b>\$ 2,056,961.00</b>	<b>\$ 179,000.00</b>	<b>9.53%</b>
<b>EXPENSES</b>						
Power Used	\$ 131,813.87	\$ 69,191.10	\$ 117,500.00	\$ 117,500.00	\$ -	0.00%
Purification	\$ 57,784.99	\$ 33,076.03	\$ 58,000.00	\$ 58,000.00	\$ -	0.00%
Distribution	\$ 72,888.54	\$ 23,012.31	\$ 70,500.00	\$ 64,500.00	\$ (6,000.00)	-8.51%
Depreciation	\$ 433,404.39	\$ 345,792.81	\$ 431,460.00	\$ 525,000.00	\$ 93,540.00	21.68%
Debt & Other Interest	\$ 106,812.26	\$ 107,890.67	\$ 101,948.00	\$ 141,088.00	\$ 39,140.00	38.39%
Salary & Benefits	\$ 581,332.60	\$ 400,680.67	\$ 647,468.00	\$ 639,341.00	\$ (8,127.00)	-1.26%
Loss on Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Admin & General	\$ 131,682.80	\$ 142,998.24	\$ 163,028.00	\$ 169,670.00	\$ 6,642.00	4.07%
<b>TOTAL EXPENSES</b>	<b>\$ 1,515,719.45</b>	<b>\$ 1,122,641.83</b>	<b>\$ 1,589,904.00</b>	<b>\$ 1,715,099</b>	<b>\$ 125,195.00</b>	<b>7.87%</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b>\$ 638,852.79</b>	<b>\$ 741,303.55</b>	<b>\$ 288,057.00</b>	<b>\$ 341,862.00</b>	<b>\$ (53,805.00)</b>	<b>18.68%</b>

### 2025 Water Revenue Budget



### 2025 Water Expense Budget



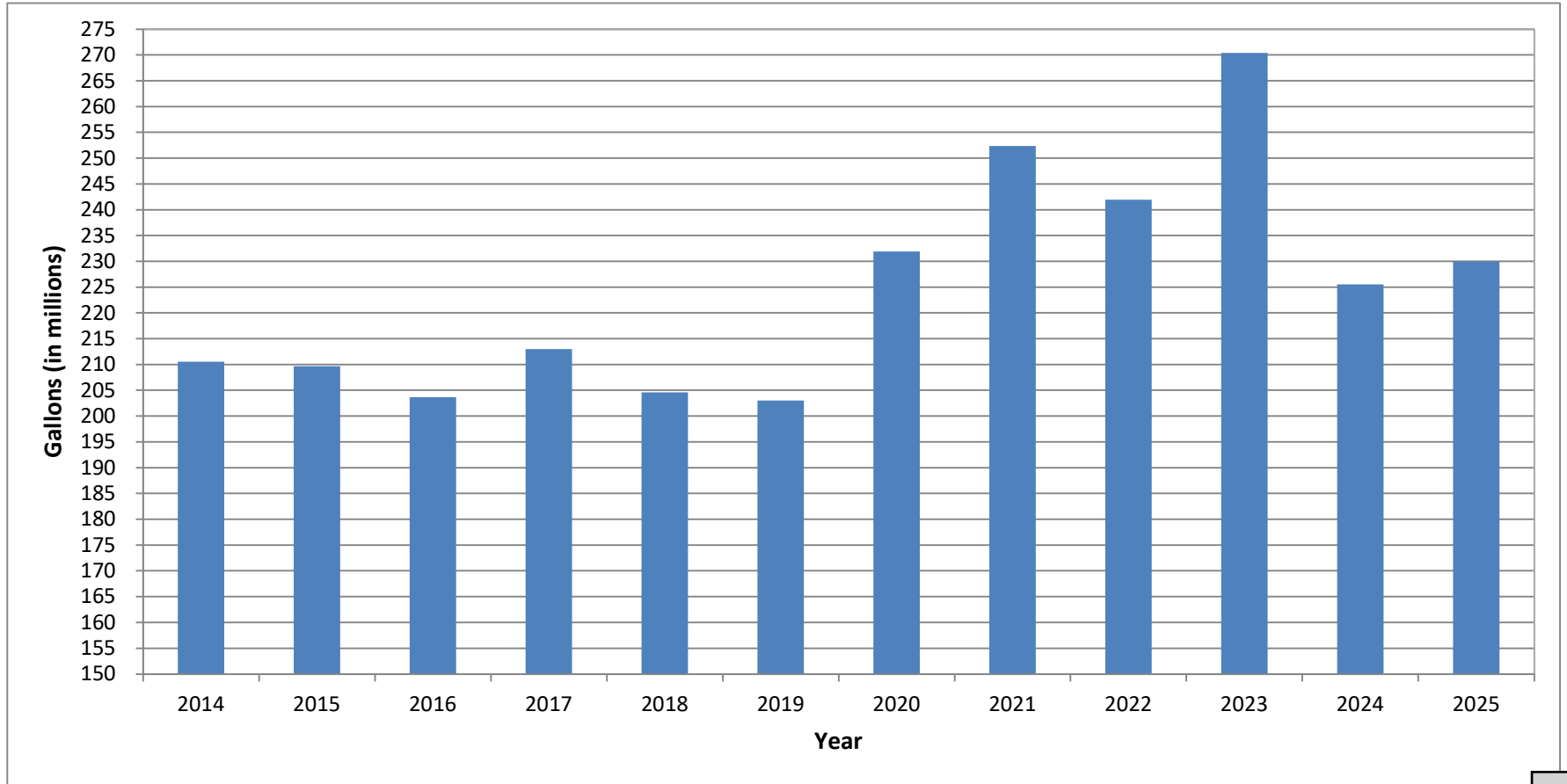
**2025 Projected Water Sales**

Water Sales are projected to be at 230,000,000 gallons sold for 2025. Weather has a large effect on gallons sold.

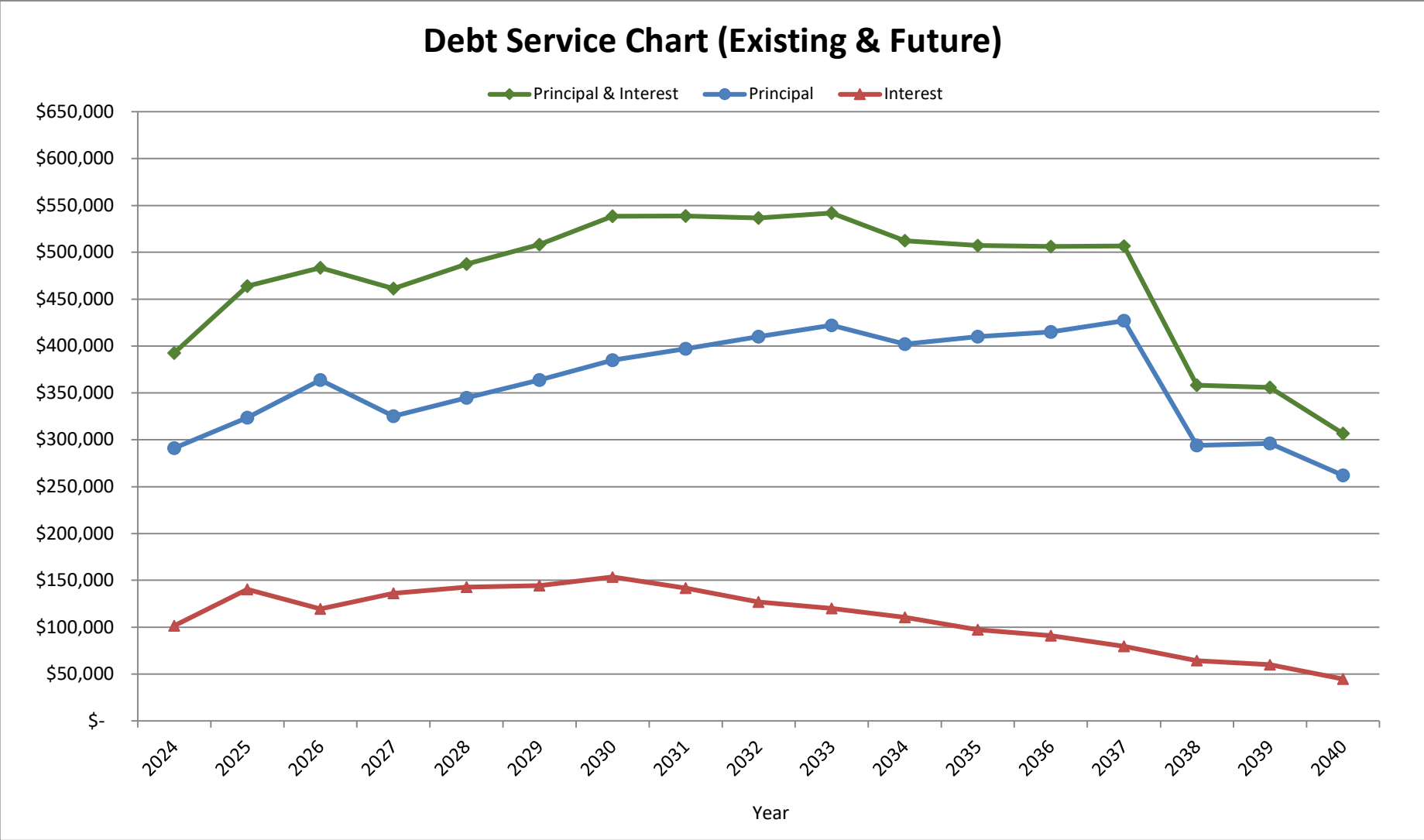
**History of Water Sales:**

2014	210,547,000	2020	231,931,000
2015	209,645,000	2021	252,326,000
2016	203,679,000	2022	241,960,000
2017	213,000,000	2023	270,410,000
2018	204,592,000	* 2024	225,542,000
2019	203,000,000	** 2025	230,000,000

