



CITY COUNCIL MEETING AGENDA

City of New Prague

Monday, October 06, 2025 at 6:00 PM

City Hall Council Chambers - 118 Central Ave N

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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. September 15, 2025 City Council Meeting Minutes
- ii. September 15, 2025 Joint City Council/EDA Meeting Minutes
- iii. September 29, 2025 Special City Council Meeting Minutes

- [b.](#) Claims for Payment: **\$941,115.06**

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

Speakers limited to 5 minutes

5. TOBACCO LICENSE APPEAL HEARING

- [a.](#) Appeal Memo
- [b.](#) Denial Letter
- [c.](#) OCM Order
- [d.](#) City Code

6. UPDATE FROM THE SCOTT COUNTY ATTORNEY

7. PUBLIC HEARING(S) – 6:00 PM

- a. None

8. CITY ENGINEER PROJECTS UPDATE

- [a.](#) October 6, 2025

9. 2026 STREET IMPROVEMENT PROJECT

- [a.](#) Proposal for Professional Services

10. ORDINANCE(S) FOR INTRODUCTION

- a. None

11. ORDINANCE(S) FOR ADOPTION

- a. None

12. RESOLUTIONS

- [a.](#) [#25-10-06-01](#) - Approving Certification of Mowing and Property Maintenance Charges to Property Tax Roll
- [b.](#) [#25-10-06-02](#) - Approving Certification of Unpaid Service Charges Municipal Utility Billing Charges to Property Tax Roll
- [c.](#) [#25-10-06-03](#) - Adopting an Amended Official 2025 Fee Schedule
- [d.](#) [#25-10-06-04](#) - Approving the Issuance of Lease Revenue Bonds, Series 2025C, by the New Prague EDA and Authorizing the Execution and Delivery of Lease Documents

13. GENERAL BUSINESS

- a. None

14. MISCELLANEOUS

- [a.](#) Meeting Minutes
 - i. August 25, 2025 Utility Commission Meeting Minutes
 - ii. August 26, 2025 Golf Board Meeting Minutes
- b. Discussion of Items not on the Agenda

15. ADJOURNMENT

UPCOMING MEETINGS AND NOTICES:

October 8	7:30 a.m. EDA Board
October 14	6:00 p.m. Park Board
October 20	6:00 p.m. City Council
October 22	6:30 p.m. Planning Commission
October 27	3:30 p.m. Utility Commission
October 28	6:30 p.m. Golf Board
November 3	6:00 p.m. City Council



CITY COUNCIL MEETING MINUTES

City of New Prague

Monday, September 15, 2025 at 6:00 PM

City Hall Council Chambers - 118 Central Ave N

1. CALL TO ORDER

The meeting was called to order at 6:00 p.m.

PRESENT

Mayor Charles Nickolay

Councilmember Shawn Ryan

Councilmember Maggie Bass

Councilmember Rik Seiler

Councilmember Bruce Wolf

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

a. Pledge of Allegiance

2. APPROVAL OF REGULAR AGENDA

Motion to approve the regular agenda.

Motion made by Councilmember Wolf, Seconded by Councilmember Bass.

Voting Yea: Mayor Nickolay, Councilmember Ryan, Councilmember Bass, Councilmember Seiler, Councilmember Wolf

Motion carried (5-0)

3. CONSENT AGENDA

Motion to approve the consent agenda.

Motion made by Councilmember Bass, Seconded by Councilmember Seiler.

Voting Yea: Mayor Nickolay, Councilmember Ryan, Councilmember Bass, Councilmember Seiler, Councilmember Wolf

Motion carried (5-0)

a. Meeting Minutes

i. September 2, 2025 City Council Meeting Minutes

b. Claims for Payment: **\$854,768.08**

c. Financial Summary Report

d. Premises Permit Extension Request for 1319 Woodfire Tavern

e. New Prague School Homecoming Parade Request

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

Speakers limited to 5 minutes

Brian Paulson (206 4th St. SW) spoke.

5. PUBLIC HEARING(S) – 6:00 PM

- a. None

6. 2025 STREET AND UTILITY IMPROVEMENT PROJECT

Chris Knutson (SEH, City Engineer) presented the resolution declaring cost to be assessed for the 2025 Street & Utility Improvement Project.

Motion to approve Resolution #25-09-15-01

Motion made by Councilmember Wolf, Seconded by Councilmember Seiler.

Voting Yea: Mayor Nickolay, Councilmember Ryan, Councilmember Bass, Councilmember Seiler, Councilmember Wolf

Motion carried (5-0)

- a. Memo
- b. Resolution #25-09-15-01 - Declaring Cost to be Assessed, Ordering Preparation of Proposed Assessment, and Calling for Hearing on Proposed Assessment

7. CITY ENGINEER PROJECTS UPDATE

Chris Knutson (SEH, City Engineer) provided an update and answered any questions.

8. ORDINANCE(S) FOR INTRODUCTION

- a. None

9. ORDINANCE(S) FOR ADOPTION

- a. None

10. RESOLUTIONS

- a. #25-09-15-02 - Authorizing the Issuance of Lease Revenue Bonds, Series 2025C, by the New Prague Economic Development Authority in the Proposed Aggregate Principal Amount of \$10,130,000
City Administrator Joshua Tetzlaff presented the resolution.
Motion to approve Resolution #25-09-15-02
Motion made by Councilmember Bass, Seconded by Councilmember Seiler.
Voting Yea: Mayor Nickolay, Councilmember Bass, Councilmember Seiler, Councilmember Wolf
Voting Nay: Councilmember Ryan
Motion carried (4-1)

11. GENERAL BUSINESS

- a. SCADA/PLC Upgrade at Wastewater Treatment Plant
Public Works Director Matt Rynda presented the SCADA/PLC Upgrade Request for the Wastewater Treatment Plant.
Motion to approve the SCADA/PLC upgrade request at the Wastewater Treatment Plant.
Motion made by Mayor Nickolay, Seconded by Councilmember Bass.
Voting Yea: Mayor Nickolay, Councilmember Ryan, Councilmember Bass, Councilmember Seiler, Councilmember Wolf
Motion carried (5-0)

12. MISCELLANEOUS

- a. Meeting Minutes
 - i. August 12, 2025 Park Board Meeting Minutes
 - ii. August 13, 2025 EDA Board Meeting Minutes
 - iii. August 13, 2025 EDA Board Meeting Minutes - Closed

- b. Discussion of Items not on the Agenda
 - General Manager Bruce Reimers provided an update on the West Side Energy Station project.
 - City Administrator Joshua Tetzlaff provided an update on a grant the city received to update security doors at City Hall.
 - Police Chief Tim Applen and Councilmember Bruce Wolf thanked the surrounding communities, agencies, residents, etc. that helped with the missing person investigation from the previous week.

13. ADJOURNMENT

Motion to adjourn the meeting at 6:39 p.m.
Motion made by Mayor Nickolay, Seconded by Councilmember Seiler.
Voting Yea: Mayor Nickolay, Councilmember Ryan, Councilmember Bass, Councilmember Seiler, Councilmember Wolf
Motion carried (5-0)

ATTEST:

Charles L. Nickolay
Mayor

Joshua M. Tetzlaff
City Administrator



CITY COUNCIL / EDA BOARD JOINT
MEETING MINUTES

City of New Prague

Monday, September 15, 2025 at 6:30 PM

City Hall Council Chambers - 118 Central Ave N

1. CALL TO ORDER

The meeting was called to order at 6:45 p.m.
City Council Present: Mayor Charles Nickolay, Councilmember Shawn Ryan, Councilmember Maggie Bass, Councilmember Rik Seiler, Councilmember Bruce Wolf
EDA Board Members Present: Eric Krogman, Troy Pint, Austin Reville & Nick Slavik
Staff Present: City Administrator Joshua Tetzlaff, Planning/Community Development Director Ken Ondich

2. APPROVAL OF REGULAR AGENDA

Motion to approve the regular agenda.
Motion carried (9-0)

3. STRATEGIC PLANNING

a. EDA Strategies
Keith Dahl (Ehlers) presented the Economic Development Planning Presentation.

4. MISCELLANEOUS

a. Discussion of Items not on the Agenda

5. ADJOURNMENT

Motion to adjourn the meeting at 7:41 p.m.
Motion made by Councilmember Seiler, Seconded by Mayor Nickolay.
Voting Yea: Mayor Nickolay, Councilmember Ryan, Councilmember Bass, Councilmember Seiler, Councilmember Wolf, EDA Board Members: Eric Krogman, Troy Pint, Austin Reville and Nick Slavik
Motion carried (9-0)

ATTEST:

Charles L. Nickolay
Mayor

Joshua M. Tetzlaff
City Administrator



SPECIAL CITY COUNCIL MEETING MINUTES

City of New Prague

Monday, September 29, 2025 at 4:30 PM

City Hall Council Chambers - 118 Central Ave N

1. CALL TO ORDER

The meeting was called to order at 4:35 p.m.

PRESENT

Mayor Charles Nickolay
Councilmember Maggie Bass
Councilmember Rik Seiler
Councilmember Bruce Wolf

ABSENT

Councilmember Shawn Ryan (Arrived at 5:20 p.m.)

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

2. APPROVAL OF REGULAR AGENDA

Motion to approve the regular agenda.

Motion made by Councilmember Seiler, Seconded by Councilmember Bass.

Voting Yea: Mayor Nickolay, Councilmember Bass, Councilmember Seiler, Councilmember Wolf

Motion carried (4-0)

*Councilmember Ryan had not yet arrived

3. GENERAL BUSINESS

a. Compensation Study Update

Jeff and Alex from AutoSolve presented the compensation study update and answered any questions.

b. 2026 Benefits Discussion

City Administrator Tetzlaff presented the 2026 Benefits and answered any questions.

4. MISCELLANEOUS

a. Discussion of Items not on the Agenda

5. ADJOURNMENT

Motion to adjourn the meeting at 5:47 p.m.

Motion made by Councilmember Bass, Seconded by Councilmember Seiler.

Voting Yea: Mayor Nickolay, Councilmember Bass, Councilmember Seiler, Councilmember Wolf,
Councilmember Ryan

Motion carried (5-0)

ATTEST:

Charles L. Nickolay
Mayor

Joshua M. Tetzlaff
City Administrator

CITY OF NEW PRAGUE
ACCOUNTS PAYABLE
10/06/25

Section 3, Item b.

VENDOR	DESCRIPTION	AMOUNT	TOTAL
FUND 101 - GENERAL FUND			
<u>RURAL FIRE - TO BE REIMBURSED</u>			
CENTERPOINT ENERGY	NATURAL GAS	\$54.66	
GRAINGER	GLASS CLEANER	\$16.02	
GRAINGER	SOLENOID VALVE	\$417.33	
LAKERS NEW PRAGUE SANITARY	TRASH - RURAL	\$21.67	
MCMASTER-CARR SUPPLY COMPANY	PRESSURE GAUGE & FITTINGS	\$102.05	
MES SERVICE COMPANY LLC	SWIVEL GASKET	\$42.82	
NEW PRAGUE UTILITIES	RURAL FIRE - UTILITES	\$430.05	
ROSS NESBIT AGENCIES INC.	AGENCY FEE	\$16.60	
STAR GROUP LLC.	BRAKE PADS	\$82.99	
WHEELER HARDWARE COMPANY	DOOR - LHR	\$3,095.45	
TOTAL:			\$4,279.64
<u>COUNCIL</u>			
US BANK EQUIPMENT FINANCE	COPIER LEASE	\$274.98	
TOTAL:			\$274.98
<u>ADMINISTRATION</u>			
AMAZON CAPITAL SERVICES	PHONE CASE	\$21.97	
JOSHUA TETZLAFF	SCALE MEETING	\$20.00	
US BANK EQUIPMENT FINANCE	COPIER LEASE	\$291.87	
TOTAL:			\$333.84
<u>TECH NETWORK</u>			
COMPUTER TECHNOLOGY SOLUTIONS	SERVER UPGRADE	\$13,977.10	
TOTAL:			\$13,977.10
<u>ATTORNEY</u>			
KENNEDY & GRAVEN CHARTERED	GENERAL - CHARTER COMMISSION	\$264.00	
KENNEDY & GRAVEN CHARTERED	GENERAL - CITY COUNCIL MEETINGS	\$122.40	
KENNEDY & GRAVEN CHARTERED	GENERAL - WAYNE NAGEL VS. CITY	\$624.00	
KENNEDY & GRAVEN CHARTERED	GENERAL DEVELOPMENT MATTERS	\$624.00	
KENNEDY & GRAVEN CHARTERED	GENERAL MATTERS	\$244.80	
KENNEDY & GRAVEN CHARTERED	GENERAL POLICE DEPARTMENT MATTE	\$2,496.00	
TOTAL:			\$4,375.20
<u>PLANNING</u>			
AMAZON CAPITAL SERVICES	EVAN SHIRTS	\$68.62	
GARIEPY, EVAN	MEAL REIMBURSEMENT - PLANNING	\$20.26	
KEN ONDICH	MEAL REIMBURSEMENT - PLANNING	\$18.00	
KENNEDY & GRAVEN CHARTERED	GENERAL ANNEXATION MATTERS	\$516.60	
METRO SALES INC	COPIER LEASE	\$49.50	
US BANK EQUIPMENT FINANCE	COPIER LEASE	\$27.18	
TOTAL:			\$700.16
<u>GOVERNMENT BUILDING</u>			
AMAZON CAPITAL SERVICES	OSHA DOOR GRANT	\$42.14	
AMAZON CAPITAL SERVICES	OSHA GRANT - CITY HALL DOORS	\$3,890.41	
CENTERPOINT ENERGY	NATURAL GAS	\$68.21	
CL BENSON CO. INC	FURNANCE FILTERS	\$198.12	
DUAL AIR INC.	A/C REPAIR	\$343.37	
LAKERS NEW PRAGUE SANITARY	TRASH - CITY HALL	\$87.54	
NEW PRAGUE UTILITIES	GOVT BUILDING - WATER/SEWER	\$402.76	
NEW PRAGUE UTILITIES	GOVT BUILDING -ELECTRIC	\$1,587.18	
SEH	CITY CENTER POND	\$14,245.00	
ZORO TOOLS INC.	COUNCIL CHAIR	\$163.79	
TOTAL:			\$21,028.52

CITY OF NEW PRAGUE
ACCOUNTS PAYABLE
10/06/25

Section 3, Item b.

VENDOR	DESCRIPTION	AMOUNT	TOTAL
<u>POLICE</u>			
AMAZON CAPITAL SERVICES	TOWELS	\$13.99	
AT&T MOBILITY	WIRELESS CELLS	\$568.92	
GRAINGER	BATTERIES	\$18.43	
LE SUEUR COUNTY SHERIFF'S OFFICE	DOZINKY ASSISTANCE	\$1,700.00	
MN CHIEFS OF POLICE ASSOC.	HANDGUN PERMITS	\$77.00	
NEW PRAGUE UTILITIES	POLICE ELECTRIC	\$90.85	
NEW PRAGUE UTILITIES	POLICE FLOCK	\$41.74	
NORTH CENTRAL DBA RW&B	2025 POLICE VEHICLE	\$17,141.66	
NORTH CENTRAL DBA RW&B	EQUIPMENT INSTALL	\$1,751.63	
OFFICE OF MN IT SERVICES	LANGUAGE LINE	\$7.35	
PETERSON COUNSELING AND CONSULTING	CONSULTING SERVICE/RETAINER FEE -	\$300.00	
SCOTT COUNTY SHERIFF'S OFFICE	DOZINKY ASSISTANCE - RESERVE UNIT	\$750.00	
US BANK EQUIPMENT FINANCE	COPIER LEASE	\$279.14	
TOTAL:			<u><u>\$22,740.71</u></u>
<u>FIRE</u>			
CENTERPOINT ENERGY	NATURAL GAS	\$54.66	
GRAINGER	GLASS CLEANER	\$16.02	
GRAINGER	SOLENOID VALVE	\$417.33	
LAKERS NEW PRAGUE SANITARY	TRASH - FIRE	\$21.67	
MCMASTER-CARR SUPPLY COMPANY	PRESSURE GAUGE & FITTINGS	\$102.06	
MES SERVICE COMPANY LLC	SWIVEL GASKET	\$42.81	
NEW PRAGUE UTILITIES	FIRE - ELECTRIC	\$307.09	
NEW PRAGUE UTILITIES	FIRE - WATER/SEWER	\$122.96	
STAR GROUP LLC.	BRAKE PADS	\$83.00	
WHEELER HARDWARE COMPANY	DOOR - LHR	\$3,095.46	
TOTAL:			<u><u>\$4,263.06</u></u>
<u>BUILDING INSPECTOR</u>			
BRIAN PETERSEN	MEAL REIMBURSEMENT RIVERBEND ME	\$16.91	
METRO SALES INC	COPIER LEASE	\$49.50	
STEVE RYNDA CONSTRUCTION	LAWN MOWING - 104 1ST ST NE	\$200.49	
STEVE RYNDA CONSTRUCTION	LAWN MOWING - 200 4TH AVE SW	\$354.34	
STEVE RYNDA CONSTRUCTION	LAWN MOWING - 411 MUSIC ST	\$227.59	
TOTAL:			<u><u>\$848.83</u></u>
<u>STREET</u>			
AMAZON CAPITAL SERVICES	DEGREASER	\$35.29	
AMAZON CAPITAL SERVICES	NOZZLES	\$10.99	
AMAZON CAPITAL SERVICES	PHONE CASE	\$5.43	
AMAZON CAPITAL SERVICES	PLOW PAINT	\$99.99	
AMAZON CAPITAL SERVICES	SAFETY GLASSES	\$104.90	
CENTERPOINT ENERGY	NATURAL GAS	\$93.46	
ENVIRONMENTAL EQUIPMENT & SERVICES INC	SWEEPER - CURTAIN	\$113.25	
ENVIRONMENTAL EQUIPMENT & SERVICES INC	SWEEPER - RELIEF VALVE	\$45.75	
G AND H READY MIX LLC	SIDEWALKS	\$192.00	
LAKERS NEW PRAGUE SANITARY	TRASH - STREETS	\$90.16	
MED COMPASS	HEARING & FIT TESTING	\$334.50	
METRO SALES INC	COPIER LEASE	\$49.50	
NEW PRAGUE UTILITIES	STREETS - ELECTRIC	\$325.41	
NEW PRAGUE UTILITIES	STREETS - WATER/SEWER	\$250.34	
RIVER COUNTRY COOP	DIESEL	\$1,422.34	
ST LOUIS MRO INC	RANDOM TESTING	\$20.00	
US BANK EQUIPMENT FINANCE	COPIER LEASE	\$75.00	
TOTAL:			<u><u>\$3,268.31</u></u>
<u>STREET LIGHTS</u>			
NEW PRAGUE UTILITIES	STREETLIGHTS	\$4,225.52	
TOTAL:			<u><u>\$4,225.52</u></u>

CITY OF NEW PRAGUE
ACCOUNTS PAYABLE
10/06/25

Section 3, Item b.

VENDOR	DESCRIPTION	AMOUNT	TOTAL
<u>PARKS</u>			
AMAZON CAPITAL SERVICES	FLAG - CZECH	\$35.90	
AMAZON CAPITAL SERVICES	PHONE CASE	\$2.72	
AMAZON CAPITAL SERVICES	TREE BAGS	\$419.94	
CENTERPOINT ENERGY	NATURAL GAS	\$42.31	
GRAFFITI SOLUTIONS INC	GRAFFITI REMOVER	\$574.00	
GRAINGER	RESPRATOR MASK	\$46.19	
LAKERS NEW PRAGUE SANITARY	TRASH - BALLFIELD	\$140.88	
LAKERS NEW PRAGUE SANITARY	TRASH - PARKS	\$219.48	
MED COMPASS	HEARING & FIT TESTING	\$338.25	
MTI DISTRIBUTING INC	MOWER BLADE	\$59.68	
NEW PRAGUE UTILITIES	PARKS - WATER/SEWER	\$390.43	
NEW PRAGUE UTILITIES	PARKS -ELECTRIC	\$2,235.84	
NOVAK COMPANIES	BELOS REPAIR	\$333.83	
RENT N SAVE PORTABLE SERVICES	PORTABLE RESTROOM	\$215.00	
RIVER COUNTRY COOP	MOTOR FUEL	\$44.43	
HERITAGE LANDSCAPE SUPPLY GROUP	RANGER PRO	\$230.00	
TOTAL:			\$5,328.88
<u>LIBRARY</u>			
AMAZON CAPITAL SERVICES	TOILET	\$355.59	
CENTERPOINT ENERGY	NATURAL GAS	\$39.04	
NEW PRAGUE UTILITIES	LIBRARY - ELECTRIC	\$931.47	
NEW PRAGUE UTILITIES	LIBRARY - WATER/SEWER	\$119.48	
TOTAL:			\$1,445.58
<u>UNALLOCATED</u>			
ROSS NESBIT AGENCIES INC.	AGENCY FEE	\$327.00	
TOTAL:			\$327.00
GENERAL FUND TOTAL:			\$87,417.33
<u>FUND 233</u>			
COAST TO COAST SOLUTIONS	IMPRINTED STADIUM CUP	\$717.35	
COAST TO COAST SOLUTIONS	JUNIOR POLICE BADGE	\$737.22	
COAST TO COAST SOLUTIONS	SUNGLASSES	\$738.00	
TOTAL:			\$2,192.57
<u>FUND 424</u>			
CHOSEN VALLEY TESTING INC	CIP 2025 - TESTING	\$4,854.00	
SEH	CIP 2025	\$51,889.20	
TOTAL:			\$56,743.20
<u>FUND 425</u>			
AMERICAN ENGINEER TESTING INC	POLICE ADDITION CONSTRUCTION MAT	\$1,335.00	
KENNEDY & GRAVEN CHARTERED	NEW POLICE STATION	\$2,088.00	
MET-CON	NEW POLICE STATION	\$593,750.00	
TOTAL:			\$597,173.00
<u>FUND 499</u>			
SCOTT COUNTY	PROPERTY TAXES - 411 5TH AVE N	\$1,060.00	
TOTAL:			\$1,060.00

CITY OF NEW PRAGUE
ACCOUNTS PAYABLE
10/06/25

Section 3, Item b.

VENDOR	DESCRIPTION	AMOUNT	TOTAL
<u>FUND 602</u>			
AMAZON CAPITAL SERVICES	SCADA UPGRADE	\$159.99	
AMAZON CAPITAL SERVICES	PHONE CASE	\$4.08	
ASCEN TEK INC	GEN #10 - OIL	\$1,292.32	
CENTERPOINT ENERGY	NATURAL GAS	\$375.12	
CENTERPOINT ENERGY	NATURAL GAS	\$2,483.32	
COMPUTER TECHNOLOGY SOLUTIONS	SERVER UPGRADE	\$1,136.35	
CORE & MAIN	TESTING SUPPLIES	\$92.71	
EGAN	BIOSOLIDS ENGINEERING SERVICE	\$1,631.01	
GRAINGER	EMERGENCY LIGHTS	\$484.41	
GRAINGER	FUSES	\$63.72	
GRAINGER	FUSES	\$95.58	
LAKERS NEW PRAGUE SANITARY	TRASH - WWTP	\$249.44	
MASTER MECHANICAL INC.	DRYER TUNE-UP	\$1,293.75	
MCMASTER-CARR SUPPLY COMPANY	PRETREAT POLY MIXER	\$471.77	
MED COMPASS	HEARING & FIT TESTING	\$252.75	
NEON LINK	ONLINE PAYMENT FEES	\$206.80	
NEW PRAGUE UTILITIES	WWTP - ELECTRIC	\$24,926.80	
NEW PRAGUE UTILITIES	WWTP - WATER/SEWER	\$1,463.36	
O'REILLY AUTOMOTIVE INC	OIL/HEADLIGHT	\$100.15	
PVS TECHNOLOGIES INC	FERRIC CHLORIDE	\$11,926.71	
RIVER COUNTRY COOP	LP GAS - FORKLIFT	\$35.75	
ROSS NESBIT AGENCIES INC.	AGENCY FEE	\$210.60	
RS AMERICAS INC	RELAYS	\$59.22	
SALT CO	MONTHLY SALT	\$70.00	
SOUTHERN MINNESOTA MUNICIPAL POWER AGENC	EMISSION TESTING - #7	\$1,400.00	
ZIEGLER INC.	GENERATOR #12- FILTERS	\$234.87	
ZORO TOOLS INC.	EMERGENCY LIGHTS	\$130.00	
TOTAL:			\$50,850.58
<u>FUND 606</u>			
AMAZON CAPITAL SERVICES	PHONE CASE	\$1.36	
ENVIRONMENTAL EQUIPMENT & SERVICES INC	SWEEPER - CURTAIN	\$339.75	
ENVIRONMENTAL EQUIPMENT & SERVICES INC	SWEEPER - RELIEF VALVE	\$137.25	
NEON LINK	ONLINE PAYMENT FEES	\$24.98	
ROSS NESBIT AGENCIES INC.	AGENCY FEE	\$3.60	
TOTAL:			\$506.94
<u>FUND 651</u>			
CENTERPOINT ENERGY	NATURAL GAS	\$54.66	
LAKERS NEW PRAGUE SANITARY	TRASH - AMBULANCE	\$21.66	
NEW PRAGUE UTILITIES	AMBULANCE - ELECTRIC	\$307.09	
NEW PRAGUE UTILITIES	AMBULANCE - WATER/SEWER	\$104.35	
ROSS NESBIT AGENCIES INC.	AGENCY FEE	\$10.20	
TOTAL:			\$497.96
TOTAL ACCOUNTS PAYABLE FOR COUNCIL APPROVAL:			\$796,441.58