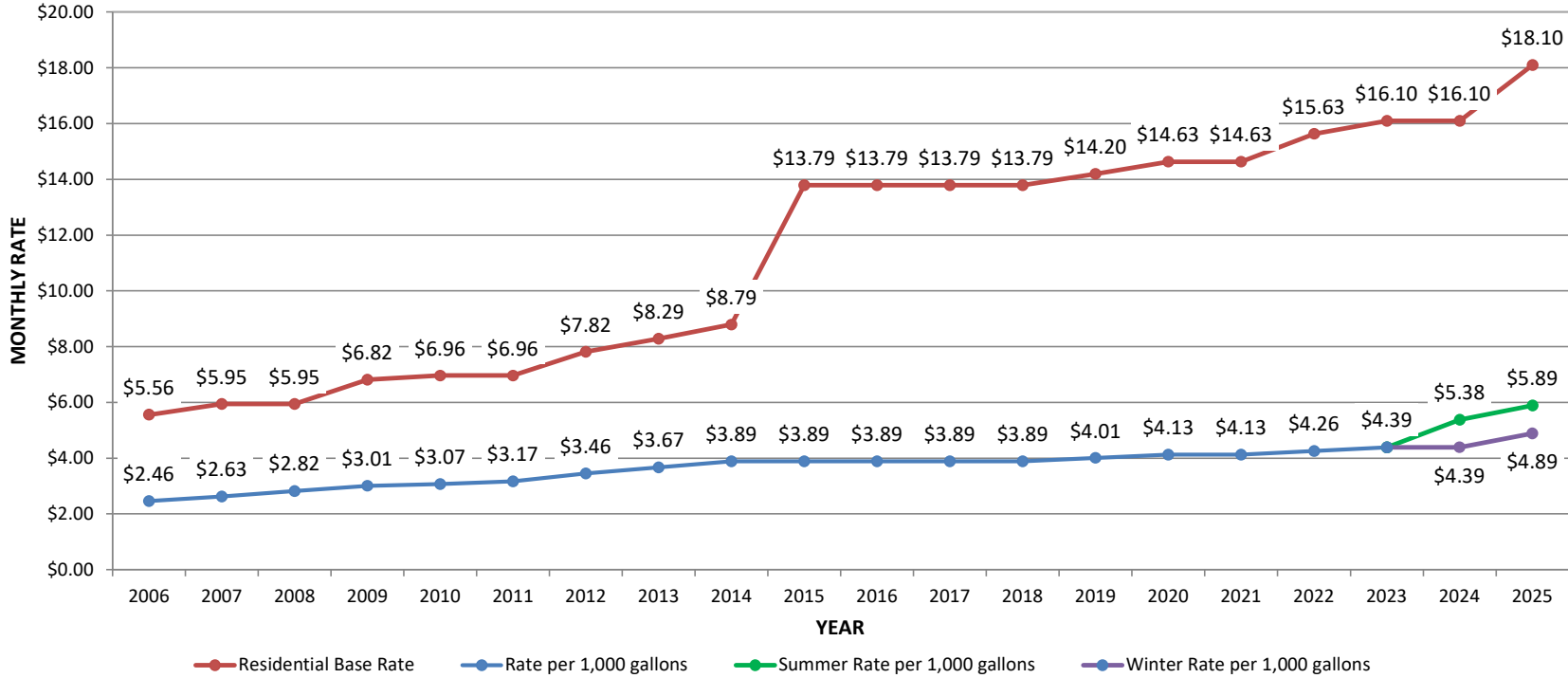
\* Anticipated \*\* Budgeted





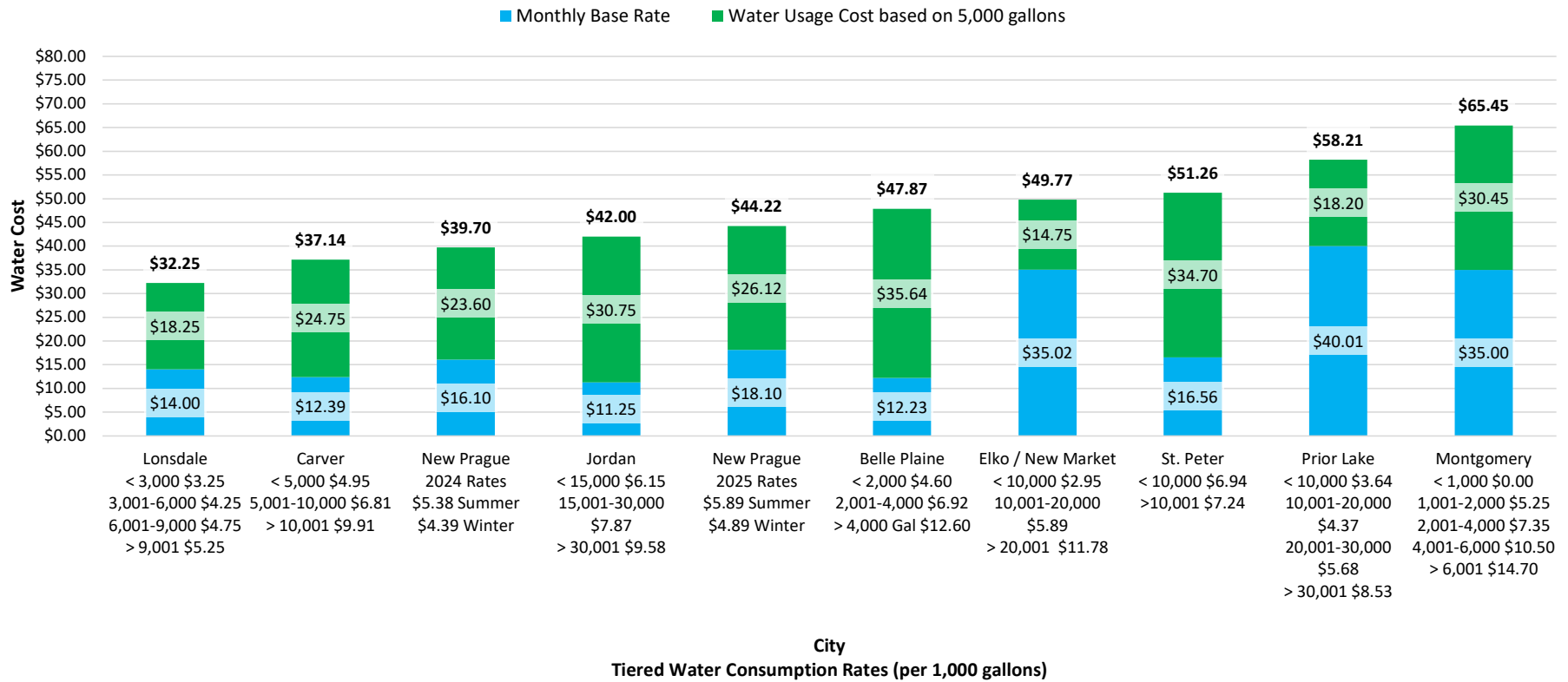


### CITY OF NEW PRAGUE WATER RATE INFORMATION HISTORY (2006 - 2025)



\* An average residential customer using 4,000 gallons will see an annual increase of \$48.16 with 2025 rate increase  
 \* An average residential customer using 8,000 gallons will see an annual increase of \$72.32 with 2025 rate increase

### New Prague Utilities Commission Monthly water costs compared to surrounding cities based on 5,000 gallon usage



Sum of Amount	Years										
Funding Sources	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Grand Total
<b>Water</b>	<b>850,000</b>	<b>510,000</b>	<b>498,000</b>	<b>566,000</b>	<b>561,050</b>	<b>541,200</b>	<b>565,500</b>	<b>591,000</b>	<b>602,789</b>	<b>630,917</b>	<b>5,916,456</b>
Filter #1 Chemical Feed System	40,000										40,000
Future CIP	750,000	400,000	400,000	441,000	463,050	486,200	510,500	536,000	562,789	590,917	5,140,456
Mini Excavator Backhoe (1/3 of Cost)	10,000										10,000
Misc. Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
SCADA	10,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			115,000
Service Truck		55,000									55,000
Tractor Backhoe				25,000							25,000
Well #1 Replacement			43,000								43,000
Well #2 Replacement					43,000						43,000
Well #3, #4, #6 Pump Replacement	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
Well #5 Replacement				45,000							45,000
<b>Grand Total</b>	<b>850,000</b>	<b>510,000</b>	<b>498,000</b>	<b>566,000</b>	<b>561,050</b>	<b>541,200</b>	<b>565,500</b>	<b>591,000</b>	<b>602,789</b>	<b>630,917</b>	<b>5,916,456</b>

**New Prague Utilities  
Existing and Proposed Water Rates**

<u>Class</u>	<u>Current Rate</u>	<u>2025 Proposed Rate</u>
<b>Customer Charge</b>		
Residential 5/8" & 3/4"	\$16.10	\$18.10
Residential 1"	\$16.81	\$18.81
Residential 1.5"	\$16.96	\$18.96
Commercial 5/8" & 3/4"	\$16.10	\$18.10
Commercial 1"	\$16.81	\$18.81
Commercial 1.5"	\$16.96	\$18.96
Commercial 2"	\$37.17	\$39.17
Commercial 3"	\$42.46	\$44.46
Commercial 4"	\$62.83	\$64.83
Commercial 6"	\$93.66	\$95.66
Residential Multi	\$11.27	\$13.69
Commercial Multi	\$11.27	\$13.69
 <b>Water Charges</b>		
per 1,000 gallons (June 1-Sept 30)	\$5.38	\$5.88
per 1,000 gallons (non-summer)	\$4.39	\$4.89
per 1,000 gallons (golf course - all months)	\$4.52	\$4.65

Description	Water	604	Enterprise Funds			Difference 2025-2024	% Difference
	Account Code	FY2023 Actuals	2024 Adopted	2025			
			Budget	Proposed			
	<b>Water</b>						
	<b>Expense</b>	<b>\$1,515,804.76</b>	<b>\$1,589,904.00</b>	<b>\$1,715,099.00</b>	\$1,589,904.00	8%	
DEPRECIATION	604-4-4940-420	\$433,404.39	\$431,460.00	\$525,000.00	\$431,460.00	22%	
DEBT SERVICE-INTEREST	604-4-4940-610	\$105,959.92	\$101,635.00	\$140,438.00	\$101,635.00		
OTHER INTEREST EXPENSES	604-4-4940-619	\$852.34	\$313.00	\$650.00	\$313.00	108%	
GEN-SET FUEL	604-4-4941-213	\$1,375.00	\$2,000.00	\$2,000.00	\$2,000.00	0%	
NATURAL GAS-10TH AVE BOOST	604-4-4941-390	\$1,570.58	\$2,000.00	\$2,000.00	\$2,000.00	0%	
ELECTRICITY USED	604-4-4941-392	\$125,392.89	\$110,000.00	\$110,000.00	\$110,000.00	0%	
NATURAL GAS-FILTER #3	604-4-4941-394	\$3,475.40	\$3,500.00	\$3,500.00	\$3,500.00	0%	
WAGES FULL TIME	604-4-4942-101	\$11,959.70	\$0.00		\$0.00	0	
WAGES PART-TIME	604-4-4942-103	\$0.00	\$0.00		\$0.00	0	
EMPLOYER CONT. P E R A	604-4-4942-121	\$915.99	\$0.00		\$0.00	0	
EMPLOYER CONT. F I C A	604-4-4942-122	\$857.40	\$0.00		\$0.00	0	
HEALTH INSURANCE	604-4-4942-131	\$1,985.67	\$0.00		\$0.00	0	
DENTAL INSURANCE	604-4-4942-132	\$312.54	\$0.00		\$0.00	0	
LIFE & S.T. DISABILITY INS	604-4-4942-133	\$43.61	\$0.00		\$0.00	0	
WAGES PURIFICATION	604-4-4942-171	\$0.00	\$0.00		\$0.00	0	
SYSTEM WATER TESTING	604-4-4942-309	\$2,675.22	\$3,000.00	\$3,000.00	\$3,000.00	0%	
PURIFICATION	604-4-4942-385	\$55,109.77	\$55,000.00	\$55,000.00	\$55,000.00	0%	
WAGES FULL-TIME	604-4-4943-101	\$233,961.24	\$0.00		\$0.00	0	
WAGES OVER-TIME	604-4-4943-102	\$4,024.58	\$2,000.00		\$2,000.00	-100%	
WAGES ON-CALL	604-4-4943-106	\$20,571.08	\$0.00		\$0.00	0	
EMPLOYEE BENEFITS	604-4-4943-113	\$1,225.00	\$0.00		\$0.00	0	
EMPLOYER CONT. P E R A	604-4-4943-121	\$19,258.24	\$150.00		\$150.00	-100%	
EMPLOYER CONT. F I C A	604-4-4943-122	\$18,014.07	\$153.00		\$153.00	-100%	
GERF CHANGE	604-4-4943-129	-\$7,602.00	\$0.00		\$0.00	0	
EMPLOYER PAID INSURANCE	604-4-4943-130	\$0.00	\$0.00		\$0.00	0	
HEALTH INSURANCE	604-4-4943-131	\$45,065.61	\$0.00		\$0.00	0	
DENTAL INSURANCE	604-4-4943-132	\$5,445.37	\$0.00		\$0.00	0	
LIFE & S-T DISABILITY	604-4-4943-133	\$752.53	\$0.00		\$0.00	0	

Description	Account Code	Enterprise Funds			Difference 2025-2024	% Difference
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed		
OPEB EXPENSE	604-4-4943-135	\$1,455.00	\$0.00		\$0.00	0
MOTOR FUELS	604-4-4943-212	\$7,685.44	\$8,500.00	\$8,500.00	\$8,500.00	0%
HYDRANTS	604-4-4943-226	\$550.57	\$2,500.00	\$2,500.00	\$2,500.00	0%
LEAK DETECTION	604-4-4943-227	\$6,151.12	\$5,000.00	\$5,000.00	\$5,000.00	0%
MAINT.-WELLS.-PUMPS-METER DISTRIBUTION	604-4-4943-229	\$10,663.76	\$15,000.00	\$15,000.00	\$15,000.00	0%
WELLHEAD PROTECTION PLAN	604-4-4943-233	\$7,179.77	\$8,000.00	\$8,000.00	\$8,000.00	0%
WATER MAIN & SERVICE REPAIR	604-4-4943-244	\$0.00	\$500.00	\$500.00	\$500.00	0%
WATER TOWER MAINT.	604-4-4943-403	\$17,950.20	\$20,000.00	\$20,000.00	\$20,000.00	0%
WAGES FULL-TIME	604-4-4943-407	\$2,136.60	\$11,000.00	\$5,000.00	\$11,000.00	-55%
WAGES OVERTIME	604-4-4944-101	\$167,449.95	\$434,282.00	\$400,297.00	\$434,282.00	-8%
WAGES PART-TIME	604-4-4944-102	\$1,071.27	\$5,000.00	\$5,000.00	\$5,000.00	0%
WAGES ON-CALL	604-4-4944-103	\$0.00	\$0.00	\$16,970.00	\$0.00	0
EMPLOYEE BENEFITS	604-4-4944-106	\$0.00	\$25,070.00	\$26,446.00	\$25,070.00	5%
VACATION ACCRUAL	604-4-4944-113	\$376.65	\$2,877.00	\$2,658.00	\$2,877.00	-8%
EMPLOYER CONT. P E R A	604-4-4944-115	\$9,179.15	\$0.00		\$0.00	0
EMPLOYER CONT. F I C A	604-4-4944-121	\$12,674.17	\$34,826.00	\$33,881.00	\$34,826.00	-3%
HEALTH INSURANCE	604-4-4944-122	\$11,828.67	\$35,743.00	\$34,762.00	\$35,743.00	-3%
DENTAL INSURANCE	604-4-4944-131	\$25,563.16	\$88,133.00	\$94,757.00	\$88,133.00	8%
LIFE & S-T DISABILITY	604-4-4944-132	\$2,348.04	\$9,072.00	\$7,900.00	\$9,072.00	-13%
WORKER'S COMP PREMIUMS	604-4-4944-133	\$518.18	\$1,332.00	\$1,198.00	\$1,332.00	-10%
SUPPLIES	604-4-4944-151	\$12,648.81	\$8,830.00	\$15,472.00	\$8,830.00	75%
COMPUTER SUPPORT SERVICES	604-4-4944-200	\$6,652.49	\$5,000.00	\$5,000.00	\$5,000.00	0%
GEN. EXPENSE-EQUIPMENT	604-4-4944-207	\$6,929.22	\$6,500.00	\$7,200.00	\$6,500.00	11%
GENERAL PLANT MAINT.	604-4-4944-224	\$4,413.71	\$10,000.00	\$10,000.00	\$10,000.00	0%
MAINT/LEASE	604-4-4944-225	\$5,768.29	\$12,000.00	\$12,000.00	\$12,000.00	0%
SAFETY EQUIP & TRAINING	604-4-4944-230	\$2,812.60	\$4,000.00	\$3,500.00	\$4,000.00	-13%
AUDIT	604-4-4944-231	\$2,547.40	\$4,000.00	\$4,000.00	\$4,000.00	0%
ENGINEERING FEES	604-4-4944-301	\$4,900.00	\$4,800.00	\$5,200.00	\$4,800.00	8%
CIVIL LEGAL FEES	604-4-4944-303	\$0.00	\$2,000.00	\$2,000.00	\$2,000.00	0%
LINE LOCATES	604-4-4944-305	\$244.40	\$3,000.00	\$3,000.00	\$3,000.00	0%
	604-4-4944-306	\$1,297.90	\$2,000.00	\$2,000.00	\$2,000.00	0%

Description	Account Code	Enterprise Funds				
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed	Difference 2025-2024	% Difference
METER TESTING	604-4-4944-308	\$3,459.50	\$4,000.00	\$4,000.00	\$4,000.00	0%
PROFESSIONAL SERVICES	604-4-4944-310	\$11,638.96	\$20,000.00	\$20,000.00	\$20,000.00	0%
POSTAGE	604-4-4944-320	\$7,342.95	\$7,000.00	\$7,000.00	\$7,000.00	0%
TELEPHONE	604-4-4944-321	\$4,553.61	\$5,000.00	\$5,000.00	\$5,000.00	0%
COMPUTER COMM/MAINT	604-4-4944-322	\$14,445.88	\$15,000.00	\$10,000.00	\$15,000.00	-33%
TRAVEL, CONF, MILEAGE ALLOW.	604-4-4944-330	\$3,088.80	\$4,000.00	\$4,000.00	\$4,000.00	0%
ADVERTISING & PUBLICATIONS	604-4-4944-340	\$38.26	\$1,000.00	\$1,000.00	\$1,000.00	0%
INSURANCE DEDUCTIBLE	604-4-4944-365	\$2,178.37	\$2,500.00	\$2,500.00	\$2,500.00	0%
INSURANCES	604-4-4944-369	\$20,044.98	\$21,618.00	\$23,780.00	\$21,618.00	10%
UTILITIES	604-4-4944-380	\$839.40	\$2,000.00	\$2,000.00	\$2,000.00	0%
REFUSE	604-4-4944-384	\$300.23	\$0.00	\$300.00	\$0.00	0
CONTRACTED SERVICES	604-4-4944-401	\$109.00	\$100.00	\$100.00	\$100.00	0%
VEHCILE MAINT	604-4-4944-408	\$1,697.18	\$5,000.00	\$5,000.00	\$5,000.00	0%
ENGINE MAINT/GENERATION	604-4-4944-409	\$0.00	\$0.00	\$0.00	\$0.00	0
MISCELLANEOUS EXPENSE	604-4-4944-430	\$101.91	\$4,000.00	\$4,000.00	\$4,000.00	0%
CREDIT CARD EXPENSE	604-4-4944-431	\$6,130.92	\$4,000.00	\$7,380.00	\$4,000.00	85%
PRIOR PERIOD ADJUSTMENT	604-4-4944-432	\$0.00	\$0.00	\$0.00	\$0.00	0
DUES & SUBSCRIPTIONS	604-4-4944-433	\$872.89	\$2,000.00	\$2,000.00	\$2,000.00	0%
BAD DEBT EXPENSE	604-4-4944-438	\$93.08	\$2,000.00	\$2,000.00	\$2,000.00	0%
REAL ESTATE TAXES	604-4-4944-440	\$9.00	\$10.00	\$10.00	\$10.00	0%
TRAINING & SEMINARS	604-4-4944-450	\$1,036.97	\$1,000.00	\$2,000.00	\$1,000.00	100%
LICENSES FEES/REGISTRATION	604-4-4944-460	\$2,963.12	\$4,500.00	\$6,000.00	\$4,500.00	33%
ST. & CTY ASSESSMENTS	604-4-4944-602	\$200.00	\$0.00	\$200.00	\$0.00	0
BOND ISSUANCE COSTS	604-4-4944-620	\$15,057.09	\$5,000.00	\$7,500.00	\$5,000.00	50%
	<b>Revenue</b>	<b>\$2,154,572.24</b>	<b>\$1,877,961.00</b>	<b>\$2,056,961.00</b>	<b>\$1,877,961.00</b>	<b>10%</b>
PERA PENSION OTHER REVENUE	604-3-0000-33439	\$36.00	\$0.00	\$0.00	\$0.00	0
SPECIAL ASSESSMENTS-CO	604-3-0000-36100	\$92,960.00	\$0.00	\$0.00	\$0.00	0
BOND PREMIUM AMORTIZATION	604-3-0000-39500	\$31,041.18	\$0.00	\$0.00	\$0.00	0
UNBILLED ACCOUNTS RECEIVABLE	604-3-4940-33200	-\$10,208.54	\$0.00	\$0.00	\$0.00	0
MISCELLANEOUS INCOME	604-3-4940-36200	\$7,864.40	\$10,000.00	\$10,000.00	\$10,000.00	0%
INTEREST INCOME	604-3-4940-36210	\$91,253.49	\$15,000.00	\$15,000.00	\$15,000.00	0%



Description	Account Code	Enterprise Funds			Difference 2025-2024	% Difference
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed		
RADIO TOWER LEASE	604-3-4940-36225	\$6,465.71	\$0.00		\$0.00	0
REIMBURSEMENTS	604-3-4940-36240	\$2,206.63	\$2,000.00	\$2,000.00	\$2,000.00	0%
RESIDENTIAL WATER	604-3-4940-37100	\$1,272,612.04	\$1,167,088.00	\$1,297,761.00	\$1,167,088.00	11%
COMMERCIAL WATER	604-3-4940-37101	\$594,770.28	\$619,473.00	\$691,090.00	\$619,473.00	12%
WATER SALES-ELEC.DISTR.	604-3-4940-37102	\$2,539.26	\$21,000.00	\$5,000.00	\$21,000.00	-76%
WATER CONNECTION FEE	604-3-4940-37103	\$33,895.80	\$15,000.00	\$18,000.00	\$15,000.00	20%
WATER METER INCOME	604-3-4940-37105	\$6,752.16	\$5,000.00	\$5,000.00	\$5,000.00	0%
WAC INCOME	604-3-4940-37150	\$4,052.16	\$5,000.00	\$5,000.00	\$5,000.00	0%
REVENUE-OUTSIDE SERVICES	604-3-4940-37409	\$0.00	\$0.00		\$0.00	0
SEWER/REFUSE COLLECTION	604-3-4940-37414	\$10,094.70	\$11,000.00	\$710.00	\$11,000.00	-94%
CAPITAL CONTRIBUTION	604-3-4940-37415	\$0.00	\$0.00		\$0.00	0
PENALTIES	604-3-4940-37460	\$8,236.97	\$7,400.00	\$7,400.00	\$7,400.00	0%
<b>Grand Total Exp-Rev</b>		<b>-\$638,767.48</b>	<b>-\$288,057.00</b>	<b>-\$341,862.00</b>		

# *New Prague, Minnesota*

*A Tradition of Progress*



## **NEW PRAGUE UTILITIES COMMISSION 2025 PROPOSED ELECTRIC BUDGET REPORT**

# TABLE OF CONTENTS

## Contents

2025 MANAGEMENT STATEMENT & FORECAST .....	1
2025 PROPOSED ELECTRIC BUDGET.....	3
PROJECTED ELECTRIC REVENUE & EXPENSE CHART .....	4
SMMPA PURCHASED POWER .....	5
RESIDENTIAL AND COMMERCIAL RATE HISTORY .....	6
10-YEAR CAPITAL PROJECTS .....	11
PROPOSED 2025 RATES.....	12

## MANAGEMENT STATEMENT

The overall management goal of the New Prague Utilities Electric Department is to provide safe, reliable, and economical public electric service with a focus on customer needs, infrastructure enhancements, growth, and responsible resource management. 2024 was a very busy year starting out with the NE residential Project that involved the utility installing nearly 10,000' of underground conductor and 68 underground house services. The utility also worked with several commercial customers upgrading or installing new services.

2024 also brought on continued challenges dealing with supply chain shortages for construction materials, metering electronics, and delays on equipment orders forcing staff to move project dates and pre-order material as much as two years in advance for upcoming projects.

## FORECAST

The 2025 Electric Department budget is projected to forecast the financial operation of the New Prague Utilities Commission. Southern Minnesota Municipal Power Agency (SMMPA) is predicting that wholesale energy cost will remain stable throughout 2025 with only slight changes in transmission rates and demand ratchet charges due to peak load changes.

## REVENUE

The 2025 Revenue budget reflects a 2% increase on residential and Commercial rates and 2.3% on industrial and demand rates. Residential customer service charges will increase by \$1.00 in 2025. These increases are primarily driven by escalating labor, material and equipment cost and the ongoing operational cost of building and maintaining an electric distribution system that is both reliable and capable of serving future growth.

## EXPENSES

### **Personnel Costs:**

- Wages Full-Time and Part-Time – Reflects a 2.8% COLA wage adjustment and step increases.
- Health Insurance – There will be a 4.7% increase in health insurance premiums for 2025. HSA contributions will increase from \$1,000 (family) to \$2,250 and \$500 (single) to \$1,125.
  - Note: Insurance providers will change effective Jan. 1, 2025 from HealthPartners to BlueCross Blue Shield. This change is effective for the entire Sourcewell insurance pool.
- Dental Insurance – There is a 12.6% decrease in dental insurance premiums for 2025.
  - Note: Insurance providers will change effective Jan. 1, 2025 from Delta Dental to HealthPartners. This change is due to bid results completed in 2024
- Life, Long-Term Disability and Short-Term Disability – 0% change in 2025 as part of the 36-month rate guarantee established in 2023.

**Operating Expenses:**

- Purchased Power cost shows a slight budget decrease compared to 2024, but can show fluctuations from year to year based on local demand and ratchet costs.
- Capital improvement costs are a decrease compared to 2024 and are based on planned SMMPA projects.

**2025 KEY BUDGET AND OPERATIONAL CHALLENGES**

2025 will bring several budget and operation challenges while maintaining and providing reliable and affordable electric service to its current and new customers.