Vendor Name	Net Invoice Amount
AMAZON CAPITAL SERVICES	
BEARING PULLER	\$13.57
BREAKTHRU BEVERAGE MINNESOTA	
BEVERAGE-ALCOHOL	\$170.40
BEER	\$161.00
KEG DEPOSIT	\$30.00
BEER	\$67.70
CENTERPOINT ENERGY	
NATURAL GAS	\$61.25-
CENTRAL MCGOWAN INC	
C02/NITROGEN TANK RENTAL	\$116.45
CINTAS	
TOWELS / LINENS	\$303.35
CLESENS	
VALVE PARTS	\$320.04
COLLEGE CITY BEVERAGE	
BEER	\$283.95
BEVERAGES-NON ALCOHOLIC	\$71.00
KEG - CREDIT	\$120.00-
LIQUOR	\$552.87
COMPUTER TECHNOLOGY SOLUTIONS	
SERVER UPGRADE	\$2,613.61
ECOLAB PEST ELIMINATION	
PEST / AIR QUALITY CONTROL	\$537.63
FASTENAL	
HARDWARE FOR SAND BIN CONSTRUCTION	\$187.00
GOLF PROFESSIONAL ENTERPRISES LLC	
AUGUST MANAGEMENT FEE	\$8,514.45
LATE FEE REIMBURSEMENT	\$2.00-
LATE FEE REIMBURSEMENT	\$2.00-
SEPTEMBER MANAGEMENT FEE	\$8,514.45
HERMEL WHOLESALE	
FOOD	\$1,735.23
SUNDRIES	\$196.57
FOOD	\$1,599.71
SUNDRIES	\$219.94
SUPPLIES	\$7.60
CLEANING SUPPLIES	\$448.98
SUPPLIES	\$188.35
FOOD	\$111.94
LAKERS NEW PRAGUE SANITARY	
TRASH - GOLF CLUB	\$440.43
LAU'S BAKERY	
KAISER BUNS	\$55.77
LAWSON PRODUCTS	
BOLTS	\$77.15
MACH LUMBER INC	
SCREWS	\$49.08
MED COMPASS	
HEARING & FIT TESTING	\$140.00
MGA	
HANDICAP SERVICES	\$30.00
MOR GOLF AND UTILITY	
FLEET RENTAL	\$275.00
FLEET RENTAL	\$825.00
FLEET RENTAL	\$1,400.00

Vendor Name	Net Invoice Amount
MTI DISTRIBUTING INC	
REELMASTER 3555	\$67,474.32
TORO WORKMAN	\$37,272.35
SAND TRAP PARTS, FAIRWAY PARTS	\$592.09
FILTER,O-RINGS,SWITCH	\$138.75
BOLTS	\$21.22
NEW PRAGUE UTILITIES	
UTILITIES	\$4,435.66
UTILITIES	\$404.98
PEPSICO BEVERAGE SALES LLC	
SODA	\$411.46
BEVERAGE - NON ALCOHOL	\$1,016.91
QUILL CORPORATION	
OFFICE SUPPLIES	\$68.48
ROSS NESBIT AGENCIES INC.	
AGENCY FEE	\$50.10
TOW DISTRIBUTING CORP	
BEER	\$307.00
KEG CREDIT	\$30.00-
BEER	\$177.00
BEER	\$554.75
KEG CREDIT	\$60.00-
BEER	\$177.00
KEG CREDIT	\$30.00-
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$81.00
COPIER RENTAL	\$267.47
VERSATILE VEHICLES INC.	
BRAKE DRUMS	\$182.00
HANDHELD SCANNER	\$1,087.97
Grand Totals	<u>\$144,673.48</u>



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: TOBACCO LICENSE DENIAL APPEAL – ANNA TOBACCO
DATE: OCTOBER 2, 2025

On August 20, 2025, Steve Binstock submitted an application for a tobacco license at 410 Main Street, for Anna Tobacco & Smoke Shop. Following a comprehensive review and background check, on September 26, 2025, I denied the application on City Code Section 117.03(J)(2), which states:

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

(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 tobacco, tobacco related devices, or electronic delivery devices.

The applicant is a 50% owner in a business that had a violation with the Office of Cannabis Management in 2023. I have included a copy of the denial letter sent to Mr. Binstock, a copy of the Administrative Order sent by the MnOCM, and a copy of Chapter 117: Tobacco Regulations.

Also of note, this application was the second application for a tobacco license at this address for Anna Tobacco. Previously, Mr. Mohibullah Zahed had submitted for the license. Mr. Zahed is also a 50% owner of the business that had the violation in 2023. I had sent a denial letter to Mr. Zahed on August 19, 2025 on the same grounds of not meeting Section 117.03(J)(2) of City Code.

Per 117.03(C), an applicant who receives a denial may appeal that denial directly to the City Council. On October 1, 2025, Mr. Binstock requested an appeal of my denial.

Recommendation

Due to my denial of the application, 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 5, Item b.

September 26, 2025

Mr. Steve Binstock
410 Main Street West, Suite 100
New Prague, MN 56071

Re: Second Application for Tobacco License for 410 Main Street W, DBA Anna Tobacco & Smoke Shop
New Prague

Dear Mr. Binstock:

Thank you for submitting your application for a tobacco license to the City of New Prague on August 20, 2025.¹

Using Section 117.03 of City Code, I reviewed your application. This review included the materials you submitted as well as gathering background information on other facilities you own. I have included all of the documentation used in the review as Exhibit A.

New Prague City Code, Section 117.02 defines applicant and person as follows:

APPLICANT. A person, as defined herein, who completes or signs an application for a license to sell tobacco, tobacco related devices or electronic delivery devices individually or on behalf of a business.

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.

New Prague City Code, Section 117.03(J)(2), reads:

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

(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 tobacco, tobacco related devices, or electronic delivery devices.

¹ This is the second application the City has received from this business for this property, with the first having been denied on August 15, 2025. Based on information provided as part of the application, and which are included in Exhibit A, the previous owner transferred ownership of Anna Tobacco New Prague LLC to you on August 19, 2025.

During the review, the City found the Office of Cannabis Management (“OCM”) determined that violations of Minnesota Statutes, Section 151.72, related to the sale of products containing THC, occurred at a location for which you were a 50% owner², Anna Tobacco & Smoke Shop in Chaska, Minnesota. These violations are documents in an OCM Administrative Order dated September 24, 2024, which is enclosed for reference as Exhibit B (“Administrative Order”). At the time the violations occurred, the business held both a THC registration and Tobacco license.

Minnesota Statutes, Section 461.12, subdivision 2a states:

Subd. 2a. Penalties for sales of certain products; licensees.

(a) A licensee's authority to sell tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products at that location must be suspended for not less than seven days and may be revoked if the licensee:

- (1) holds a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, and the license or registration is revoked;
- (2) is convicted of an offense under section 151.72, subdivision 7; or
- (3) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products.

It is our understanding that the City of Chaska was not notified of the violation and penalty and no suspension occurred.

Minn. Stat. 461.12 is a statute governing tobacco, tobacco related devices, or electronic delivery devices. Violations of Minn. Stat. 151.72 are violations of Minn. Stat. 461.12 as evidenced by the requirement that a licensing authority must suspend a tobacco license “for not less than seven days and may be revoked if the licensee ... has been convicted under any other statute for the illegal sale of ... hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products.”

The Administrative Order documents violations of Minn. Stat. 151.72, subds. (6)(a)(6), Minn. Stat. 151.72, subd. 3(c)(2), and Minn. Stat. 151.72, subd. 5a (f) that occurred at Anna Tobacco & Smoke Shop, which sells tobacco, tobacco related devices, electronic delivery devices, or nicotine or lobelia delivery products. The Administrative Order also notes that an administrative penalty was assessed “[d]ue to the serious and repeated nature of the violations...” and that “three violations were deemed severe due to the threat to public health with examples including edibles more than twice the legal limit of THC per serving.”

In addition, retail businesses that offer tobacco and THC products often have cross-use products. Devices, such as dual-use vape pens, can vaporize nicotine or THC oils. The cross-use increases public health concerns and underage access risk, along with potentially illegal sales of THC products under a tobacco license. The City can ascertain that the violations related to electronic delivery devices are reasonably connected to the sale of both THC and Tobacco products. The conviction of the THC electronic delivery device also and alone meets the disqualifying standard described in City Code, Section 117.03(J)(2).

² Exhibit A includes Form 1120-S, Schedule K-1 for the year 2024, which provides that you were a 50% owner of Anna LLC/Anna Tobacco LLC in 2024.



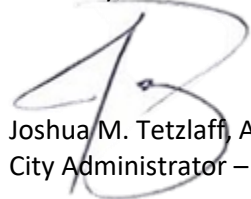
Transferring ownership of Anna Tobacco New Prague LLC does not mitigate the fact that you and the previous owner of the applicant business were both owners of Anna Tobacco, LLC, the entity cited by the OCM in Chaska.

As such, under Section 117.03(C), I am hereby denying your application for a tobacco license in the City of New Prague.

According to Section 117.03(C), you have the right to appeal this denial directly to the City Council. To exercise your right to appeal, please email me at jtetzlaff@ci.new-prague.mn.us by October 16, 2025, with your intent to appeal. If I receive this intention, I shall place the appeal on a subsequent City Council meeting.

Should you have any questions concerning this matter, please feel free to contact me at (952) 758-4401 or jtetzlaff@ci.new-prague.mn.us.

Sincerely,



Joshua M. Tetzlaff, AICP
City Administrator – New Prague

Att:

- Exhibit A
- Exhibit B



September 24, 2024

Mohibullah Zahed
Anna LLC dba Anna Tobacco & Smoke Shop
1008 Gateway Drive
Chaska, MN 55318
anna.group.us@gmail.com

Dear Mohibullah Zahed:

Subject: Administrative Order for 1008 Gateway Drive, Chaska, MN 55318

Registration Number: 4066

Enclosed is an administrative order (order) issued to Anna Tobacco & Smoke Shop for violation of Minnesota Statute 151.72.

This order contains penalties for the violations that have occurred.

If you have any questions, please contact Office of Cannabis Management (OCM) Enforcement Coordinator: Danielle DeVito, at Danielle.Devito@state.mn.us

Sincerely,

A handwritten signature in dark ink that reads 'Margaret Wiatrowski'.

Margaret Wiatrowski
Enforcement and Compliance Program Manager
Office of Cannabis Management
PO Box 64034
St. Paul, MN 55164

Enclosure: Administrative Order Penalty Invoice

Administrative Order

Anna Tobacco & Smoke Shop
1008 Gateway Drive, Chaska, MN 55318

1. Authority

1. The Office of Cannabis Management (OCM) has the authority under Minnesota Statutes, section 342.19, subdivision 1, to inspect any cannabis or hemp business.
2. The Office of Cannabis Management has the authority under Minnesota Statutes, section 151.72, subdivision 6(d), to enforce the requirements of section 151.72 regarding the sale of certain cannabinoid products according to Minnesota Statutes, section 342.19.
3. The Office of Cannabis Management has the authority under Minnesota Statutes, section 342.19 subdivision 5 to issue administrative orders to correct violations or cease and desist from committing the violation, and assess administrative penalties up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both, for each violation of the chapter or rules adopted pursuant to the chapter.

2. Findings of fact

On December 22, 2023, Minnesota Department of Health (MDH) conducted an inspection of Anna Tobacco & Smoke Shop, known as “Regulated Party” henceforth, at 1008 Gateway Drive, Chaska, MN 55318. At the time of the inspection, the Regulated Party offered for sale several non-compliant products. The inspector voluntarily destroyed all high-risk products¹ during the inspection and pulled from the shelves all other non-compliant products.

On May 29, 2024, MDH conducted a reinspection of the Regulated Party. At the time of the inspection, MDH staff observed several non-compliant products offered for sale. The violations found at this second inspection were similar in nature and severity to the violations found at the first inspection. The inspector voluntarily destroyed all high-risk products during the inspection and pulled from the shelves all other non-compliant products.

3. Specific Violations

1. **Citation: Minnesota Statutes, section 151.72, subdivision 6 (a) (6).**

¹ As used in this Administrative Order, the term “high-risk products” means products containing in excess of twice the tetrahydrocannabinol (THC) limits established for such products under section 151.72 and/or products that appeal to children.

Finding: The Regulated Party offered for sale products extracted from hemp containing more than 0.3% of any tetrahydrocannabinol, which is prohibited.

- December 22, 2023 During the inspection the Regulated Party offered for sale; Zkittles THC-P Delta-8 Badder 1 gram shatter, Urb THC Vape and Hidden Hills THC Vapes. Products were removed from shelves during the inspection.
- May 29, 2024 During the inspection the Regulated Party offered for sale; Urb THC-A Vape containing 99.41% of THC and Fuego D8 THC Vapes. These products were removed from shelves during the inspection.

2. Citation: Minnesota Statutes, section 151.72, subdivision 3 (c) (2).

Finding: The Regulated Party offered for sale products containing intoxicating hemp-derived cannabinoids which are intended to affect the structure or function of the bodies of humans or other animals.

- December 22, 2023 During the inspection the Regulated Party offered for sale; Chapo THC-B THC-P PHC Delta 10 vapes, Treetop Hemp Co HHC vapes and Space Gods super nova THCA Vapes. These products were removed from shelves during the inspection.
- May 29, 2024 During the inspection the Regulated Party offered for sale; Urb D8 THC-A THC-H Vape and Torch D11 THC-H THC-JD Vapes. These products were removed from shelves during the inspection.

3. Citation: Minnesota Statutes, section 151.72, subdivisions 5a (f) and 6 (a) (6).

Finding: The Regulated Party offered for sale edible cannabinoid products, not intended to be consumed as beverages, in packages containing tetrahydrocannabinol in excess of the 50 milligram per package limit.

- December 22, 2023 During the inspection the Regulated Party offered for sale; Urb Yummies Delta-8 Delta-9 gummies containing 3000mg of THC per package, Elf THC Delta-8 THC-P gummies containing 1000 mg of THC per package, and Urb THC HHC Chocolate Bar containing 300mg of THC per package. These products were voluntarily destroyed during the inspection.
- May 29, 2024 During the inspection the Regulated Party offered for sale; Urb D8 D9 Live Resin gummies containing 35000 mg of THC per package, Koko D8 D9 3000 mg of THC per package and Torch THC-P D9 THC-X gummies 3500 mg of THC per package. These products were voluntarily destroyed during the inspection.