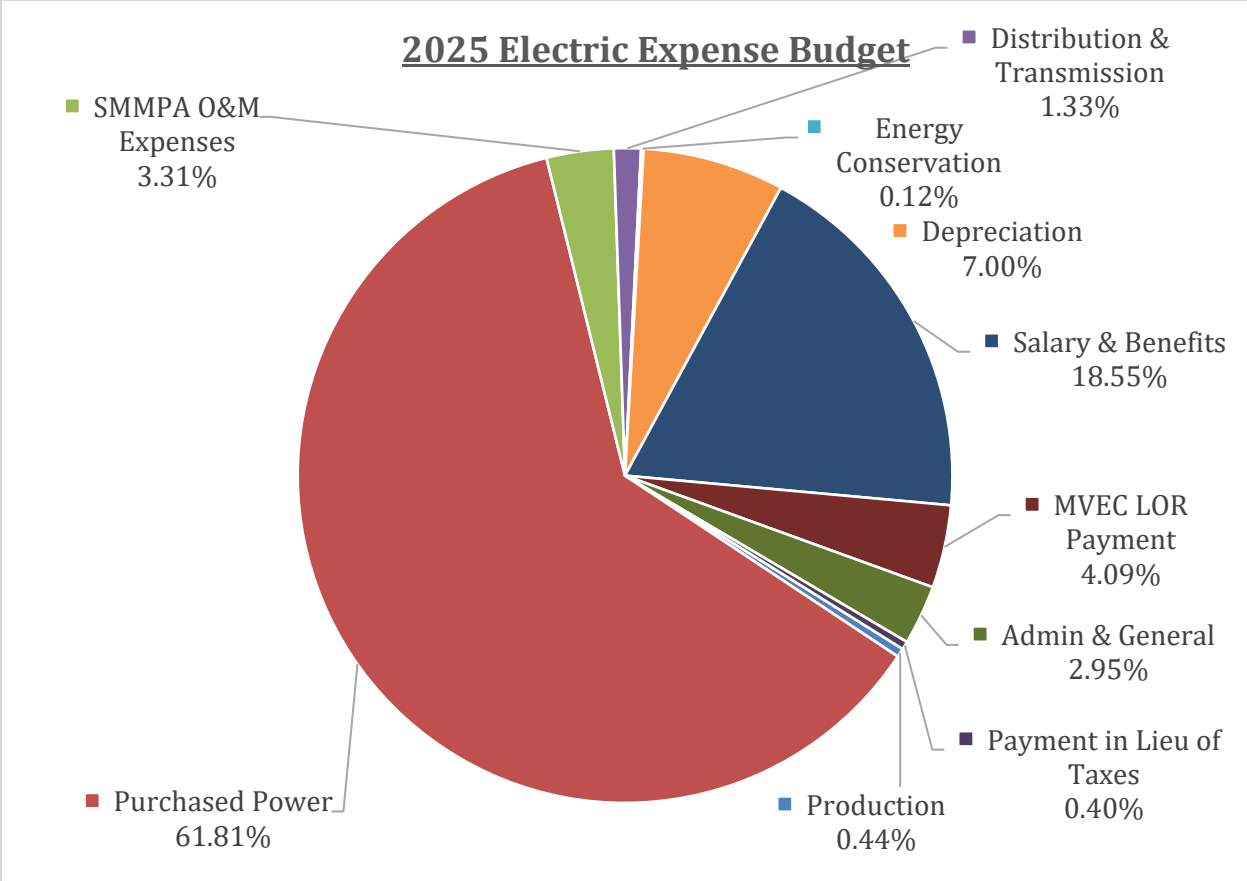
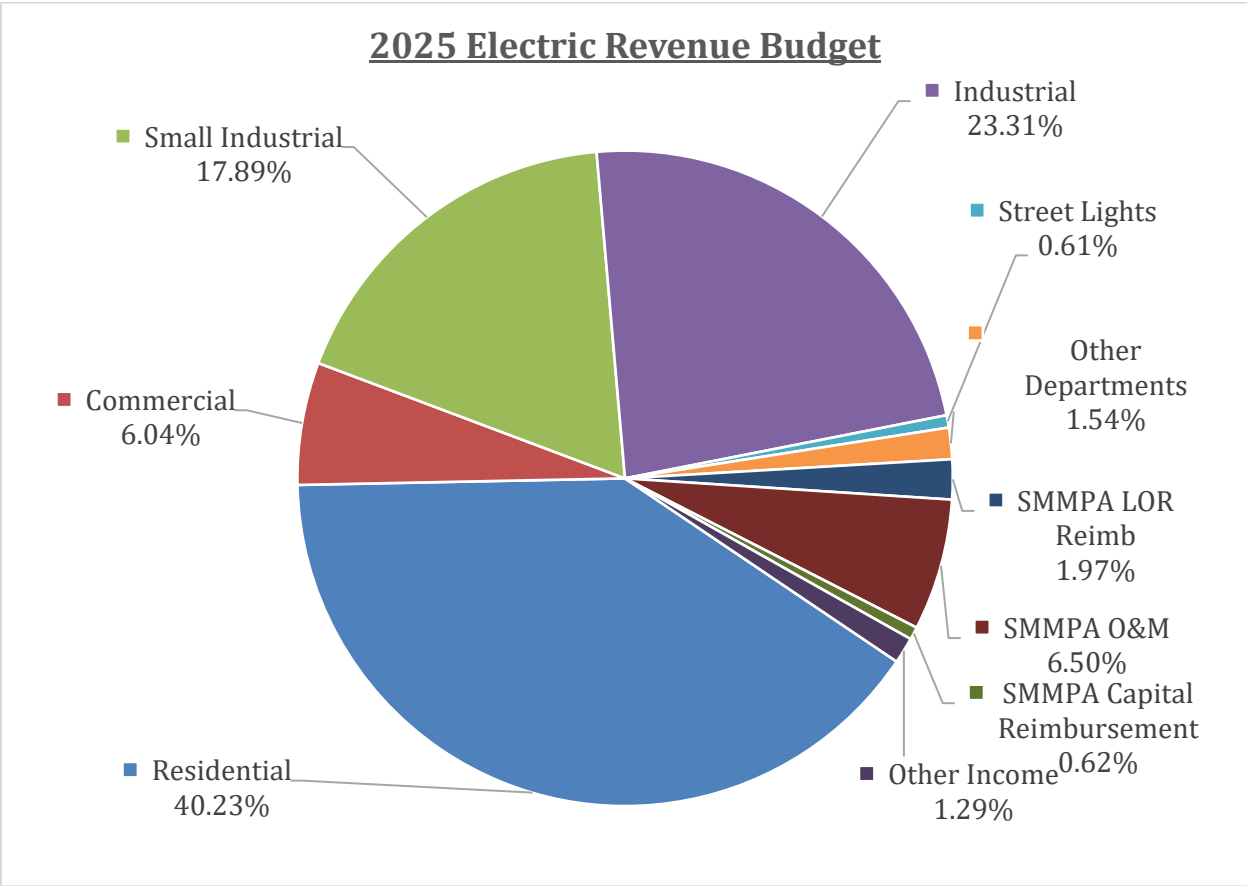
- Continued work on future expansion of New Prague’s generation facilities to meet continued growth and to meet base load requirements of New Prague’s power supplier (SMMPA) it is anticipated that this project will cost an estimated 18 million dollars and take nearly 3 years to complete. This expansion will provide New Prague residents with reliable generation backup for the next 20 years and be paid for by a 20 year contract with New Prague’s wholesale power provider (SMMPA)
- Distribution replacements and upgrades to our distribution system and the extension of underground distribution lines to keep moving toward our goal of having all residential distribution lines underground by the end of the 2025 by adding an additional 20,000’ of new underground conductors and related equipment.
- Continued refinement and development of energy programs that are offered to new and existing customers to promote energy sales and cost efficiency.
- Strengthen current and future workforce and career development needs so that the utility can retain a skilled labor force and be prepared for future workforce retirements.

**2024 NPUC KEY ACCOMPLISHMENTS**

- Installed 20,500 feet of new underground distribution conductor, 19 distribution Transformers and 65 house services furthering the goal to have all residential lines underground.
- Installed commercial services to Scott Equipment and Scooters Coffee
- Replaced Cooling towers as part of SMMPA’s \$225,000 capital improvement plan.
- Installed fiber optic and electrical services to the new dog park and parks department building

NEW PRAGUE UTILITIES COMMISSION  
 PROPOSED ELECTRIC BUDGET  
 As of 9/30/2024

	2023	2024	2024	2025	2024-2025	
	ACTUAL	Y-T-D ACTUAL	CURRENT BUDGET	PROPOSED BUDGET	\$ DIFFERENCE	% DIFFERENCE
<b>REVENUES</b>						
Unbilled Accounts Receivable	\$ (101,665.83)	\$ 195,502.77	0	\$ -	\$ -	#DIV/0!
Residential	\$ 4,190,656.01	\$ 2,789,874.14	\$ 4,226,849.00	\$ 4,186,223.00	\$ (40,626.00)	-0.96%
Commercial	\$ 621,377.31	\$ 444,148.40	\$ 606,240.00	\$ 628,951.00	\$ 22,711.00	3.75%
Small Industrial	\$ 1,835,814.18	\$ 1,255,706.32	\$ 1,837,352.00	\$ 1,861,047.00	\$ 23,695.00	1.29%
Industrial	\$ 2,383,439.94	\$ 1,614,815.88	\$ 2,374,761.00	\$ 2,424,913.00	\$ 50,152.00	2.11%
Large Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Streetlights	\$ 64,064.46	\$ 36,548.33	\$ 58,529.00	\$ 63,443.00	\$ 4,914.00	8.40%
Other Departments	\$ 147,823.24	\$ 83,363.95	\$ 162,901.00	\$ 160,583.00	\$ (2,318.00)	-1.42%
SMMPA LOR Reimbursement	\$ 208,350.36	\$ 135,821.42	\$ 180,000.00	\$ 205,075.00	\$ 20,075.00	13.93%
SMMPA O&M Revenue	\$ 696,048.51	\$ 447,875.73	\$ 654,740.00	\$ 676,033.00	\$ 21,293.00	3.25%
SMMPA Capital Reimbursement	\$ -	\$ -	\$ 225,000.00	\$ 65,000.00	\$ (160,000.00)	-71.11%
Other Income	\$ 562,681.32	\$ 273,714.46	\$ 147,700.00	\$ 133,800.00	\$ (13,900.00)	-9.41%
<b>TOTAL REVENUES</b>	<b>\$ 10,608,589.50</b>	<b>\$ 7,277,371.40</b>	<b>\$ 10,474,072.00</b>	<b>\$ 10,405,068.00</b>	<b>\$ (69,004.00)</b>	<b>-0.66%</b>
<b>EXPENSES</b>						
Production	\$ 10,124.77	\$ 4,213.33	\$ 26,000.00	\$ 44,000.00	\$ 18,000.00	69.23%
Purchased Power	\$ 6,221,565.52	\$ 4,210,866.65	\$ 6,401,508.00	\$ 6,196,036.00	\$ (205,472.00)	-3.21%
SMMPA O&M Expenses	\$ 287,056.29	\$ 198,805.15	\$ 486,740.00	\$ 332,295.00	\$ (154,445.00)	-31.73%
Distribution/Transmission	\$ 139,750.14	\$ 17,775.52	\$ 114,000.00	\$ 133,313.00	\$ 19,313.00	16.94%
Energy Conservation	\$ 42,911.84	\$ 9,732.15	\$ 12,500.00	\$ 12,500.00	\$ -	0.00%
Depreciation	\$ 695,511.90	\$ 502,614.38	\$ 680,160.00	\$ 701,323.00	\$ 21,163.00	3.11%
Salary & Benefits	\$ 1,328,631.33	\$ 985,091.80	\$ 1,697,681.00	\$ 1,859,346.00	\$ 161,665.00	9.52%
MVEC LOR Payment	\$ 416,700.67	\$ 271,642.82	\$ 357,793.00	\$ 410,150.00	\$ 52,357.00	14.63%
Admin & General	\$ 264,005.94	\$ 231,944.44	\$ 260,278.00	\$ 295,321.00	\$ 35,043.00	13.46%
Payment in Lieu of Taxes	\$ 40,000.00	\$ 26,666.64	\$ 40,000.00	\$ 40,000.00	\$ -	0.00%
<b>TOTAL EXPENSES</b>	<b>\$ 9,446,258.40</b>	<b>\$ 6,459,352.88</b>	<b>\$ 10,076,660.00</b>	<b>\$ 10,024,284.00</b>	<b>\$ (52,376.00)</b>	<b>-0.52%</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b>\$ 1,162,331.10</b>	<b>\$ 818,018.52</b>	<b>\$ 397,412.00</b>	<b>\$ 380,784.00</b>	<b>\$ (16,628.00)</b>	<b>-4.18%</b>



**ELECTRIC DEPARTMENT  
SMMPA PURCHASE POWER**

The 2025 purchased wholesale net power rate is projected to be \$0.0875 per kilowatt-hour (kWh).

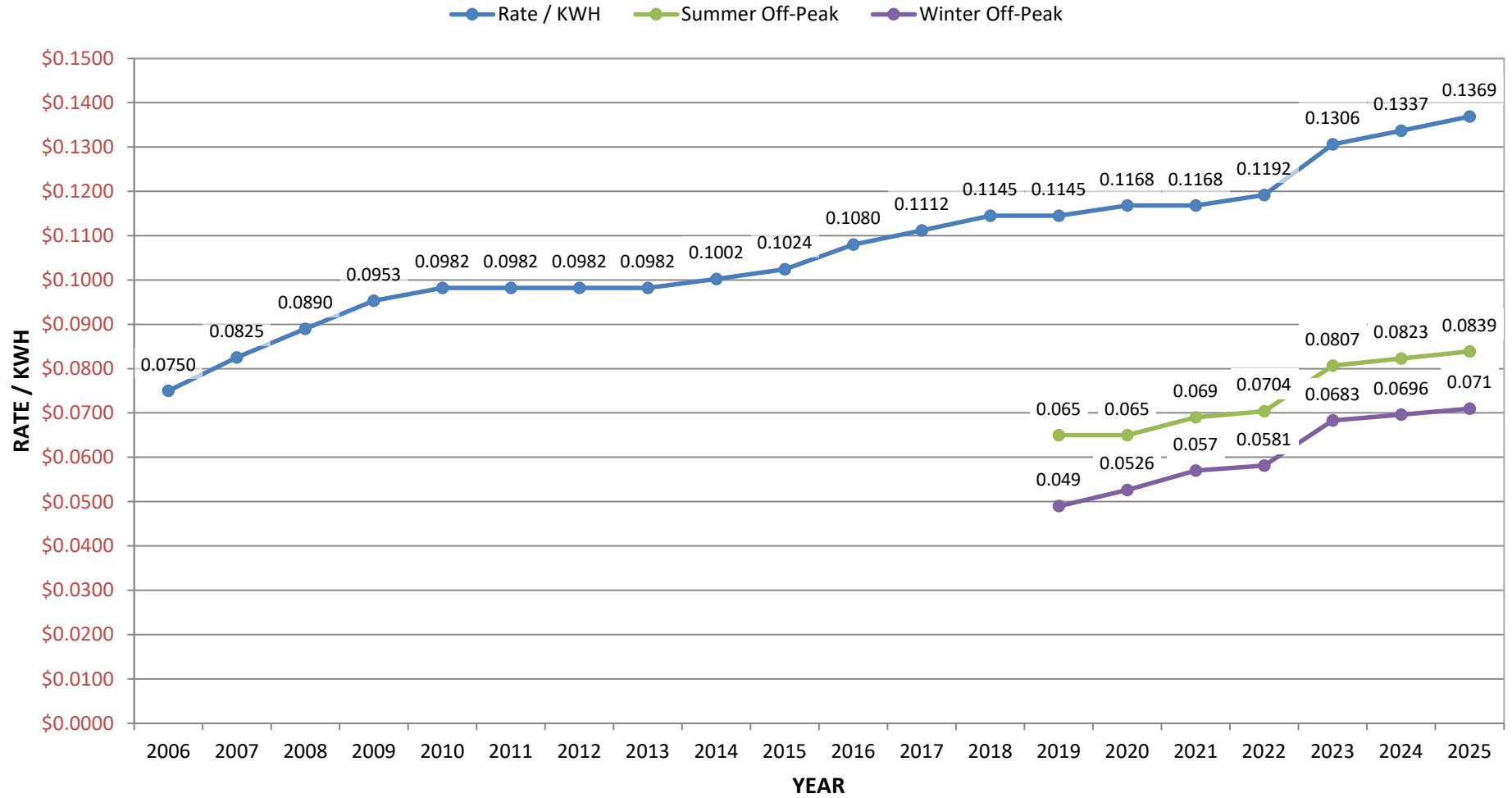
The budget projects the energy purchase to be 70,811,849 kWh for New Prague.