4. Corrective Actions

The regulated party must demonstrate in writing within 30 days of receiving this order that the violation(s) listed in section 3 have been corrected or you have developed a plan to correct the violation(s) that is acceptable to the office.

5. Administrative Penalty

Due to the serious and repeated nature of the violations listed in section 3, the Regulated Party is assessed an administrative penalty of \$6,000 that must be paid to OCM within 30 days of receiving this order. Please refer to the enclosed invoice for payment.

OCM determined the penalty by considering several factors. OCM performed two inspections within a five-month period which revealed serious and/or repeat violations. It was determined that the Regulated Party willfully violated the statute due to violations being found on a subsequent inspection despite the Correction Order that was issued on January 19, 2024 for the same or similar violations. Three violations were deemed severe due to the threat to public health with examples including edibles more than twice the legal limit of THC per serving.

6. Failure to Comply

Failure to comply with this order will result in additional enforcement action by OCM. Additional enforcement action may include an additional administrative penalty of up to \$10,000 per violation, or an amount that deprives the business of any economic advantage gained by the violation, or both, and/or referral to law enforcement for potential criminal violations.

7. Right to Reconsideration

This order may be reviewed by requesting a reconsideration from OCM if you believe the information in this order is in error. The request must:

- Be in writing via US Certified Mail
- Be delivered to OCM within 7 calendar days after receiving this order;
- Specify which parts of the order are alleged to be in error;
- Explain why they are alleged to be in error; and
- Provide documentation to support the allegation of error.

A request for reconsideration does not stay the administrative order unless OCM issues a supplemental order granting additional time. OCM's disposition of a request for reconsideration is final.

If our office does not receive a request for reconsideration by the listed due date, this order becomes final.

Direct all written correspondence to: Margaret Wiatrowski, Office of Cannabis Management, PO Box 64034, St. Paul, MN 55164, or at Margaret.Wiatrowski@state.mn.us.

Ordered by,
Margaret Wiatrowski
Enforcement and Compliance Program Manager
Office of Cannabis Management
PO Box 64034
St. Paul, MN 55164

<https://mn.gov/ocm/>



INVOICE

Office of Cannabis Management
PO BOX 64034
St. Paul, MN 55164

Invoice #: **B10C018**
Invoice Date: **9/24/2024**
Due Date: **10/24/2024**
Balance Due: **\$6,000**
Customer PO

Bill To: Mohibullah Zahed
Anna LLC dba Anna Tobacco & Smoke Shop
1008 Gateway Drive
Chaska, MN 55318

Billing Contact: Mohibullah Zahed

Remit To:
Office of Cannabis Management
ATTN: Cashier
PO BOX 64034
St. Paul, MN 55164

Invoice Contact:
Margaret Wiatrowski
Margaret.Wiatrowski@state.mn.us
651-539-5033

Item Description	Date	Unit Price	Qty	Total
Penalty for violations of M.S. Sec 151.72	9/24/2024			6,000.00

Additional Information:

Prepared by: _____

Subtotal: \$6,000

Tax: _____

Total: \$6,000

Please include a copy of this invoice with your payment.
Finance charges will be added if payment is not received by the due date.

OCM Funding							
Fund	FinDeptID	Appropriation	Account	Bus Unit	Project	Activity	Source Type
1000	B1035090	B105G00	512474				

Section

- 117.01 Purpose
- 117.02 Definitions
- 117.03 License required
- 117.04 License fee
- 117.05 Prohibited sales
- 117.06 Mobile sales
- 117.07 Compliance checks
- 117.08 Violations
- 117.09 Administrative penalties
- 117.10 Administrative penalty procedure

§ 117.01 PURPOSE.

This chapter is intended to regulate the sale, possession, and use of tobacco, tobacco related devices, or electronic delivery devices for the purpose of enforcing and furthering existing laws, to protect young people against the serious effects associated with the use of tobacco, tobacco related devices or electronic delivery devices, and to further the official public policy of the state in regard to preventing young people from starting smoking as stated in M.S. § 144.391.

(Ord. 317, passed 9-21-20)

§ 117.02 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

APPLICANT. A person, as defined herein, who completes or signs an application for a license to sell tobacco, tobacco related devices or electronic delivery devices individually or on behalf of a business.

BUSINESS. The business of selling tobacco, tobacco related devices or electronic delivery devices.

ELECTRONIC DELIVERY DEVICE. Any product containing or delivering nicotine, lobelia or any other substance, whether natural or synthetic, intended for human consumption through inhalation of aerosol or vapor from the product. Electronic delivery devices includes but is not limited to devices manufactured, marketed or sold as electronic cigarettes, electronic cigars, electronic pipe, vape pens, modes, tank systems or under any other product name or descriptor. Electronic delivery device includes any component part of a product, whether or not marketed or sold separately. Electronic delivery device excludes drugs, devices or combination products, as those terms are defined in the Federal Food, Drug, and Cosmetic Act, that are authorized for sale by the United States Food and Drug Administration.

LICENSE HOLDER or LICENSEE. The owner of the business licensed to sell tobacco, tobacco related devices or electronic delivery devices.

MOVABLE PLACE OF BUSINESS. A business whose physical location is not permanent or is capable of being moved or changed.

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.

SELF-SERVICE MERCHANDISING. A method of tobacco, tobacco related devices or electronic delivery devices so that they are accessible to the public without the intervention of an applicant, license holder or their agents or employees.

TOBACCO. Cigarettes and any product containing, made or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed or ingested by any other means, or any component, part, or accessory of a tobacco product including but not limited to cigars; cheroots; stogies; perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; and other kinds and forms of tobacco. Tobacco excludes drugs, devices, or combination products, as those terms are defined in the Federal Food, Drug, and Cosmetic Act, that are authorized for sale by the United States Food and Drug Administration.

TOBACCO RELATED DEVICES. Cigarette papers or pipes for smoking or other devices intentionally designed or intended to be used in a manner which enables the chewing, sniffing, smoking, or inhalation of aerosol or vapor of tobacco or tobacco products. Tobacco-related devices include components of tobacco-related devices which may be marketed or sold separately.

VENDING MACHINE. Any mechanical or electric or electronic self-service device which, upon insertion of money, token

or any other form of payment dispenses tobacco, tobacco related devices or electronic delivery devices and includes vending machines equipped with manual, electric or electronic locking devices.

Section 5, Item d.

(Ord. 317, passed 9-21-20)

§ 117.03 LICENSE REQUIRED.

(A) No person shall keep for retail sale, sell or offer to sell at retail, or otherwise dispense any tobacco, tobacco related device or electronic delivery device at any place in the city without first obtaining a license and paying a license fee.

(B) An application for a license to sell tobacco, tobacco related devices or electronic delivery devices shall be made on a form provided by the city. The application shall include, but is not limited to requiring 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, a copy of the educational materials the applicant intends to use to educate employees, and any other information required by the city. The completed application along with the license fee shall be submitted to the City Administrator or his or her designee for approval. If the City Administrator or designee determines that an application is incomplete, he or she shall return the application to the applicant with notice of the deficiencies.

(C) The City Administrator or his or her designee 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 Administrator's decision to the City Council. The appeal must be taken within 20 days after receipt of a notice of denial, and if so taken, the appeal shall be scheduled to be heard at a subsequent Council meeting. If a license is mistakenly issued or renewed to an applicant or license holder, it shall be revoked by the City Administrator upon the discovery that the person, applicant or license holder was ineligible for the license under this section.

(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 §§117.08 through 117.09, 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 Administrator or his or her designee.

(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 the original application. The request for renewal shall be made at least 30 but no 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.

(I) No person shall be issued a license or renewal license to sell tobacco, tobacco related devices or electronic delivery devices unless an applicant or license holder has an approved program for instructing all employees at the business premises for which the license was issued in the legal requirements pertaining to the sale of tobacco, tobacco related devices or electronic delivery devices, including, but not limited to, reviewing the law on the sale of tobacco, tobacco related devices or electronic delivery devices, providing information on the health risks of using tobacco, and requiring employees to request identification from every customer. No license shall be issued or renewed unless the applicant or license holder has received training and instruction on the sale of tobacco, tobacco related devices or electronic delivery devices. The training shall include information that the sale of tobacco, tobacco related devices or electronic delivery devices to persons under the age of 21 is illegal, explain what proof of age is legally acceptable, and that a sale to person under the age of 21 can subject the applicant or license holder and their employees to both criminal and civil liability.

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

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

(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 tobacco, tobacco related devices, or electronic delivery devices.

(3) The applicant or license holder has had a license to sell tobacco, tobacco related devices, or electronic delivery devices revoked within the preceding 12 months of the date of application.

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

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

(Ord. 317, passed 9-21-20)

§ 117.04 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. 317, passed 9-21-20)

§ 117.05 PROHIBITED SALES.

(A) No person shall sell, offer to sell, give away, furnish or otherwise deliver any tobacco, tobacco related device or electronic delivery device:

- (1) To any person under the age of 21 years;
- (2) By means of any type of vending machine; or
- (3) By any other means, or to any other person prohibited by federal, state, or other local law, ordinance provisions or other regulation.

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

(Ord. 317, passed 9-21-20)

§ 117.06 MOBILE SALES.

No license shall be issued for the sale of tobacco, tobacco related devices or electronic delivery devices at a movable place of business, including, but limited to motorized vehicles, mobile sales kiosks or trailers.

(Ord. 317, passed 9-21-20)

§ 117.07 COMPLIANCE CHECKS.

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 tobacco, tobacco related devices or electronic delivery devices 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.

(Ord. 317, passed 9-21-20)

§ 117.08 VIOLATIONS.

(A) In addition to violations specified elsewhere in this chapter, the following acts shall be a violation of this chapter:

(1) It shall be a violation of this chapter for any person under the age of 21 years to have in his or her possession any tobacco, tobacco related device, or electronic delivery device. This division shall not apply to a person under the age of 21 that is lawfully involved in a compliance check conducted by city officials.

(2) It shall be a violation of this chapter for any person under the age of 21 years to smoke, chew, sniff, ingest or otherwise use any tobacco, tobacco related device or electronic delivery device.

(3) It shall be a violation of this chapter for any person under the age of 21 years to purchase or attempt to purchase or otherwise obtain any tobacco, tobacco related device or electronic delivery device, and it shall be a violation of this chapter for any person to purchase or otherwise obtain these items on behalf of a person under the age of 21 years. It shall further be a violation for any person to coerce or attempt to coerce a person under the age of 21 years to purchase or otherwise obtain or use any tobacco, tobacco related device or electronic delivery device. This division shall not apply to a person under the age of 21 that is lawfully involved in a compliance check conducted by city officials.

(4) It shall be a violation of this chapter for any minor to attempt to disguise his or her true age by the use of a false form of identification, whether the identification is that of another person or one on which the age of the person has been modified or tampered with to represent an age older than the actual age of the person.

(B) Whoever sells tobacco to a person under the age of 21 years is guilty of a misdemeanor. It is an affirmative defense to a charge under this division if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in M.S. § 340A.503, Subdivision 6.

(C) Whoever furnishes tobacco or tobacco related devices to a person under the age of 21 years is guilty of a misdemeanor. Notwithstanding the foregoing, an Indian may furnish tobacco to an Indian under the age of 21 years if the

tobacco is furnished as part of a traditional Indian spiritual or cultural ceremony. For purposes of this division, a person who is a member of an Indian tribe, as defined in M.S. § 257.351, Subdivision 9, as it may be amended, is not a person who is a member of an Indian tribe at the time.

(Ord. 317, passed 9-21-20)

§ 117.09 ADMINISTRATIVE PENALTIES.

(A) If a licensee or employee of a licensee sells, gives, or otherwise furnishes tobacco, a tobacco related device, or an electronic delivery device 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 tobacco, tobacco related devices or electronic delivery devices 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 tobacco, a tobacco related device or an electronic delivery device 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.

(C) Any person who purchases or attempts to purchase tobacco, tobacco related devices or electronic delivery devices and is under the age of 21 years may be charged an administrative penalty of up to \$50. The city may also send notice of the violation to the violator's parents or school, or order the violator to attend tobacco-free education programs or other court diversion programs, or to perform appropriate community service. The provisions of this division shall not apply to a person under the age of 21 who purchases or attempts to purchase tobacco, tobacco related devices or electronic delivery devices while under the direct supervision of a responsible adult for training, research or enforcement purposes.

(Ord. 317, passed 9-21-20)

§ 117.10 ADMINISTRATIVE PENALTY PROCEDURE.

(A) Upon discovery of a suspected violation under § 117.09, 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 § 117.09, 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. 317, passed 9-21-20)

MEMORANDUM

TO: Mayor and City Council
Joshua Tetzlaff, City Administrator

FROM: Chris Knutson, PE (Lic. MN)

DATE: September 30, 2025

RE: Project Updates

See below for updates on current SEH Projects for the City of New Prague.

2024 STREET AND UTILITY IMPROVEMENTS PROJECT

Remaining items to address include pavement repairs outside the project area and liquidated damages. The contractor has not provided a schedule yet to complete this work, we are planning to meet on October 9th to review closeout.

2025 STREET AND UTILITY IMPROVEMENTS PROJECT

The project is substantially complete with minor punchlist items being addressed. The assessment hearing is scheduled for October 20th. Notices have been mailed to affected property owners and advertised in the newspaper.

CITY CENTER STORM POND

An updated concept plan has been developed and a cost estimated provided to planning. Some adjustments are expected.

LEAD SERVICE LINE REPLACEMENTS

The PFA application has been approved and the contractor is completing contract documents. Construction is expected in spring 2026.

2026 STREET IMPROVEMENT PROJECT

A proposal is included with the council packet from SEH to complete a Feasibility Study on the 2026 project. This project generally includes 10th Avenue SE south of 1st Street SE. This is described in more detail in the proposal letter.

cdk

x:\ko\newpr\common\council meetings\100625 cc project updates.docx

September 30, 2025

RE: Proposal for Professional Services
Feasibility Study
2026 Street Improvements Project

Matt Rynda
Public Works Director
City of New Prague
118 Central Avenue N
New Prague, MN 56071-1534

Dear Matt:

In 2023, 10th Avenue SE located between 15th Street SE (CSAH 29) and 1st Street SE was determined to need pavement rehabilitation due to its quickly deteriorating surface. This improvement was part of the Feasibility Report for the 2024 Street and Utility Improvement Project and included pavement repairs, ADA improvements, and consideration toward a mini-roundabout at 3rd Street SE and a center median through much of the street. As the City sought funding from outside sources, this improvement was not included with the 2023 construction project. As outside funding has not been successful and the need to complete this improvement persists, it is now considered for construction in 2026.

ASSUMED 2026 PROJECT AREA SCOPE:

The scope of the improvements for the project are expected to include those identified in the previous feasibility report as noted above. Median construction along the entirety of the street is not being considered at this time due to the added costs, though they may be considered for intersections. The mini-roundabout is still proposed at 3rd Street SE. Additional trail improvements are not being considered on the west side of the roadway. Enhanced crosswalks including RRFBs may also be considered.

ANTICIPATED SCOPE OF SERVICES:

The current proposal will primarily include an update of previous concept layouts and concepts assembled previously. It will also include revisions as noted above to the scope of improvements along with additional revisions that are determined through the process. No survey is proposed as part of the Feasibility Project as information was previously obtained. It may be necessary to complete some survey, though that will be included as part of a future design development phase. A neighborhood meeting is proposed along with updates to the assessment role. A public hearing would be held in December. An advanced funding request may be need from MnDOT to cover construction costs.

We will review the preliminary designs with Public Works and Utility staff, refine costs estimates, and prepare a preliminary assessment roll to estimate assessment revenue and proposed funding to be anticipated on the project. This information will be compiled into a 2026 feasibility report in compliance with MN Statue 429. Our current proposal and scope of services will take the project through the public hearing and city council consideration of ordering the improvement.

As part of MnDOT State Aid requirements, a traffic study or roundabout justification report is required to utilize State Aid funding toward a roundabout construction. Currently, it is proposed to complete the roundabout construction using local funds only to save on those additional costs. If this is reconsidered in

the future, a proposal for completing one of those reports will be provided. Roundabout geometrics will be updated as part of this proposal to confirm the extent of improvements needed.

PROPOSED FEES:

We propose to provide the services outlined above for an Hourly, Not-to-Exceed fee of \$15,000.

Final Design, Bidding, and Construction Services:

As has been done with city past projects, we would propose to submit a future proposal for final design, bidding and construction services at the conclusion of Phase 1 work, after the full scope of the project is better defined. This project will require a submittal to MnDOT for State Aid review as it will be partially funded through that source.

SCHEDULE AND FUTURE STEPS:

The anticipated schedule is illustrated below and can be adjusted to meet the needs or desires of the city council and staff:

Feasibility Phase (Phase I):

- | | |
|--|-------------------------|
| • Council Orders Preparation of a Feasibility Study* | October 6, 2025 |
| • Informational Letters sent out to the Residents | One week after approval |
| • Field Investigations | October 2025 |
| • Conduct Neighborhood Meeting | October 29, 2025 |
| • Draft Feasibility Study for Staff | October 31, 2025 |
| • Present Feasibility Study to Council & Order Public Hearing* | November 17, 2025 |
| • Hold Public Hearing/Council Orders Improvement* | December 15, 2025* |

Design Phase (Phase II):

- | | |
|---|-------------------------------|
| • Consider Eng. Proposal for Design & Const. Admin. Services* | December 15, 2025* |
| • Prepare Final Design, Plans, and Specifications | December 2025 – February 2026 |
| • MnDOT State Aid Submittal | February 16, 2026 |
| • Council Approves plans and Authorizes Ad for Bids* | March 2, 2026 |
| • Advertising for Bids | March 5 – March 26, 2026 |
| • Bid Opening | March 26, 2026 |
| • Council Approves Award of Bids* | April 6, 2026* |

Construction Phase (Phase III):

- | | |
|----------------|------------------------|
| • Construction | June 2026 to July 2027 |
|----------------|------------------------|

Assessment Phase (Phase IV):

- | | |
|--|-----------------|
| • Declare costs to assess and order assessment roll/hearing* | September 2026* |
| • Assessment Hearing* | October 2026* |
| • Assessments levied to County | November 2026 |

**Milestones where City Council Actions/Resolutions are required.*

The schedule as shown above starts later than previous projects. As utility work is relatively minor, the schedule considers construction for summer months when traffic is generally lower.

Please contact me with any questions or comments concerning this proposal/agreement.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.



Chris Knutson, PE
Project Manager/City Engineer
(Lic. MN)

cdk

Attachments

1. Supplemental Letter Agreement
2. Exhibit A1 – Hourly Basis

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Supplemental Letter Agreement

In accordance with the [Master] Agreement for Professional Services between City of New Prague ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective May 8, 2009, this Supplemental Letter Agreement dated October 6, 2025, authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: 2026 Street Improvement Project – Feasibility Report.

Client's Authorized Representative: Matt Rynda
Address: 118 Central Ave N, New Prague, Minnesota 56071, United States
Telephone: 952.758.4401 **Email:** mrynda@ci.new-prague.mn.us

Project Manager: Chris Knutson
Address: 11 Civic Center Plaza, Suite 200, Mankato, Minnesota 56001
Telephone: 507.237.8383 **Email:** cknutson@sehinc.com

Scope: The Services to be provided by Consultant:

See attached letter dated September 30, 2025.

Schedule: Work would start immediately and according to the schedule provided in the attached letter.

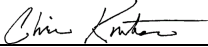
Payment:

The estimated fee is subject to a not-to-exceed amount of \$15,000 including expenses and equipment.

The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1. Additional work, if required, shall be compensated in accordance with the rate schedule.

Other Terms and Conditions: Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein: None.

Short Elliott Hendrickson Inc.

By: 
Full Name: Chris Knutson
Title: Client Service Manager

City of New Prague

By: _____
Full Name: _____
Title: _____

By: _____
Full Name: _____
Title: _____

Exhibit A-1**Payments to Consultant for Services and Expenses Using the Hourly Basis Option**

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

A. Hourly Basis Option

The Client and Consultant select the hourly basis for payment for services provided by Consultant. Consultant shall be compensated monthly. Monthly charges for services shall be based on Consultant's current billing rates for applicable employees plus charges for expenses and equipment.

Consultant will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, Consultant will notify the Client and confer with representatives of the Client to determine the basis for completing the work.

Compensation to Consultant based on the rates is conditioned on completion of the work within the effective period of the rates. Should the time required to complete the work be extended beyond this period, the rates shall be appropriately adjusted.

B. Expenses

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client. Their costs are not included in the hourly charges made for services but instead are reimbursable expenses required in addition to hourly charges for services and shall be paid for as described in this Agreement:

1. Transportation and travel expenses.
2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets.
3. Lodging and meal expense connected with the Project.
4. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
5. Plots, Reports, plan and specification reproduction expenses.
6. Postage, handling and delivery.
7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
8. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
9. All taxes levied on professional services and on reimbursable expenses.
10. Other special expenses required in connection with the Project.
11. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses.

C. Equipment Utilization

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Client. The Client, therefore, agrees to pay the cost for the use of such specialized equipment on the project. Consultant invoices to the Client will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by Consultant.

The Client shall pay Consultant monthly for equipment utilization.



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: RESOLUTIONS APPROVING CERTIFICATION OF UNPAID SERVICE CHARGES FOR MOWING/PROPERTY MAINTENANCE AND MUNICIPAL UTILITY BILLS
DATE: 9/30/2025

Throughout the year City Staff has been keeping a close eye on nuisances in the city, specifically those nuisances related to mowing of lawns and related nuisance violations on both occupied and unoccupied homes.

All properties with identified violations are mailed a letter regarding specific violations and the corrective action needed by a specified date. In the case of many properties this year (and in past years) the property owners did not take action to have the violations abated and the City engaged mowing and/or property maintenance services to mow properties and/or remove other violations.

Municipal Utilities also utilizes the same procedure to collect on past due municipal utility bills. Charges assessed are for water, sanitary sewer, storm sewer, electric and trash when in the name of the property owner and for renters we are able to assess all but the electric charges. A separate letter outlining the delinquent charges was sent to property owners with delinquent utility bills.

Attached to this memo is a resolution approving the certification of \$1,932.42 total to the property tax rolls as listed for each property for mowing and other property maintenance charges. It should also be noted that \$1,075 of the above total are administrative fees which help offset the cost of the staff inspections and enforcement actions. There were five properties that the city had to mow / clean up throughout the year, but there were 68 violation letters which were sent. As a comparison to past years, the certified mowing charges were:

- \$4,066.47 in 2024
- \$2,523.76 in 2023
- \$4,593.80 in 2022
- \$1,448.49 in 2021
- \$2,434.16 in 2020
- \$2,444.09 in 2019
- \$2,578.04 in 2018

- \$1,503.00 in 2017
- \$2,088.59 in 2016
- \$7,787.20 in 2015

Also attached is a resolution approving the certification of \$7,663.33 to the property tax roll as listed for each property for delinquent municipal utility bills (not including electric charges). The properties on the attached tax rolls did not pay their bills after receiving the final notice. As a comparison, the certified delinquent municipal utility billing charges in previous years were:

- \$7,072.20 in 2024
- \$1,335.19 in 2023
- \$5,311.34 in 2022
- \$4,289.45 in 2021
- \$36,066.13 in 2020
- \$9,338.72 in 2019
- \$5,474.39 in 2018
- \$7,566.52 in 2017
- \$2,645.76 in 2016
- \$6,020.90 in 2015

For all the unpaid service charges and unpaid municipal utility bills the costs constitute an unpaid service charge subject to collection pursuant to City Code Sections 34.01 and 92.50. Each property owner was mailed a Notice of Collection before September 15, 2025 with the exact amount they owed. The attached resolutions, by statute, must be certified to the County Auditors of Scott and LeSueur Counties by October 15, 2025 and must be adopted tonight to meet the deadline.

Staff Recommendation:

Staff recommends that the City Council approve the attached resolutions certifying charges to the property tax rolls for mowing/property maintenance and municipal utility bills.

RESOLUTION #25-10-06-01

**RESOLUTION APPROVING CERTIFICATION OF
MOWING AND PROPERTY MAINTENANCE CHARGES TO PROPERTY TAX ROLL**

WHEREAS, the City of New Prague (“City”) has the powers delegated to cities by the Minnesota Legislature as set forth in Minnesota Statutes, Sections 415.01, 366.011 and 366.012; and,

WHEREAS, Section 34.01 of the City Code addressed the Collection of Unpaid Service Charges and Fees and Section 92.50 of the City Code addresses the Recovery of Costs associated with those service charges; and,

WHEREAS, the City properly notified real property owners with unpaid service charges of its intention to certify the unpaid service charges to the County Auditor as required by City Code Sections 34.01 and 92.50; and,

WHEREAS, the purpose of this resolution is to certify unpaid mowing and property maintenance charges to the property taxes for those properties with outstanding bills; and,

WHEREAS, a majority of all members of the City Council concur in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEW PRAGUE, MINNESOTA, AS FOLLOWS:

1. Such service charges, a copy of which are attached as Exhibit A hereto and made a part hereof, are hereby accepted and shall constitute a service charge against the real property named therein.
2. Pursuant to City Code Sections 34.01 and 92.50, the City authorizes the collection of unpaid service charges by certifying the unpaid amount to the county auditor for collection along with the taxes imposed on real property owned by the recipient of the services.
3. The City Administrator shall forthwith transmit a certified duplicate of this resolution and attached service charge roll to the county auditor(s) of Scott and LeSueur Counties to be extended on the property tax lists of the county. Such service charges

shall be collected and paid over in the same manner as other municipal taxes

- 4. The recitals set forth above in this Resolution are incorporated into and made part of this Resolution.
- 5. The Mayor and City Administrator, staff and 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.
- 6. The assessments are to be certified and payable in one year, with no interest.

Passed by the City Council this 6th day of October, 2025.