	<b>Purchased kWh</b>	<b>Cost kWh</b>	<b>Total Cost</b>
*2025	70,811,849	\$0.0875	\$6,196,036
*2024	70,270,140	\$0.0859	\$6,037,365
2023	72,260,959	\$0.0861	\$6,221,565
2022	72,086,211	\$0.0753	\$5,427,726
2021	72,006,211	\$0.0754	\$5,427,727
2020	61,433,726	\$0.0847	\$5,200,945
2019	77,305,672	\$0.0744	\$5,752,796

\* Represents projections



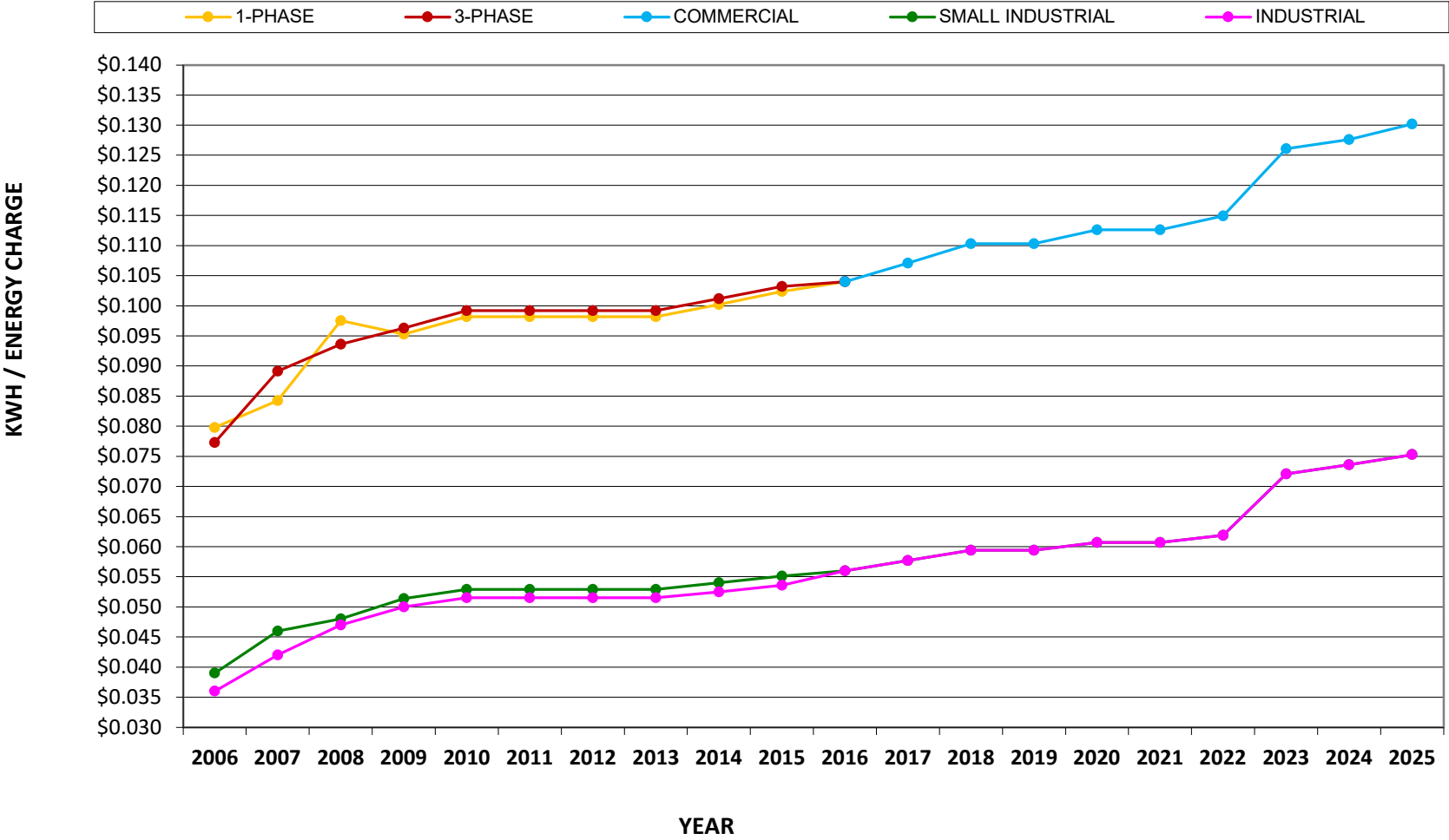
## NEW PRAGUE UTILITIES COMMISSION RESIDENTIAL ELECTRIC RATES (2006 - 2025)



\* An average residential customer using 650 kWh will see an increase of \$2.02 per month with 2024 rate increase

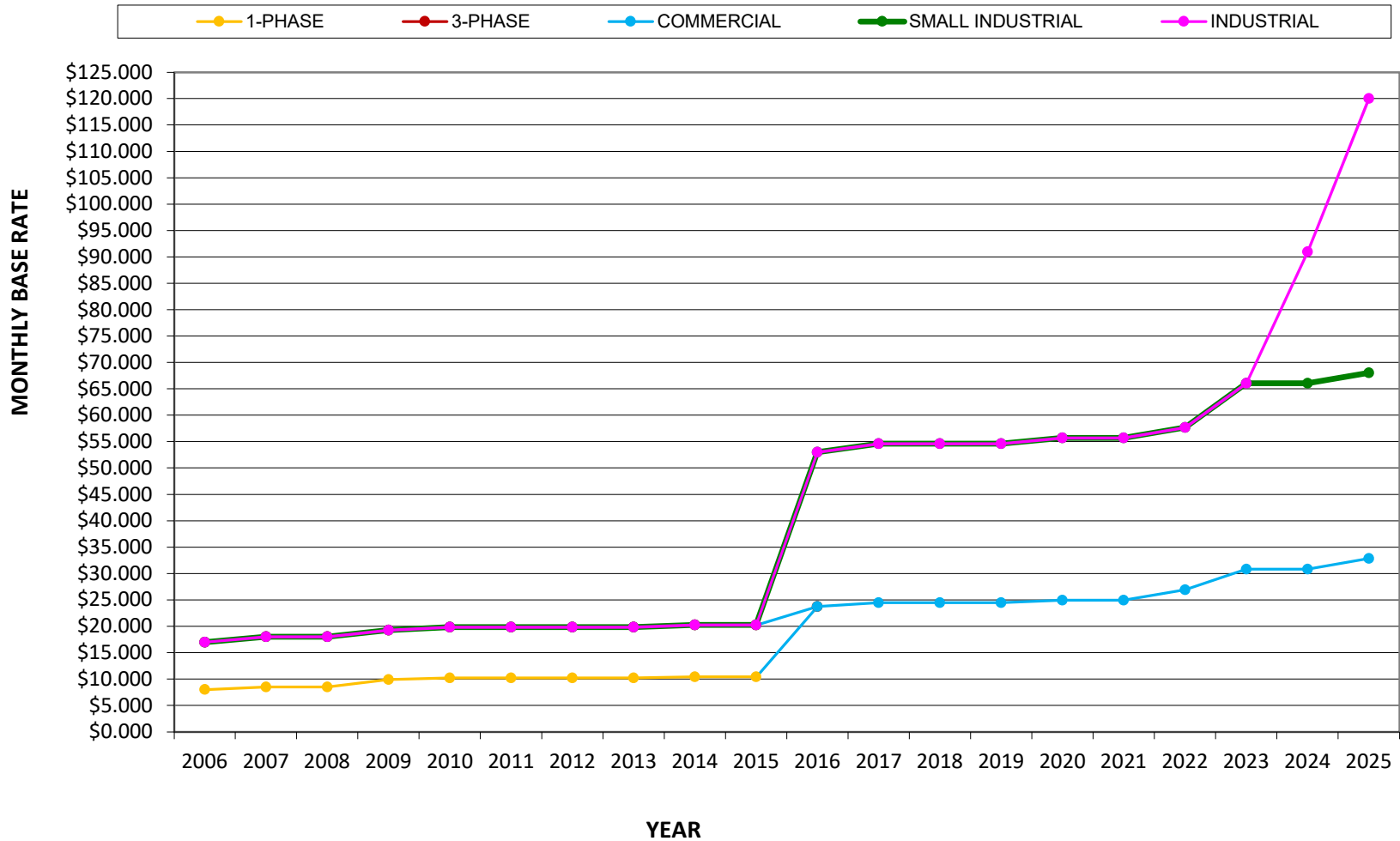
\* An average residential customer using 1200 kWh will see an increase of \$3.72 per month with 2024 rate increase

# NEW PRAGUE UTILITIES COMMISSION COMMERCIAL ELECTRIC RATE INFORMATION (2006 - 2025)



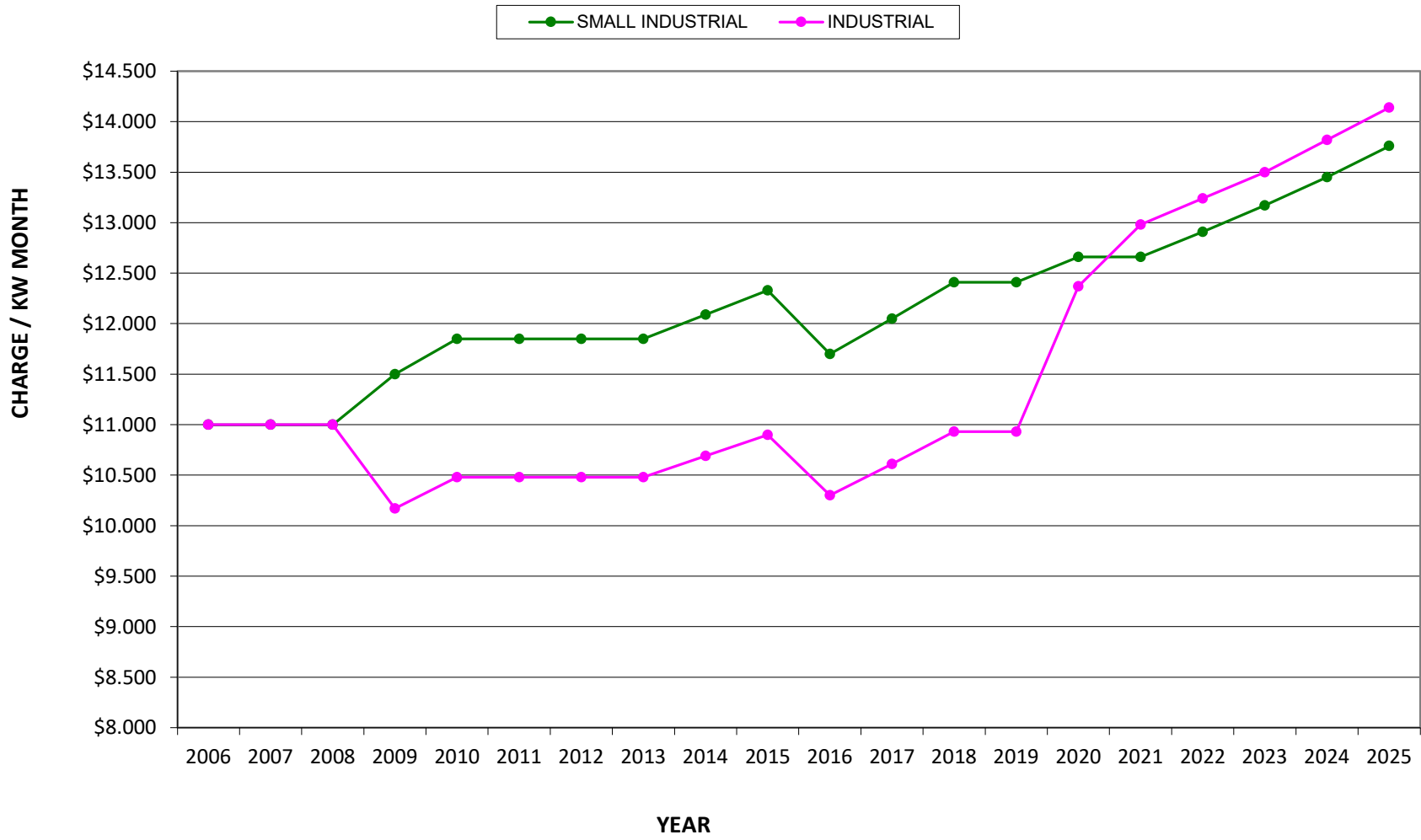
1-Phase and 3-Phase rates were combined in 2016 to create the Commercial rate.  
2016-2025, Small Industrial and Industrial will have the same rate.

## NEW PRAGUE UTILITIES COMMISSION COMMERCIAL ELECTRIC BASE RATE INFORMATION (2006 - 2025)

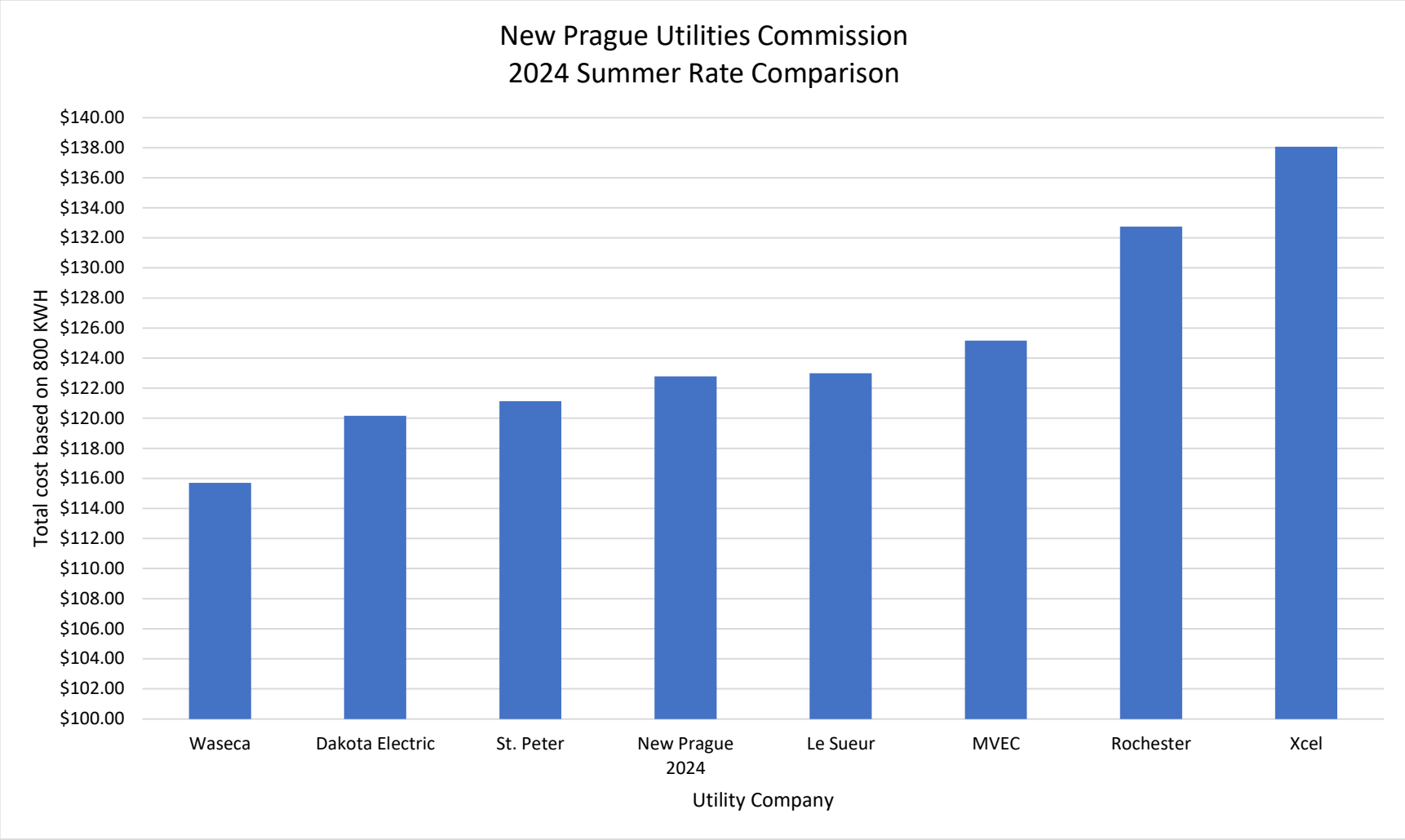


1-Phase and 3-Phase rates were combined in 2016 to create the Commercial rate.  
 From 2006 to 2015, 3-Phase(Commercial), Small Industrial, Industrial, and Large Industrial charged the same rate.  
 2017-2023, Small Industrial and Industrial will have the same rate.

### NEW PRAGUE UTILITIES COMMISSION COMMERCIAL ELECTRIC DEMAND RATE INFORMATION (2006 - 2025)



From 2006 to 2008, Small Industrial, Industrial, and Large Industrial charged the same rate.



Sum of Amount	Years										
Funding Sources	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Grand Total
<b>Electric</b>	<b>6,972,000</b>	<b>7,247,000</b>	<b>6,738,000</b>	<b>799,400</b>	<b>626,000</b>	<b>589,000</b>	<b>606,000</b>	<b>684,000</b>	<b>642,590</b>	<b>661,677</b>	<b>25,565,667</b>
#5 Generator Replacement	300,000	300,000									600,000
Brush Chipper (15% of cost)				5,400							5,400
Bucket Truck	65,000	275,000									340,000
Directional Drill				150,000							150,000
Dump Truck Replacement				65,000							65,000
Future Distribution CIP	450,000	463,000	477,000	491,000	506,000	522,000	537,000	553,000	569,590	586,677	5,155,267
Future Generation	6,000,000	6,000,000	6,000,000								18,000,000
Mini Excavator Backhoe	45,000										45,000
Miscellaneous Equipment	27,000	29,000	31,000	33,000	35,000	37,000	39,000	41,000	43,000	45,000	360,000
Pavement Replacement- Warehouse Alley	55,000										55,000
SCADA/ Switch Gear	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
Service Truck Replacement			50,000		55,000			60,000			165,000
Tractor Backhoe				25,000							25,000
Trencher/Plow			150,000								150,000
West Substation Upgrade - Controls/Gear		150,000									150,000
<b>Grand Total</b>	<b>6,972,000</b>	<b>7,247,000</b>	<b>6,738,000</b>	<b>799,400</b>	<b>626,000</b>	<b>589,000</b>	<b>606,000</b>	<b>684,000</b>	<b>642,590</b>	<b>661,677</b>	<b>25,565,667</b>

## Proposed 2025 Rates

	2024		2025	
	Rate	BASE FEE	RATE	BASE FEE
RESIDENTIAL	\$ 0.1337	\$ 15.82	\$ 0.1369	\$16.82
OFF PEAK SUMMER (JUNE - SEPT)	\$ 0.0823	\$ -	\$ 0.0839	
OFF PEAK WINTER (OCT - MAY)	\$ 0.0696	\$ -	\$ 0.0710	
RESIDENTIAL - SOLAR	\$ 0.1337	\$ 4.50	\$ 0.1369	\$4.50
RESIDENTIAL - SOLAR BI-DIRECTIONAL	\$ (0.1337)	\$ -	\$ (0.1369)	
TIME OF USE - AM (CAR)	\$ 0.2388	\$ -	\$ 0.2507	
TIME OF USE - PM (CAR)	\$ 0.0806	\$ -	\$ 0.0806	
LOAD CONTROL CREDITS		\$ (5.00)		\$ (5.00)
COMMERCIAL	\$ 0.1276	\$ 30.85	\$ 0.1302	\$ 32.86
SMALL INDUSTRIAL	\$ 0.0736	\$ 66.04	\$ 0.0753	\$ 68.04
SMALL INDUSTRIAL - DEMAND	\$13.4500	\$ -	\$13.7600	
INDUSTRIAL	\$ 0.0736	\$ 91.00	\$ 0.0753	\$120.00
INDUSTRIAL - DEMAND	\$13.8200	\$ -	\$14.1400	
PEAK ALERT	\$ 0.0779	\$ 136.60	\$ 0.0797	\$ 138.60
PEAK ALERT - DEMAND	\$ 3.8100	\$ -	\$ 4.4100	\$1.00
INTERRUPTABLE	\$ 0.0926	\$ 30.86	\$ 0.0945	\$32.86
LARGE INDUSTRIAL	\$ -	\$ 100.00	\$ 0.0753	\$140.00
LARGE INDUSTRIAL - Demand			\$17.2000	
INTERDEPARTMENT SALES	\$ 0.0812	\$ 26.94	\$ 0.0945	\$32.86
INTERDEPARTMENT SALES	\$ 0.1149	\$ 26.94	\$ 0.1302	\$32.86
METERED STREET LIGHT - LED	\$ 0.2000	\$ 12.35	\$ 0.2500	\$12.60
METERED STREET LIGHT - NON LED	\$ 0.1469	\$ 11.29	\$ 0.1469	\$12.60
SECURITY LIGHTS	\$ -	\$ 12.35	\$ -	\$12.60

Electric 605

Description	Account Code	FY2023 Actuals	Enterprise Funds		Difference 2025 -	
			2024 Adopted Budget	2025 Proposed	2024	% Difference
<b>Electric</b>						
	<b>Expense</b>	<b>\$9,446,677.31</b>	<b>\$10,076,660.00</b>	<b>\$10,024,284.00</b>	<b>-\$52,376.00</b>	<b>-1%</b>
WAGES FULL-TIME	605-4-4955-101	\$225,640.42	\$0.00		\$0.00	0
WAGES OVER-TIME	605-4-4955-102	\$50.99	\$0.00		\$0.00	0
EMPLOYER CONT. P E R A	605-4-4955-121	\$16,889.13	\$0.00		\$0.00	0
EMPLOYER CONT. F I C A	605-4-4955-122	\$15,974.83	\$0.00		\$0.00	0
EMPLOYER PAID INSURANCE	605-4-4955-130	\$0.00	\$0.00		\$0.00	0
HEALTH INSURANCE	605-4-4955-131	\$21,472.86	\$0.00		\$0.00	0
DENTAL INSURANCE	605-4-4955-132	\$2,972.40	\$0.00		\$0.00	0
LIFE & S-T DISABILITY INS	605-4-4955-133	\$652.58	\$0.00		\$0.00	0
NP GENERATION GAS/OIL	605-4-4955-214	\$4,861.48	\$5,000.00	\$5,000.00	\$0.00	0%
EQUIPMENT REPAIRS	605-4-4955-224	\$0.00	\$7,000.00	\$7,000.00	\$0.00	0%
NPUC-TRANS/STATION EQUIP	605-4-4955-313	\$0.00	\$10,000.00	\$28,000.00	\$18,000.00	180%
PURCHASED POWER	605-4-4955-391	\$6,221,565.52	\$6,401,508.00	\$6,196,036.00	-\$205,472.00	-3%
MVEC LOR PAYMENT	605-4-4955-392	\$416,700.67	\$357,793.00	\$410,150.00	\$52,357.00	15%
LPR EXPENSE	605-4-4955-395	\$0.00	\$0.00		\$0.00	0
DEPRECIATION	605-4-4955-420	\$695,511.90	\$680,160.00	\$701,323.00	\$21,163.00	3%
CASH (OVER) SHORT	605-4-4955-431	\$0.00	\$0.00		\$0.00	0
PAYMENT IN LIEU OF TAXES	605-4-4955-495	\$40,000.00	\$40,000.00	\$40,000.00	\$0.00	0%
CAPITAL OUTLAY	605-4-4955-500	\$0.00	\$0.00		\$0.00	0
CONTRA CAPITAL OUTLAY	605-4-4955-501	\$0.00	\$0.00		\$0.00	0
NPUC-GENERATION MAINT	605-4-4955-552	\$396.00	\$4,000.00	\$4,000.00	\$0.00	0%
OTHER INTEREST EXPENSES	605-4-4955-619	\$4,867.29	\$0.00		\$0.00	0
SMMPA ENGINE LUBE OIL	605-4-4956-218	\$4,620.52	\$8,000.00	\$8,000.00	\$0.00	0%
SMMPA GAS & OIL ENGINE	605-4-4956-219	\$90,953.32	\$75,000.00	\$75,000.00	\$0.00	0%
SMMPA SAFETY	605-4-4956-231	\$2,045.63	\$4,000.00	\$4,262.00	\$262.00	7%
SMMPA SUPPLIES & CHEMICALS	605-4-4956-243	\$10,952.00	\$20,000.00	\$25,000.00	\$5,000.00	25%
SMMPA INSURANCE	605-4-4956-368	\$54,253.10	\$47,240.00	\$52,533.00	\$5,293.00	11%
SMMPA NATURAL GAS BLDG	605-4-4956-386	\$379.68	\$500.00	\$500.00	\$0.00	0%
SMMPA PLANT WATER USED	605-4-4956-393	\$2,120.41	\$2,000.00	\$2,000.00	\$0.00	0%