Charles L. Nickolay, Mayor

ATTEST: _____
Joshua M. Tetzlaff, City Administrator

Exhibit A

COUNTY	PID	LEGAL DESCRIPTION	ASSESSMENT AMOUNT
Scott	241040690	Lot 19, Block 5, Homefield Second Addition, Scott County, Minnesota	\$477.59
Le Sueur	236420040	PARCEL A: All that part of Lot No. 1 and all that part of Lot No. 4 of Block no. 2 of Suchomel's Second Addition to the City of New Prague, Minnesota, the plat of said Addition being on file in the Office of the County Recorder of LeSueur County, Minnesota, described as follows: Beginning at the Northwest corner of said Lot No. 4; thence East along the North line of said Lot No. 4 and the North line of said Lot No. 1 a distance 94.64 feet to the Westerly right-of-way line of Minnesota Trunk Highway No. 21; thence Southerly along said right-of-way line 108.00 feet; thence Westerly parallel with the North line of said Lot Numbered 1 and 4 a distance of 95.21 feet to the West line of said Lot No. 4; thence North on said West line of Lot No. 4 a distance of 108.00 feet to the place of beginning, AND also all of the vacated North and South alley contained with the boundaries of the above described tract. PARCEL B: Lot 5, Block 2, in Suchomel's 2nd Addition to New Prague, LeSueur County, Minnesota.	\$754.34
Scott	249341290	Commencing at a point 264.5 feet north from a point distant 1442 links west of the Southeast corner of the southwest Quarter of Section 34, Township 113, Range 23; thence running North 164.5 feet to the South line of First Street Northeast of the City of New Prague, Minnesota; thence East along said South line of said First Street Northeast 50 feet; thence South 164.5 feet; thence West 50 feet to the place of beginning, Scott County, Minnesota.	\$450.49
Scott	240080280	Lot 2, Block 5, Sun Rise Acres Addition to New Prague, Scott County, Minnesota.	\$250.00

RESOLUTION #25-10-06-02

**RESOLUTION APPROVING CERTIFICATION OF
MUNICIPAL UTILITY BILLING CHARGES TO PROPERTY TAX ROLL**

WHEREAS, the City of New Prague (“City”) has the powers delegated to cities by the Minnesota Legislature as set forth in Minnesota Statutes, Sections 415.01, 366.011 and 366.012; and,

WHEREAS, Section 34.01 of the City Code addresses the Collection of Unpaid Service Charges and Fees and Section 92.50 of the City Code addresses the Recovery of Costs associated with those service charges; and,

WHEREAS, the City properly notified real property owners with unpaid service charges of its intention to certify the unpaid service charges to the County Auditor as required by City Code Sections 34.01 and 92.50; and,

WHEREAS, the purpose of this resolution is to certify unpaid municipal utility billing charges to the property taxes for those properties with outstanding bills; and,

WHEREAS, a majority of all members of the City Council concur in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEW PRAGUE, MINNESOTA, AS FOLLOWS:

1. Such service charges, a copy of which are attached as Exhibit A hereto and made a part hereof, are hereby accepted and shall constitute a service charge against the real property named therein.
2. Pursuant to City Code Sections 34.01 and 92.50, the City authorizes the collection of unpaid service charges by certifying the unpaid amount to the county auditor for collection along with the taxes imposed on real property owned by the recipient of the services.
3. The City Administrator shall forthwith transmit a certified duplicate of this resolution and attached service charge roll to the county auditor(s) of Scott and LeSueur Counties to be extended on the property tax lists of the county. Such service charges

shall be collected and paid over in the same manner as other municipal taxes

Section 12, Item b.

4. The recitals set forth above in this Resolution are incorporated into and made part of this Resolution.
5. The Mayor and City Administrator, staff and 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.
6. The assessments are to be certified and payable in one year, with no interest.

Passed by the City Council this 6th day of October, 2025

Charles L. Nickolay, Mayor

ATTEST: _____
Joshua M. Tetzlaff, City Administrator

Exhibit A

COUNTY	PID	LEGAL	ASSESSMENT AMOUNT
LE SUEUER	23.003.0600	Commencing at a point 33 feet South of a point 313 feet East of the Northwest corner of Section 3, Township 112 North, Range 23 West; thence running South a distance of 102 feet, more or less, to, the center of a creek, thence running Northeasterly along the centerline of said creek to a point 54 feet more or less, which point is due South of the Northeast corner of this tract which Northeast corner is 115.2 feet East of the point of beginning; thence running North 54 feet more or less to a point 33 feet South of the North line of said Section 3; thence running West a distance of 115.2 feet to the point of beginning, all of said tract being in Le Sueur County Minnesota.	\$136.17
LE SUEUER	23.480.0120	LOTS 9 AND 12, BLOCK 1, CITY OF NEW PRAGUE, LE SUEUR COUNTY	\$187.44
LE SUEUER	23.480.0260	Lot 4, in Block 2, less the North 100 feet of the East 2 feet thereof, and less the alley across the South 8 feet thereof as per order of the City Council recorded in Book 20 of Misc., page 459, CITY OF NEW PRAGUE, EXCEPTING THEREFROM the North 42 feet of the East 3 feet of Lot 4, Block 2, CITY OF NEW PRAGUE, Le Sueur County, Minnesota.	\$144.80
LE SUEUER	23.480.0670	Lot 1 and the East 25.5 feet of Lot 2, Block 6, CITY OF NEW PRAGUE, Le Sueur County, Minnesota.	\$485.54
LE SUEUER	23.495.0098	Unit 98, CIC #37, New Prague Villas, Le Sueur County, Minnesota.	\$126.07
LE SUEUER	23.609.0620	Lot 18, Block 5, PRAGUE ESTATES FIFTH ADDITION, Le Sueur County, Minnesota.	\$400.72
LE SUEUER	23.620.0150	Lot 13, Block 1, Rolling Hills, City of New Prague, Le Sueur County, Minnesota	\$159.10
LE SUEUER	23.642.0040	PARCEL A: All that part of Lot No. 1 and all that part of Lot No. 4 of Block No. 2 of Suchomel's Second Addition to the City of New Prague, Minnesota, the plat of said Addition being on file in the Office of the County Recorder of LeSueur County, Minnesota, described as follows: Beginning at the Northwest corner of said Lot No. 4; thence East along the North line of said Lot No. 4 and the North line of said Lot No. 1 a distance of 94.64 feet to the Westerly right-of-way line of Minnesota Trunk Highway No. 21; thence Southerly along said right-of-way line 108.00 feet; thence Westerly parallel with the North line of siad Lot Numbered 1 and 4 a distance of 95.21 feet to the West line of said Lot No. 4; thence North on said West line of Lot No. 4 a distance of 108.00	\$1,158.17

		feet to the place of beginning, and also all of the vacated North and South alley contained with the boundaries of the above described tract. PARCEL B: Lot 5, Block 2, in Suchomel's 2nd Addition to New Prague.	
SCOTT	24.001.0100	Lot 4, Block 16, Modified Plat of Phillips Addition to Praha (now New Prague), Scott County, Minnesota	\$105.31
SCOTT	24.002.0630	That part of Block 24, Philipps Second Addition to New Prague, Scott County, Minnesota, according to the plat thereof on file and of record in the Office of the Register of Deeds in and for Scott County, Minnesota, described as follows: Beginning at the Northeast corner of said Block 24; thence running West 165 feet; thence running South 66 feet; thence running east 165 feet; thence running North 66 feet to the place of beginning. AND Commencing at the Northeast corner of Block 24, Philipps Second Addition to the City of New Prague; thence West along the North line of Block 24 a distance of 165 feet; thence North parallel to the East line of Block 24 a distance of ((NOTE DELETE THIS: 'IF' TYPO IS IN ORIGINAL!!!!)) 8.25 feet; thence East parallel to the North line of said Block 24 a distance of 165 feet; thence South parallel to the East line of Block 24 a distance of 8.25 feet to place of beginning.	\$1,404.06
SCOTT	24.003.0090	Lot 6, Block 1, Philipp's Addition to Praha (now City of New Prague), together with that portion of vacated street accruing to premises by Resolution in Book 18 of Misc., Page 309.	\$186.20
SCOTT	24.003.0320	Lot 1, Lot 2, Lot 3, Lot 4 and Lot 5, all in Block 8, Philip's Addition to New Prague, and the North half of adjacent vacated First Street Northwest, Scott County, Minnesota	\$151.27
SCOTT	24.006.0200	Lot 5 and the South 10 feet of Lot 6, Block 3, PARK ADDITION to the City of New Prague, Scott County, Minnesota. AND The North 40 feet of Lot 6, Block 3, PARK ADDITION to the City of New Prague, Scott County, Minnesota, EXCEPTING the North 16.7 feet thereof.	\$166.37
SCOTT	24.011.0020	Lot 2, Block 1, Sun Rise Acres Third Addition to New Prague, Scott County, Minnesota	\$1,829.99
SCOTT	24.038.0010	LOT 1, BLOCK ONE, HALTERCREST ADDITION TO THE CITY OF NEW PRAGUE, SCOTT COUNTY, MINNESOTA	\$100.59
SCOTT	24.077.0200	Lots 4 and 5, Block 4, Highview Tenth Addition, Scott County, Minnesota.	350.82
SCOTT	24.106.0030	Unit 209, CIC Number 1144, a Condominium, Ranlin Townhomes North, Scott County, Minnesota.	\$248.90
SCOTT	24.115.0060	Unit No. 6, CIC No. 1173 Prague Meadows Condominium, Scott County, Minnesota.	\$142.08
SCOTT	24.934.1030	Parcel I: That part of the West 330.00 feet of the Northwest Quarter of the Southeast Quarter of Section 34, Township 113 North, Range 23 West, Scott County, Minnesota, described as	

	follows: Beginning at the intersection of a line parallel with and distant 33.00 feet East of the West line of said Northwest Quarter of the Southeast Quarter and a line parallel with and distant 135.00 feet North of the North line of Block 14, Saint Wenceslaus Addition to New Prague, according to the recorded plat thereof; thence Easterly along said parallel line a distance of 297 feet to the East line of said West 330.00 feet of the Northwest Quarter of the Southeast Quarter, thence Northerly along said East line a distance of 270.00 feet; thence Westerly parallel to said North line of Block 14 a distance of 297 feet to said line parallel with and distant 33.00 feet East of the West line of the Northwest Quarter of the Southeast Quarter; thence Southerly along said parallel line, a distance of 270 feet to the beginning. (Abstract) Parcel II: The West Ten (10) feet of the South Sixty-six (66) feet of the following described property: That part of the Northwest Quarter of the Southeast Quarter of Section 34, Township 113, Range 23, described as follows: Beginning at the Northeast corner of the West 330 feet of the Northwest Quarter of the Southeast Quarter of said Section 34; thence East along the North line of said Northwest Quarter of the Southeast Quarter a distance of 591 feet; thence South a distance of 685.15 feet, more or less, along a line which, if extended, would terminate at the Northeast corner of Block 9, Park Addition to New Prague, to a point distant 716.7 feet North of said Northeast corner of Block 9, as measured along said line extended; thence West parallel with the North lines of Block 9 and 10 of said Park Addition to New Prague a distance of 581.64 feet, more or less to the East line of said West 330 feet of the Northwest Quarter of the Southeast Quarter of Section 34; thence North 679.70 feet, more or less, to the point of beginning; excepting therefrom Lots 1, 2 and 3, Hendricks Addition to New Prague. (Torrens)	179.73
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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 J. TETZLAFF– CITY ADMINISTRATOR
FROM: KEN ONDICH – COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: PROPOSED AMENDMENTS TO 2025 OFFICIAL CITY FEE SCHEDULE
DATE: SEPTEMBER 29, 2025

Attached to this memo is a proposed amendment to the 2025 Official City Fee Schedule. Any language or fees that are proposed to change are highlighted in yellow.

The proposed amendments at this time include:

- Adding a fee for “Lower Potency Hemp Edible – Retailer” for both the first registration and annual renewal. This fee is authorized by City Code Chapter 121 but was not included in the fee schedule when initially adopted as it was not clear if a fee was authorized to be charged for this retailer category. It was recently clarified that the maximum fee is \$125 for the initial registration and annual renewal.
- Adding a fee for “Cannabis Microbusiness – Retailer Renewal” which is specific to cannabis microbusinesses in that the statute prohibits cities from charging an initial registration fee but does allow an annual renewal fee (similar to regular cannabis retailers). A microbusiness is allowed to grow, make and sell cannabis products on a small scale. The renewal fee is suggested at \$1,000 which matches the amount for cannabis retailers.

City Staff also notes that sometime after January 1st, the City’s THC Licensing ordinance (and associated licensing fees) will need to be repealed as the state is finally taking over THC licensing (now known as Lower Potency Hemp). For the time being, the City Attorney’s office recommends keeping the license in place as the Office of Cannabis Management (OCM) provided for a grace period until the end of the year to get all businesses transitioned to the state licenses and city registrations.

Staff Recommendation

Approval of the attached “Resolution Adopting An Official 2025 Fee Schedule”.

2025 OFFICIAL CITY FEE SCHEDULE	
(Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
ADMINISTRATIVE SERVICE CHARGES:	
Assessment Search (per parcel)	\$25.00
Nuisance/Code Violation Search (per parcel)	\$20.00
Nuisance Abatement Service Administrative Charge (per lot, per incident)	75.00 or 15% of Service Charge - Whichever is Greater
Nuisance Abatement Assessment Administrative Fee (only if assessed to taxes)	\$100.00 per property that is assessed
Utility Charges Assessment Administrative Fee (only if assessed to taxes)	\$100.00 per property that is assessed
NSF Charge	\$30.00
Special Meeting Fee for Park Board, Planning Commission and City Council as requested (workshops not included)	\$500.00 + \$50.00 per diem per member
Consent Assessment Administrative Fee	\$350.00
Employee Mileage	(Standard Federal IRS Rate)
Past Due and Delinquent Invoices (Non-Utility Bills)	1% Monthly Service Charge of Past Due Amount or \$1.00, whichever is greater
Overnight Parking Permit	\$10.00
Application for Deferral of Special Assessment	\$100.00
Subordination of Small Cities Development Program Agreements	\$150.00
Release of Deferred Assessment Certificate	\$100.00 (does not include recording fee)
City Repayment / Lien Agreement Verification Fee	\$30.00
MAPS:	
Small - Less than 11 x 17 (Color or Black and White)	\$1.20
Medium - 11 x 17 to 17 x 22 (Color or Black and White)	\$6.00
Large - Larger than 17 x 22 up to 34 x 44 (Color or Black and White)	\$24.00
Copy charge per page (Black and White)	0.35
Copy charge per page (Color)	0.65
Fax service per page	1.10
Notary (per document)	2.20
Custom GIS Maps (per hour)	99.00
PUBLIC WORKS SERVICES:	
<i>(Minimum 1 hour charge for all items below)</i>	
Mileage	(Standard Federal IRS Rate)
Sweeper	\$90.00/hr
Roller	\$60.00/hr
Loader	\$105.00/hr
Sewer Jetter	\$115.00/hr
Five Ton Dump Truck	\$115.00/hr
Tractor & Implements (mower, etc.)	\$75.00/hr
Gravel	Actual Cost
Blacktop	Actual Cost
Labor (during regular hours of 7:30AM - 3:45 PM)	\$75.00/hr
Labor (after hours)	\$94.00/hr
Labor (Sundays and Holidays)	\$125.00/hr
Skid Loader	\$65.00/hr
Lawn Mower	\$45.00/hr

2025 OFFICIAL CITY FEE SCHEDULE (Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
Pickup & Plow	\$85.00/hr
Parks Utility Vehicle	\$50.00/hr
Pick-up Truck	\$75.00/hr
Equipment rate to be charged at established rate plus actual labor costs	
Road Surface / Sidewalk Deposit	\$500.00
MISCELLANEOUS LICENSES/PERMITS:	
Bingo/Gambling License	\$20.00
Commercial Lawn Spraying License	\$30.00
Dance Permit	\$100.00
Tobacco / Cigarette License	\$200.00
THC License Application / Investigation Fee	\$200.00 (prorated towards registration fee as necessary)
THC License Annual Fee	\$350.00 (prorated towards registration fee as necessary)
Lower Potency Hemp Edible - Retailer (LPHE-R) Registration/Renewal Fee - Annual	\$125.00
Cannabis Microbusiness - Retailer Renewal Fee**** - Annual	\$1,000.00
Cannabis Retailer* Registration Fee**	\$500.00
Cannabis Retailer* Renewal Fee***	\$1,000.00
*Initial registration fee includes first annual renewal fee: a registration fee shall be charged at the time of the second renewal and each subsequent year. **Not to exceed 1/2 of the initial state license fee under M.S. 342.11. ***Not to exceed 1/2 of the renewal state license fee under M.S. 342.11 ****Cannot charge an initial registration fee.	
Dog License (includes dog park use)	\$15.00 per license year (no refunds or transfers)
Replacement Dog Tag	\$5.00
Peddlers/Transient Merchant License	\$30.00
Solicitor License / Permit (per person)	\$0.00
Golf Cart Operator Permit (annual)	\$30.00
Golf Cart Event Operation Permit (each event)	\$30.00
Class 2 ATV / Utility Task Vehicle Operator Permit (annual)	\$40.00
Adult Use License (annual)	\$3,000.00
Commercial Refuse Hauler License (up to 3 year license)	\$150.00 per year
Residential Refuse Hauler License (up to 3 year license)	\$150.00 per year
Fireworks Display Permit	\$50.00
Pawn Broker / Seconhand Goods Dealer Application Fee	\$500.00
Annual Pawn Broker License Fee	\$10,000.00 Annual
Filming Permit - Documentary	\$250 plus actual costs
Filming Permit - Low Impact Commercial	\$500 plus actual costs
Filming Permit - High Impact Commercial	\$1,000 plus actual costs
Large Assembly Permits	
Level A - New Event (single/mult. days, street closures, alcohol, fencing, live entertainment)	\$150.00
Level A - Repeat Event (single/mult. days street closures, alcohol, fencing, live entertainment)	\$75.00
Level B - New/Repeat Event (single/mult. days, sidewalk use, live entertainment)	\$50.00
Level C - New/Repeat Event (single day, park area, no live entertainment)	\$30.00
ROW Management	
Excavation Permit Fee	\$100.00
Small Wireless Facility Permit Fee	\$250/application for first 5 facilities, \$100 each after 5 (up to 15 max)

2025 OFFICIAL CITY FEE SCHEDULE	
(Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
Obstruction Permit Fee	\$50.00
Degradation Fee In Lieu of Restoration	Negotiated fee determined on a case by case basis.
Small Wireless Facility Agreement Fees (Set by M.S. 237.163 as may be amended)	
Collocation Rental Fee on City Structure	\$150 per year
Maintenance for Collocation Fee	\$25 per year
Monthly Electrical Service	
Per Radio Node Less than or equal to 100 maximum watts	\$73.00
Per Radio Node Over 100 maximum watts	\$182.00
Actual costs of electricity (if actual costs exceed foregoing fees)	See Electric Fees in this fee schedule
LIQUOR LICENSES:	
Off Sale Intoxicating	\$150.00
Off Sale 3.2% Malt Liquor	\$100.00
Small Brewer (Off Sale)	\$100.00
On Sale Intoxicating	3,000.00
On Sale 3.2% Malt Liquor	\$400.00
Brewer Taproom (On Sale)	\$400.00
Set-up License	\$300.00
Sunday Liquor	\$200.00
Temporary On Sale Non-intoxicating (1-4 days)	\$100.00
Temporary On Sale Intoxicating (1-4 days)	\$100.00
Wine License	\$500.00
License Investigation Fee - On/Off Sale Intoxicating	\$200.00
Application Fee	\$200.00
Premises Extension Permit for Alcohol on Temporary Patio	\$100.00
PUBLICATIONS:	
Audit Booklet	\$28.00
City Code of Ordinances	Free Online Viewing Only
Comprehensive Plan	Free Online Viewing Only
Comprehensive Utility Plans (each)	Free Online Viewing Only
Subdivision Ordinance	Free Online Viewing Only
Zoning Ordinance	Free Online Viewing Only
ZONING/SUBDIVISION APPLICATION FEES:	
Minor Subdivision Fee	\$400.00
Comprehensive Plan Amendment	\$660.00
Concept Review (Plats, CUP)	\$330.00
Conditional Use / Planned Unit Development Fee	\$550.00
Conditional / Interim Use Amendment	\$440.00
Interim Use Permit	\$550.00
Final Plat Application Fee	\$495.00
Final Plat Major Modification	\$440.00
RLS Review Fee	\$550.00
Building Relocation Deposit/Escrow	\$5,000.00
Preliminary Plat Application Fee	\$660.00

2025 OFFICIAL CITY FEE SCHEDULE	
(Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
Rezoning	\$550.00
Sign Permit (permanent)	\$82.00
Sign Permit (temporary - only need to pay one time per year)	\$33.00
Vacation Fee (Easements and Right of Way)	\$495.00
Zoning Code Amendment	\$550.00
Right of Way Encroachment Permit	\$330.00
Variance Fee	\$385.00
Residential Rental Inspection Fee (Valid for 2 to 4 years - See City Code for Details)	\$100 per building plus \$25 for each additional unit
Residential Rental Re-Inspection Fee (only for failing to keep a scheduled inspection or not fixing a violation found on a previous inspection)	\$50 per inspection
Zoning Verification Letter	\$55.00
2nd Kitchen Permit/Agreement	\$110.00
Bed and Breakfast Home/Inn License	\$110.00
Annexation Administration Fee - plus filing fees from state	\$605.00
Natural Landscape Permit Fee	\$220.00
Wetland Mitigation/Monitoring Escrow	\$1,760.00
PARK FACILITY RENTALS:	
Shelter (except Memorial Park Shelter)	
Resident (of City of New Prague)	\$33.00 plus sales tax
Non-resident	\$66.00 plus sales tax
Picnic Table Rental	\$17 plus sales tax per table (For tables not normally located at a shelter)
Damage Deposit (Shelter Rental)	\$100.00
Daily Use of Softball/Baseball Fields (Includes a picnic shelter at park)(Does not include dragging of the fields - contact the City for requests to drag fields for actual costs)	
Resident - One Field (\$30 for shelter and \$20 for field)	\$50.00 plus sales tax
Non-Resident - One Field (\$60 for shelter and \$40 for field)	\$100.00 plus sales tax
Resident - Two Fields (\$30 for shelter and \$20 for each field)	\$70.00 plus sales tax
Non-Resident - Two Fields (\$60 for shelter and \$40 for each field)	\$140.00 plus sales tax
Daily Use of Memorial Stadium Baseball Field (single game)	\$80.00 plus sales tax
Volleyball Court	\$10.00/day plus sales tax
Tournament Fees	
Memorial Park Softball Fields (Includes Memorial Park Shelter and both fields)	
One Day Tournament - Resident (\$30 for shelter and \$20 for each field)	\$70.00 plus sales tax
One Day Tournament - Non-Resident (\$60 for shelter and \$40 for each field)	\$140.00 plus sales tax
Two Day Tournament - Resident (\$30 for shelter and \$40 for each field)	\$110.00 plus sales tax
Two Day Tournament - Non-Resident (\$60 for shelter and \$80 for each field)	\$220.00 plus sales tax
Damage Deposit for Memorial Park Shelter Concession Stand	\$100.00
Temporary Liquor License for On-Sale 3.2 Malt Liquor (With Tournaments)	\$25.00
Memorial Stadium Baseball Field (Concessions to be Coordinated with the Orioles)	
One Day Tournament	\$160.00 plus sales tax
Additional Days of Tournament (Each)	\$160.00 plus sales tax
Memorial Park Baseball Stadium Team Fees	
Adult Teams	\$358.75 + \$40 per game played (plus sales tax)
Youth Teams	\$180.00 + \$40 per game played (plus sales tax)

2025 OFFICIAL CITY FEE SCHEDULE (Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
Adult Softball/Baseball League Fees (Annual - Not Including Teams Using Memorial Park Baseball Stadium)	
Teams Playing 2 Times a Week	\$358.75 plus sales tax
Teams Playing 1 Time a Week	\$301.25 plus sales tax
Fall League Teams (starting after Labor Day) 2 Times a Week	\$215.00 plus sales tax
Fall League Teams (starting after Labor Day) 1 Time a Week	\$107.50 plus sales tax
Youth Ball Team Fees (Annual)	
Teams Playing 2 Times a Week	\$180.00 plus sales tax
Teams Playing 1 Time a Week	\$151.25 plus sales tax
POLICE SERVICE CHARGES:	
Police Reports (incident print-out 1 to 100 pages)	\$0.25 per page
Copies of Audio and Visual media (media storage device may be CD, DVD, USB Flash Drive)	\$20.00 per media storage device
Computer Research, or copies over 100 pages	Charged on a case by case basis with actual costs determined for searching, retrieving, and making, certifying, compiling and electronically making copies of the data or the data itself.
Police Accident Reports	\$0.25 per page
Police Officer	\$130.00/hr
Fine for Public Use of Cannabis	\$100.00
BUILDING PERMITS:	
*Valuation determined by Building Official based on square footage and information from area municipalities.	
Building Permit	Fee Schedule - MN Statute 326B.153 + 0.05% + State Surcharge
Common Home Improvements	(Fixed valuation fees)
Re-roofing	\$110.00 + State Surcharge
Re-siding	\$110.00 + State Surcharge
Windows (Total Replacement - Sash Replacement Only is Exempt)	\$110.00 + State Surcharge
Front Door or Patio Door Replacement Only	\$44.00 + State Surcharge
Lower level finish	\$170.00 + State Surcharge
Swimming pool (above ground)	\$59.00 + State Surcharge+Planning Site Plan Review
Swimming pool (below ground)	\$360.00 + State Surcharge+Planning Site Plan Review
Deck	\$170.00 + State Surcharge+Planning Site Plan Review
Re-Decking	\$85.00 + State Surcharge
Pergola	\$60.00 + State Surcharge+Planning Site Plan Review
Bathroom Remodel	\$110.00 + State Surcharge
Plan Review	65.05% Building Permit Fee
Repetitive Plan Review	32.55% Building Permit Fee
Plumbing Permits	
Industrial, commercial, multi-residential	1.55% of valuation (\$75.00 min. + State Surcharge)
Residential - New construction (single/two family)	\$147.00 + State Surcharge
Residential - Bathroom finish	\$65.00 + State Surcharge
Residential - Lawn sprinkler	\$75.00 + State Surcharge
Residential - Water Treatment	\$65.00 + State Surcharge
Residential - Water Heater	\$65.00 + State Surcharge