Description	Account Code	Enterprise Funds			Difference 2025 -	
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed	2024	% Difference
SMMPA PLANT BLDG MAINT	605-4-4956-402	\$11,970.28	\$25,000.00	\$20,000.00	-\$5,000.00	-20%
SMMPA PLANT EQUIP. MAINT	605-4-4956-409	\$20,660.68	\$55,000.00	\$55,000.00	\$0.00	0%
SMMPA MISCELLANEOUS	605-4-4956-435	\$4,287.98	\$25,000.00	\$25,000.00	\$0.00	0%
TRAINING & SEMINARS	605-4-4956-450	\$599.00	\$0.00		\$0.00	0
CAPITAL PROJECTS	605-4-4956-500	\$84,213.69	\$225,000.00	\$65,000.00	-\$160,000.00	-71%
UTILITY BUILDING	605-4-4957-010	\$266.35	\$0.00		\$0.00	0
WAGES FULL TIME	605-4-4957-101	\$309,525.57	\$0.00		\$0.00	0
WAGES OVERTIME	605-4-4957-102	\$5,103.97	\$0.00		\$0.00	0
WAGES ON-CALL	605-4-4957-106	\$49,832.62	\$0.00		\$0.00	0
UNEMPLOYMENT BENEFITS	605-4-4957-114	\$161.81	\$0.00		\$0.00	0
EMPLOYER CONT. P E R A	605-4-4957-121	\$39,201.88	\$0.00		\$0.00	0
EMPLOYER CONT. F I C A	605-4-4957-122	\$38,151.51	\$0.00		\$0.00	0
HEALTH INSURANCE	605-4-4957-131	\$40,978.13	\$0.00		\$0.00	0
DENTAL INSURANCE	605-4-4957-132	\$4,807.82	\$0.00		\$0.00	0
LIFE & S-T DISABILITY INS	605-4-4957-133	\$1,444.63	\$0.00		\$0.00	0
WORKER'S COMP PREMIUM	605-4-4957-151	\$1,572.23	\$0.00		\$0.00	0
MOTOR FUELS	605-4-4957-212	\$15,151.70	\$15,000.00	\$16,000.00	\$1,000.00	7%
DISTRIBUTION OVERHEAD/UNDERGRO	605-4-4957-223	\$63,720.27	\$35,000.00	\$60,000.00	\$25,000.00	71%
SAFETY EQUIP & TRAINING	605-4-4957-231	\$12,395.95	\$15,000.00	\$3,313.00	-\$11,687.00	-78%
ENERGY CONSER MATERIAL	605-4-4957-233	\$1,421.51	\$500.00	\$500.00	\$0.00	0%
ENERGY CONSERV MISC/EMP	605-4-4957-234	\$5,203.78	\$7,000.00	\$7,000.00	\$0.00	0%
ENERGY CONSERV APPLIANCE	605-4-4957-235	\$35,212.20	\$0.00		\$0.00	0
ENERGY CONSERVATION C&I	605-4-4957-236	\$0.00	\$0.00		\$0.00	0
ENERGY CONSERV LOW INCOME	605-4-4957-237	\$1,074.35	\$5,000.00	\$5,000.00	\$0.00	0%
ENERGY CONSERV LIGHT BULBS	605-4-4957-239	\$0.00	\$0.00		\$0.00	0
STREET LIGHTING	605-4-4957-241	\$9,503.85	\$20,000.00	\$20,000.00	\$0.00	0%
SAFETY EQUIP TESTING	605-4-4957-242	\$1,697.30	\$4,000.00	\$4,000.00	\$0.00	0%
LINE LOCATES	605-4-4957-306	\$1,237.44	\$3,000.00	\$3,000.00	\$0.00	0%
LOAD MANAGEMENT	605-4-4957-307	\$35,881.82	\$20,000.00	\$25,000.00	\$5,000.00	25%
OFF PEAK CUST EQUIPMENT	605-4-4957-441	\$0.00	\$2,000.00	\$2,000.00	\$0.00	0%
WAGES FULL-TIME	605-4-4958-101	\$8,520.14	\$0.00		\$0.00	0

Description	Account Code	Enterprise Funds			Difference 2025 -	
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed	2024	% Difference
EMPLOYER CONT. P E R A	605-4-4958-121	\$662.13	\$0.00		\$0.00	0
EMPLOYER CONT. F I C A	605-4-4958-122	\$643.49	\$0.00		\$0.00	0
EMPLOYER PAID INSURANCE	605-4-4958-130	\$0.00	\$0.00		\$0.00	0
HEALTH INSURANCE	605-4-4958-131	\$730.10	\$0.00		\$0.00	0
DENTAL INSURANCE	605-4-4958-132	\$75.10	\$0.00		\$0.00	0
LIFE & S.T. DISABILITY INS	605-4-4958-133	\$19.01	\$0.00		\$0.00	0
BAD DEBT EXPENSE	605-4-4958-438	\$1,696.39	\$0.00	\$2,500.00	\$2,500.00	0
WAGES FULL-TIME	605-4-4959-101	\$281,018.55	\$1,217,709.00	\$1,334,399.00	\$116,690.00	10%
WAGES OVERTIME	605-4-4959-102	\$1,327.17	\$0.00		\$0.00	0
WAGES-PART TIME	605-4-4959-103	\$0.00	\$20,000.00	\$20,000.00	\$0.00	0%
CITY WAGES	605-4-4959-104	\$6,386.50	\$0.00		\$0.00	0
CITY WAGES - STREETLIGHTS	605-4-4959-105	\$29,352.92	\$0.00		\$0.00	0
WAGES ON-CALL	605-4-4959-106	\$0.00	\$36,852.00	\$39,387.00	\$2,535.00	7%
EMPLOYEE BENEFITS	605-4-4959-113	\$9,846.80	\$9,700.00	\$2,502.00	-\$7,198.00	-74%
UNEMPLOYMENT BENEFITS	605-4-4959-114	\$0.00	\$0.00		\$0.00	0
VACATION ACCRUAL	605-4-4959-115	\$18,082.39	\$0.00		\$0.00	0
EMPLOYER CONT. P E R A	605-4-4959-121	\$24,209.02	\$95,592.00	\$100,493.00	\$4,901.00	5%
EMPLOYER CONT. F I C A	605-4-4959-122	\$22,817.08	\$97,605.00	\$104,319.00	\$6,714.00	7%
GERF CHANGE	605-4-4959-129	\$76,812.00	\$0.00		\$0.00	0
EMPLOYER PAID INSURANCE	605-4-4959-130	\$0.00	\$0.00		\$0.00	0
HEALTH INSURANCE	605-4-4959-131	\$40,694.76	\$168,082.00	\$201,985.00	\$33,903.00	20%
DENTAL INSURANCE	605-4-4959-132	\$3,835.88	\$19,478.00	\$21,886.00	\$2,408.00	12%
LIFE & S-T DISABILITY INS	605-4-4959-133	\$1,027.34	\$3,639.00	\$3,623.00	-\$16.00	0%
OPEB EXPENSE	605-4-4959-135	\$1,023.00	\$0.00		\$0.00	0
WORKER'S COMP PREMIUMS	605-4-4959-151	\$27,010.03	\$29,024.00	\$30,752.00	\$1,728.00	6%
SUPPLIES	605-4-4959-200	\$6,574.28	\$7,000.00	\$7,000.00	\$0.00	0%
COMPUTER SUPPORT SERVICES	605-4-4959-207	\$11,878.62	\$12,000.00	\$14,000.00	\$2,000.00	17%
GENERAL EXP-EQUIPMENT	605-4-4959-224	\$8,528.36	\$11,000.00	\$15,000.00	\$4,000.00	36%
GENERAL PLANT MAINTENANCE	605-4-4959-225	\$46,867.08	\$25,000.00	\$33,000.00	\$8,000.00	32%
MAINT/LEASE	605-4-4959-230	\$6,520.77	\$6,000.00	\$6,500.00	\$500.00	8%
AUDIT	605-4-4959-301	\$4,900.01	\$5,000.00	\$5,200.00	\$200.00	4%

Description	Account Code	Enterprise Funds			Difference 2025 -	
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed	2024	% Difference
ENGINEERING FEES	605-4-4959-303	\$0.00	\$6,000.00	\$6,000.00	\$0.00	0%
CIVIL LEGAL FEES	605-4-4959-305	\$244.40	\$12,000.00	\$12,000.00	\$0.00	0%
PROFESSIONAL SERVICES	605-4-4959-310	\$12,567.04	\$20,000.00	\$20,000.00	\$0.00	0%
POSTAGE	605-4-4959-320	\$7,428.37	\$7,000.00	\$7,000.00	\$0.00	0%
TELEPHONE	605-4-4959-321	\$7,526.35	\$8,000.00	\$8,000.00	\$0.00	0%
COMPUTER COMM/MAINT	605-4-4959-322	\$22,453.78	\$20,000.00	\$20,000.00	\$0.00	0%
TRAVEL, CONF, MILEAGE ALLOW.	605-4-4959-330	\$6,442.97	\$7,000.00	\$7,000.00	\$0.00	0%
ADVERTISING & PUBLICATIONS	605-4-4959-340	\$1,854.82	\$3,000.00	\$3,000.00	\$0.00	0%
INSURANCES	605-4-4959-369	\$25,896.10	\$27,928.00	\$30,721.00	\$2,793.00	10%
UTILITIES	605-4-4959-380	\$30,623.25	\$25,000.00	\$25,000.00	\$0.00	0%
REFUSE	605-4-4959-384	\$300.22	\$500.00	\$500.00	\$0.00	0%
CONTRACTED SERVICES	605-4-4959-401	\$109.00	\$250.00	\$300.00	\$50.00	20%
VEHICLE MAINT	605-4-4959-408	\$6,791.32	\$7,000.00	\$7,000.00	\$0.00	0%
MISCELLANEOUS EXPENSE	605-4-4959-430	\$40.58	\$4,000.00	\$4,000.00	\$0.00	0%
CREDIT CARD EXPENSE	605-4-4959-431	\$33,441.39	\$20,000.00	\$35,000.00	\$15,000.00	75%
DUES & SUBSCRIPTIONS	605-4-4959-433	\$13,474.89	\$16,000.00	\$16,000.00	\$0.00	0%
REAL ESTATE TAXES	605-4-4959-440	\$2,309.00	\$2,000.00	\$2,000.00	\$0.00	0%
TRAINING & SEMINARS	605-4-4959-450	\$5,900.78	\$8,000.00	\$8,000.00	\$0.00	0%
LICENSE FEES/REGISTRATION	605-4-4959-460	\$55.08	\$600.00	\$600.00	\$0.00	0%
	<b>Revenue</b>	<b>\$10,608,589.50</b>	<b>\$10,474,072.00</b>	<b>\$10,405,068.00</b>	<b>-\$69,004.00</b>	<b>-1%</b>
PERA PENSION OTHER REVENUE	605-3-0000-33439	\$90.00	\$0.00	\$0.00	\$0.00	0
UNBILLED ACCOUNTS RECEIVABLE	605-3-4955-33200	-\$101,665.83	\$0.00	\$0.00	\$0.00	0
STATE AID FUNDS	605-3-4955-33435	\$0.00	\$0.00	\$0.00	\$0.00	0
MISCELLANEOUS INCOME	605-3-4955-36200	\$55,408.02	\$50,000.00	\$50,000.00	\$0.00	0%
CASH-OVER/SHORT	605-3-4955-36205	\$0.00	\$0.00	\$0.00	\$0.00	0
INTEREST INCOME	605-3-4955-36210	\$218,174.17	\$25,000.00	\$25,000.00	\$0.00	0%
RADIO TOWER LEASE	605-3-4955-36225	\$0.00	\$0.00	\$0.00	\$0.00	0
HOUSE RENTAL	605-3-4955-36231	\$11,400.00	\$11,400.00	\$11,400.00	\$0.00	0%
REIMBURSEMENTS	605-3-4955-36240	\$145,868.59	\$5,000.00	\$5,000.00	\$0.00	0%
REIMBURSEMENT - SMMPA REBATES	605-3-4955-36241	\$35,212.20	\$0.00	\$0.00	\$0.00	0
ELECTRIC CONNECTION FEE	605-3-4955-37103	\$17,600.00	\$16,000.00	\$8,000.00	-\$8,000.00	-50%

Description	Account Code	Enterprise Funds			Difference 2025 -	
		FY2023 Actuals	2024 Adopted Budget	2025 Proposed	2024	% Difference
DIST ENERGY RESOURCE - SOLAR	605-3-4955-37104	\$1,042.00	\$4,000.00		-\$4,000.00	-100%
REVENUE-RESIDENTIAL	605-3-4955-37400	\$4,190,656.01	\$4,226,849.00	\$4,186,223.00	-\$40,626.00	-1%
REVENUE-COMMERCIAL	605-3-4955-37401	\$609,754.56	\$594,240.00	\$618,062.00	\$23,822.00	4%
REVENUE-COMMERCIAL INTERRUPTIB	605-3-4955-37403	\$11,622.75	\$12,000.00	\$10,889.00	-\$1,111.00	-9%
REVENUE-LARGE INDUSTRIAL	605-3-4955-37404	\$0.00	\$0.00		\$0.00	0
REVENUE-INDUSTRIAL	605-3-4955-37405	\$2,383,439.94	\$2,374,761.00	\$2,424,913.00	\$50,152.00	2%
REVENUE-SMALL INDUSTRIAL	605-3-4955-37406	\$1,835,814.18	\$1,837,352.00	\$1,861,047.00	\$23,695.00	1%
REVENUE-SECURITY LIGHTING	605-3-4955-37407	\$5,010.57	\$5,335.00	\$5,000.00	-\$335.00	-6%
REVENUE-OTHER DEPARTMENTS	605-3-4955-37409	\$125,392.89	\$137,566.00	\$135,583.00	-\$1,983.00	-1%
INTERDEPARTMENTAL SALES	605-3-4955-37410	\$17,419.78	\$20,000.00	\$20,000.00	\$0.00	0%
REVENUE-STREET LIGHTING	605-3-4955-37411	\$64,064.46	\$58,529.00	\$63,443.00	\$4,914.00	8%
LPR REVENUE	605-3-4955-37412	\$0.00	\$0.00		\$0.00	0
SMMPA O&M	605-3-4955-37413	\$696,048.51	\$654,740.00	\$676,033.00	\$21,293.00	3%
SEWER/REFUSE COLLECTION	605-3-4955-37414	\$10,094.70	\$7,300.00	\$6,900.00	-\$400.00	-5%
CONTRIBUTED CAPITAL	605-3-4955-37415	\$26,795.00	\$0.00		\$0.00	0
ENERGY COST ADJ - RESIDENTIAL	605-3-4955-37416	\$891.68	\$0.00		\$0.00	0
ENERGY COST ADJ - COMMERCIAL	605-3-4955-37417	\$6,235.21	\$0.00		\$0.00	0
SMMPA LOR REIMBURSEMENT	605-3-4955-37421	\$208,350.36	\$180,000.00	\$205,075.00	\$25,075.00	14%
SMMPA CAPITAL REIMBURSEMENT	605-3-4955-37422	\$0.00	\$225,000.00	\$65,000.00	-\$160,000.00	-71%
PENALTIES	605-3-4955-37460	\$33,869.75	\$29,000.00	\$27,500.00	-\$1,500.00	-5%
SALE OF FIXED ASSETS	605-3-4955-39101	\$0.00	\$0.00		\$0.00	0
TRF FROM GOLF	605-3-4955-39200	\$0.00	\$0.00		\$0.00	0
TRF FROM GENERAL FUND	605-3-4955-39206	\$0.00	\$0.00		\$0.00	0
<b>Grand Total Exp-Rev</b>		<b>-\$1,161,912.19</b>	<b>-\$397,412.00</b>	<b>-\$380,784.00</b>		

Ambulance		651	Enterprise Funds			
Description	Account Code	FY2023 Actuals	2024 Adopted	2025	Difference 2025 - 2024	% Difference
			Budget	Proposed		
<b>Ambulance</b>						
	<b>Expense</b>	<b>\$13,673.05</b>	<b>\$12,366.00</b>	<b>\$16,658.00</b>	\$4,292.00	35%
SUPPLIES	651-4-4972-200	\$125.91	\$0.00		\$0.00	0
REPAIRS & MAINT. SUPPLIES	651-4-4972-220	\$25.98	\$0.00	\$2,000.00	\$2,000.00	0
AUDIT	651-4-4972-301	\$134.82	\$104.00	\$150.00	\$46.00	44%
PROFESSIONAL SERVICES	651-4-4972-310	\$15.75	\$50.00	\$50.00	\$0.00	0%
INSURANCES	651-4-4972-369	\$2,746.30	\$2,962.00	\$3,258.00	\$296.00	10%
ELECTRIC	651-4-4972-381	\$5,345.52	\$4,500.00	\$4,950.00	\$450.00	10%
WATER/SEWER	651-4-4972-382	\$1,187.82	\$1,500.00	\$1,500.00	\$0.00	0%
REFUSE	651-4-4972-384	\$253.37	\$250.00	\$250.00	\$0.00	0%
NATURAL GAS	651-4-4972-385	\$3,717.58	\$2,500.00	\$4,000.00	\$1,500.00	60%
CONTRACTED SERVICES	651-4-4972-401	\$120.00	\$0.00		\$0.00	0
REPAIRS & MAINTENANCE	651-4-4972-404	\$0.00	\$500.00	\$500.00	\$0.00	0%
	<b>Revenue</b>	<b>\$25,397.94</b>	<b>\$20,100.00</b>	<b>\$20,000.00</b>	-\$100.00	0%
MISCELLANEOUS INCOME	651-3-0000-36200	\$0.00	\$100.00		-\$100.00	-100%
INTEREST INCOME	651-3-0000-36210	\$5,448.44	\$0.00		\$0.00	0
REIMBURSEMENTS	651-3-0000-36240	\$5,093.50	\$5,000.00	\$5,000.00	\$0.00	0%
RENT	651-3-4972-36231	\$14,856.00	\$15,000.00	\$15,000.00	\$0.00	0%
<b>Grand Total Exp-Rev</b>		<b>\$ (11,724.89)</b>	<b>\$ (7,734.00)</b>	<b>\$ (3,342.00)</b>		

# UTILITIES COMMISSION MEETING MINUTES



## City of New Prague

Monday, September 30, 2024 at 3:30 PM

Power Plant - 300 East Main St

**1. CALL TO ORDER**

The meeting was called to order by Commission President Dan Bishop Monday, September 30, 2024, at 3:30 p.m.

Commissioners present: Dan Bishop, Bruce Wolf, Paul Busch, Chuck Nickolay.

Commissioners absent: Tom Ewert

Staff Present: GM Bruce Reimers, EOS Ken Zweber, and Finance Director Robin Pikal.

**2. APPROVAL OF AGENDA**

Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to approve the agenda as presented.

Motion carried (4-0)

**3. APPROVAL OF MINUTES**

a. August 26, 2024, Utilities Meeting Minutes

Motion made by Commissioner Nickolay, seconded by Commissioner Bishop, to approve the September minutes.

Motion carried (4-0)

**4. UTILITY AND SMMPA BILLS**

a. Approval of accounts payable in the amount of **\$333,999.33** and the SMMPA billing of **\$639,976.21**.

Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to approve the SMMPA and Utility bills.

Motion carried (4-0)

**5. FINANCIAL REPORTS**

a. Investment Report

b. Financial Report

c. Water and Kilowatt Hours Sales

Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to approve the financial reports as presented.

Motion carried (4-0)

**6. REVIEW OF PROPOSED 2025 WATER BUDGET**

a. Proposed 2025 Water Budget

GM Reimers and Finance Director Pikal presented an overview of the 2025 Water Budget and explained some of rate options that could be implemented to generate the required revenue needed to cover bond payments and operating expenses in the 2025 budget. The Commission suggested that both the usage rate and monthly base rates should be adjusted to generate the required revenue to keep the water

department financially stable and to have reserve funds available for future CIP projects.

**7. APPROVAL OF WATER OPERATOR POSITION**

a. Approval to Advertise and Hire for Water Operator Position  
GM Reimers reviewed the pending retirement of one of the water operator positions and asked the Commission to authorize the advertisement of the opening and to allow management to hire the replacement operator position with an anticipated start date in November of 2024.  
Motion made by Commissioner Nickolay, seconded by Commissioner Busch, authorizing the hiring of the water operator position.  
Motion carried (4-0)

**8. APPROVAL OF BIDDING DOCUMENTS FOR DIESEL GENERATING EQUIPMENT**

a. Bidding Documents  
GM Reimers and EOS Ken Zweber presented bidding documents that had been prepared by DGR Engineering. The documents set forth the specifications and set the bidding requirements for engine and generator manufacturers to supply equipment for a proposed 11.3-megawatt power production facility.  
Motion made by Commissioner Bishop, seconded by Commissioner Busch, to approve the bid specifications and authorizing DGR engineering and the New Prague Utilities to advertise for public bids. Bids are to be submitted no later than 1:30pm on October 24, 2024.  
Motion carried (4-0)

**9. SMMPA BOARD OF DIRECTORS MEETING**

a. August 14, 2024  
b. September 11, 2024 (Bruce)  
GM Reimers informed the Commission on the following:  
SMMPA staff reviewed information regarding wholesale rate compressions.  
Board was informed that there will be a vote on a proposed 75 million bond issuance in November for a new power plant to be located in Owatonna.

**10. GENERAL MANAGER'S REPORT**

GM Reimers informed the commission of the following:  
Water system study has been conducted and staff will be reviewing with consultant on 10-8-2024  
Informed Commission that Smoke & Fire restaurant had closed and was delinquent on utility payments  
Informed Commission that Management was still working on staffing issues with the billing clerk position.

**11. OTHER BUSINESS**

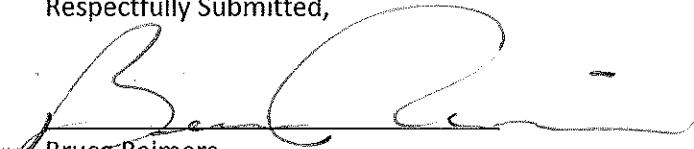
None

**12. ADJOURNMENT**

Motion made by Commissioner Busch, seconded by Commissioner Nickolay, to adjourn the meeting at 5:29 p.m.  
Motion carried (4-0)

**NEXT COMMISSION MEETING – Monday, October 28, 2024**

Respectfully Submitted,

  
Bruce Reimers  
General Manager



# ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

## City of New Prague

Wednesday, October 09, 2024 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

**1. CALL TO ORDER**

The meeting was called to order at 7:32 a.m. by President Brent Quast with the following members present: Brent Quast, Erik Krogman, Nick Slavik, Troy Pint, and Austin Reville.

Absent: Bruce Wolf and Duane Jirik

Staff present: City Administrator Joshua Tetzlaff and Planning/Community Development Director Ken Ondich

**2. CONSENT AGENDA**

a. September 11, 2024, EDA Meeting Minutes

b. Claims for Payment: **\$9.87**

Motion to approve the Consent Agenda was made by Krogman, seconded by Slavik.

Motion carried (5-0)

**3. FUTURE EDA ENDEAVORS**

a. October 9, 2024

No updates.

**4. BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM**

Tetzlaff noted that staff had visited with CVF Racing since the last meeting.

**5. BUSINESS UPDATES**

a. October 2024

Ondich provided the monthly business updates.

**6. CDA UPDATE**

Tetzlaff noted that on October 11th, the Fast Track Challenge will take place and that 2 If By Sea is one of the finalists.

**7. SCHOOL DISTRICT UPDATE**

**8. EXECUTIVE DIRECTORS REPORT**

Nothing further noted.

**9. MISCELLANEOUS**

**10. ADJOURNMENT**

President Brent Quast adjourned the meeting at 7:40 a.m.



Respectfully Submitted,



Joshua M. Tetzlaff  
City Administrator / EDA Executive Director



# ECONOMIC DEVELOPMENT AUTHORITY MEETING - CLOSED MINUTES

City of New Prague

Wednesday, October 09, 2024 at 7:35 AM

City Hall Council Chambers - 118 Central Ave N

---

## 1. CALL TO ORDER

President Brent Quast called the Closed Meeting to order at 7:41 a.m. with the following members present: Brent Quast, Erik Krogman, Nick Slavik, Troy Pint, and Austin Reville.

Absent: Bruce Wolf and Duane Jirik

City Staff present: City Administrator Joshua Tetzlaff and Planning/Community Development Director Ken Ondich.

## 2. CLOSED SESSION:

Discussion was had on the property identified as PIN No. 24.124.0060

Motion made by Quast, seconded by Reville, to come out of the closed meeting at 8:14 a.m.

Motion carried (5-0)

Motion made by Quast, seconded by Slavik, to accept Quality Flow Systems offer as received.

Motion carried (4-0) (Erik Krogman abstained from voting)

## 3. ADJOURNMENT

Motion made by Reville, seconded by Quast, to adjourn the meeting at 8:17 a.m.

Motion carried (5-0)

Respectfully Submitted,

Joshua M. Tetzlaff  
City Administrator / EDA Executive Director



# ECONOMIC DEVELOPMENT AUTHORITY MEETING - SPECIAL AGENDA

City of New Prague

Wednesday, October 16, 2024 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

---

**1. CALL TO ORDER**

President Brent Quast called the Closed Meeting to order at 7:40 a.m. with the following members present:  
Brent Quast, Erik Krogman, Troy Pint & Duane Jirik

Absent: Austin Reville, Nick Slavik, and Bruce Wolf

City Staff present: City Administrator Joshua Tetzlaff and Planning/Community Development Director Ken Ondich.

**2. APPROVAL OF REGULAR AGENDA**

Motion made by Pint, seconded by Krogman, to approve the regular agenda.  
Motion carried (4-0)

**3. CLOSED SESSION:**

Discussion was had on the properties identified as PID No. 24.124.0050 and PID No. 24.124.0040.

Motion made by Quast, seconded by Jirik, to come out of closed session at 7:43 a.m.  
Motion carried (4-0)

**4. GENERAL BUSINESS**

Motion made by Pint, seconded by Jirik, to accept the offer from Bevcomm for Lot 3, Block 2, New Prague Business Park 11<sup>th</sup> addition.  
Motion carried (4-0)

**5. ADJOURNMENT**

Motion made by Quast, seconded by Jirik, to adjourn the meeting at 7:45 a.m.  
Motion carried (4-0)

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "J. Tetzlaff", written over a faint, larger signature.

Joshua M. Tetzlaff  
City Administrator / EDA Executive Director