2025 OFFICIAL CITY FEE SCHEDULE	
(Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
Repetitive Plan Review	
Residential - Miscellaneous	\$55.00 + State Surcharge
Mechanical Permits	
Industrial, commercial, multi-residential	1.55% of valuation (\$75.00 min. + State Surcharge)
Residential - HVAC system (single/two family)	\$147.00 + State Surcharge
Residential - Factory fireplace	\$65.00 + State Surcharge
Residential - Furnace replacement	\$65.00 + State Surcharge
Residential - Air conditioning	\$65.00 + State Surcharge
Residential - Garage heater	\$65.00 + State Surcharge
Residential - Air exchanger	\$65.00 + State Surcharge
Residential - Miscellaneous	\$65.00 + State Surcharge
Erosion Control, Turf Establishment and Tree Escrow (Residential)	\$1,650 (unused portion returned after warranty period)
Erosion Control, Turf Establishment and Landscaping Escrow (Commercial)	\$3,300 per acre (unused portion returned after warranty period)
Work without Permit	Double Permit Fee
Temporary Structures (more than 30 but less than 180 days)	\$82.00 per season
Demolition Permit	\$80.00 plus escrow on case by case basis as deemed needed
Move-In house pre-inspection	\$250.00 plus mileage if outside City Limits
Move-In accessory structure pre-inspection	\$100 plus mileage if outside City Limits
Lead certification verification fee	\$5.00
Change of Commercial Tenant	\$75.00
Other Inspection Fees	
A re-inspection fee may be assessed for each re-inspection when such portion of work for which inspection is called is not complete or when corrections called for are not made. Re-inspection fees may be assessed when the inspection record card is not readily available, approved plans are not readily available, failure to provide access on the the date for which the inspection is requested, or for deviating from plans requiring approval from the Building Official	
a. Inspection outside of normal business hours (minimum charge - 2 hrs)	\$82.00 per hour*
b. Re-Inspection fees assessed	\$82.00 per hour*
c. Inspection for which no fee is specifically indicated (minimum charge 1 hour)	\$82.00 per hour*
d. Additional plan review required by changes, additions or revisions to approved plans	\$82.00 per hour*
e. Use of outside consultants for plan checking and inspection, or both	Actual cost**
* Or the total hourly cost to jurisdiction, whichever is greatest. The cost shall include supervision, overhead, hourly wages and fringe benefits of the employee involved.	
** Actual cost includes administrative and overhead costs	
Planning Survey/Site Plan Review for commercial structures (non-refundable)	\$100 per hour
Planning Survey/Site Plan Review for New dwellings (non-refundable)	\$100.00
Planning Survey/Site Plan Review for Decks, additions and similar projects	\$50.00
Engineering Survey/Site Plan/Grading Plan Review by City Engineer	Actual Costs
Refunds	No more than 80% of the permit fee will be refunded. Requests must be in writing within 180 days of date permit is applied for. No refunds for plan review fees.
FIRE INSPECTION FEES:	

2025 OFFICIAL CITY FEE SCHEDULE (Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
Fire protection equipment (Sprinkler Systems, etc.)	Fee Schedule - MN Statute 326B.153 + 0.05% + State Surcharge
Flammable/Combustible Liquid Storage	\$115.00 for first tank and \$82.00 for each additional tank
Flammable/Combustible Liquid Storage Install Plan Review	\$88.00 per tank
Plan Review	65.05% of permit fee
Daycare/Childcare License Inspection	\$60.00
CONNECTION PERMIT CHARGES:	
Sewer Connection Charge (Total)	\$7,150 per REU
Trunk Fund at 17%	\$1,215.50
WWTF Fund at 83%	\$5,934.50
Water Connection Charge	
Residential - single family - 1" line	\$1,800.00
Residential - townhouse unit (75% of REU)	\$1,350.00
Commercial / Industrial / Institutional	\$1,800.00 per REU
(Based on Met. Council Service Availability Charge Manual)	
Water Meters	
3/4" meter and equipment	\$400.00 and is subject to change per vendor pricing
1" meter and equipment	\$450.00 and is subject to change per vendor pricing
1-1/2" meter and equipment	\$1080.00 and is subject to change per vendor pricing
2" meter and equipment	\$1300.00 and is subject to change per vendor pricing
3" meter and equipment	To be quoted at time of purchase
4" meter and equipment	To be quoted at time of purchase
Pressure Reducer Valve	\$225.00 and is subject to change per vendor pricing
DEVELOPMENT FEES:	
Park Dedication Fee	
Land Dedication Requirement	
Land Requirement	Commercial/Industrial Per Capita Share: 282 sq. ft. per employee
	Residential Per Capita Share: 815 sq. ft. per resident
Building Permit Fee	.25% of value of residential dwelling unit*
	*applicable only to residential lots platted prior to April 25, 2010
Fee in Lieu of Land Based on Land Requirement	Fair Market Value of the Buildable Unplatted Land x Land Requirement
Water Area Access Charge	\$2814.00/ac.
Emergency Warning Siren Area Charge	\$165/ac
Sidewalk Fee	\$55 per lot
Saw and Seal Fee (Developer Installed Roadways)	\$3.50/lineal foot (Saw Joint Every 40' of new road)
Municipal Electric Development Fees (costs subject to change per material pricing)	
Development Electric Service Install and Material Cost	At cost plus 15%
Street Lights (NPUC Standard Light)	\$1,850/light and is subject to change per vendor pricing
Street Lights Other than NPUC Standard (All Fixtures Require NPUC Approval)	At-Cost Plus 15%
Street Light Wire and Conduit	\$2.25/ft
Road Crossing Conduit Pricing - Based on 4" PVC	\$9.00/ft

2025 OFFICIAL CITY FEE SCHEDULE	
(Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
Road Crossing Conduit Pricing - Other than 4" PVC	At-Cost Plus 15%
Winter Construction Frost Charges (November 1st through April 15th)	Additional \$5.00/ft
Winter Construction Equipment Charges (November 1st through April 15th)	\$150.00/per piece of equipment
MISCELLANEOUS	
Memorial plaques	
5" x 8" engraved tree plaque	\$83.00 or actual cost
4" x 6" engraved metal bench plaque	\$.40 per letter or actual cost
Wooden Post for Plaques	\$75.00 or actual cost
Memorial trees	\$300.00 or actual cost
Memorial benches	
6' metal coated	\$490.00 or actual cost
MUNICIPAL FINANCING APPLICATION FEES:	
Tax Increment Financing Application Fee (plus city expenses)	\$1,200.00
Tax Abatement (plus city expenses)	\$1,200.00
Tax Exempt Financing	\$1,200.00
*All costs incurred by the City for TIF, Abatement, and Tax Exempt Financing applications will be billed seperately. Such costs include, but are not limited to, costs for legal, fiscal, and staff time.	
UTILITY BILLING RATES:	
WATER:	
Water (Base) Rates	
5/8" or 3/4" meter	\$18.10/billing cycle
1" meter	\$18.81/billing cycle
1 1/2" meter	\$18.96/billing cycle
2" compound meter	\$39.17/billing cycle
3" compound meter	\$44.46/billing cycle
4" compound meter	\$64.83/billing cycle
6" compound meter	\$95.66/billing cycle
Multi-Dwelling Units (with one water meter)	\$13.69/monthly per unit
Multi-Dwellings constructed after 1-1-2025 (with one water meter)	Base Rate \$18.10 / unit per monthly billing cycle
Water Rate	\$4.89/1,000 gallons Non Summer (Oct 1 - May 31) \$5.89/1000 gallons (June 1- Sept 30)
Water Rate for City Golf Course (All Months)	\$4.65/ 1000 gallons
Bulk Water Charge	\$35.00/1000 gallons
Bulk Water Loading Charge	\$40.00/ load
Pool fill metered from Fire Hydrant	\$75.00 meter set up fee & water charge \$8.50/ 1000 gallons
Water Conservation Violation Fines	
First Day	\$50/day
Each Additional Day	\$100/day
Minnesota Department of Health Water Service Connection Fee	\$.81/Month Subject to change per Minnesota Department of Health
REFUSE:	
Yard Waste Site Fee	\$0.40/month added to residential utility accounts

2025 OFFICIAL CITY FEE SCHEDULE	
(Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
SANITARY:	
Sanitary Sewer Rate	\$11.50 base rate + \$16.99/1,000 gallons
STORM:	
Storm Sewer Rate	
Base Rate (Used in the formula for storm sewer charges: Base Rate x Acres x REF)	\$17.05
ELECTRIC:	
Electric Rates	
Residential	\$16.82 Customer Charge & \$0.1369/kWh
Commercial	\$32.86 Customer Charge & \$0.1302/kWh
Small Industrial	\$68.04 Customer Charge & \$13.76/kw Demand & \$0.0753/kWh
Industrial	\$120.00 Customer Charge & \$14.14/kw Demand & \$0.0753/kWh
Large Industrial	\$140 Customer Charge \$17.20/kw Demand & \$0.0753/kWh
Interruptible	\$32.86 Customers Charge & \$0.0945/kWh
Street Light Rental - Residential LED Light Fixture on 23' Fiberglass Pole	\$25.00/month
Street Light Rental - Commercial LED Light Fixture on 35' Fiberglass Pole	\$35.00/month
Security Lights - Rental	\$12.35/month
City Street Light (LED less than 100 watt)	\$12.60/month
City Street Light (LED 100 watt or more)	\$16.25/month
Metered Street Lights (Current non LED Fixtures)	\$12.60 Customer Charge & \$0.1469/kWh
Metered Street Lights (LED Fixtures)	\$12.60 Customer Charge & \$0.2500/kWh
Peak Alert Rate (Customer Owned Generation)	
Customer Charge	\$138.60/month
Demand Charge	\$4.41/kW
Energy Charge	\$0.0797/kWh
Off Peak	
Summer Energy Charge (June through September)	\$0.0839/kWh
Winter Energy Charge (October through May)	\$0.0710/kWh
Off Peak Load Control Credit	\$5.00/monthly (non-metered)
Car Charging (Time of Use)	
10pm - 8am	\$0.0822/kWh
8am - 10pm	\$0.2507/kWh
Whole House Time of Use Rate	
Customer Charge	\$16.82/month
8am - 10pm	\$0.1683/kWh
10pm - 8am	\$0.084/kWh
Solar Grid Access Charge	First 3kW Free, then billed \$4.50/kW/Month based on rated AC output of solar array
Residential Solar Reimbursement Under 40kW	\$0.1369/kWh
Energy Cost Adjustment (ECA)	Based on additional charge or credit of wholesale energy / kWh
Residential Electric Service Install Fees (costs subject to change per material pricing)	
200 Amp Residential Underground Service - Up to 100' In Length	1,600.00 (includes 200A Disconnect)
Additional Charge for 200 Amp Service Installs Over 100'	\$6.00/ft
Winter Frost Charges will be applied November 1st through April 15th	Additional \$5.00/ft
Service Conduit (If Needed)	\$7.00/ft

2025 OFFICIAL CITY FEE SCHEDULE	
(Amendments Effective 10/6/25)	
	2025 Fee (In Dollars)
Residential Service - Over 200 Amp	At-Cost Plus 15%
Other Utility Service Drops (Materials Provided by Service Provider)	\$150.00/service duct
Other Utility Service Drops Winter Installation (November 1st through April 1st)	\$200.00/service duct
Electric Service Connection Charges	
Commercial Electric Service Connection Charge	Billed Per Policy of the New Prague Utilities Commission
UTILITY EQUIPMENT:	
Bucket / Digger Truck	\$135.00/hr
Service Truck	\$75.00/hr
Skid Loader	\$60.00/hr
Tractor Backhoe	\$100.00/hr
Trencher	Quoted Per Foot
Directional Bore	Quoted Per Foot
DEPOSITS:	
Residential Electric	\$150.00
Residential Water	\$50.00
Residential Sanitary Sewer	\$100.00
Small Industrial, Industrial and Large Industrial Electric	2 months estimated consumption based on load & demand w/\$300.00 min
Commercial Electric	2 months estimated consumption based on load & demand w/\$150.00 min
Commercial Water	2 months estimated consumption with a \$100.00 minimum
Commercial Sanitary Sewer	2 months estimated consumption with a \$100.00 minimum
DISCONNECTION/RECONNECTION OF UTILITIES:	
During Work Hours (8:00AM to 4:30PM)	\$35.00 plus sales tax
After Work Hours	\$150.00 plus sales tax
MISCELLANEOUS:	
Fire Hydrant Maintenance (Annual per private hydrant)	\$60.00/hr, minimum 1hr
Water System Flow Testing	\$200.00/hr, minimum 1hr
Irrigation Meter Connection/Disconnection Fee	\$70.00/hr
Temporary Service Connection Fee - Residential	200.00
Temporary Service Connection Fee - Commercial	Cost based on type & size of service
Utility Line Worker Labor Rate	\$87.50/hr during normal business hours, \$140.00/hr all other hours
Utility Line Worker Labor Rate for Mutual Aid with other Utilities	\$140.00/hr all hours
Interest Rate for customer deposits (water and electric)	Rate as Published on Department of Commerce Website - based on MN Statute 325E.02(B)

CITY OF NEW PRAGUE
RESOLUTION #25-10-06-03

RESOLUTION ADOPTING AN AMENDED OFFICIAL 2025 FEE SCHEDULE

WHEREAS, several sections of the City Code allow the City Council to adopt permit fees which will be effective in the City; and,

WHEREAS, City Staff has reviewed and suggested changes to the existing 2025 Fee Schedule that would become effective with the amendment; and,

NOW, THEREFORE BE IT RESOLVED, by the City Council of New Prague, MN, that the attached 2025 Official City Fee Schedule is hereby **approved** as amended and will become effective on 10/6/2025, until further amended.

This resolution is approved effective immediately upon its passage and without publication.

Adopted by the City Council of the City of New Prague on this 6th day of October, 2025.

Charles L. Nickolay, 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 TETZLAFF, CITY ADMINISTRATOR
SUBJECT: APPROVING ISSUANCE OF EDA BONDS AND LEASES
DATE: OCTOBER 3, 2025

In August 2025, the City Council authorized the EDA to move forward with the issuance of EDA Lease Revenue Bonds with the direction to own the City’s police station and lease it back to the City. At its meeting in September, the EDA approved a pre-sale of bonds in the amount of \$10,130,000.

The EDA is set to have its bond sale on October 7, 2025, and approve that bond sale on October 8, 2025, at its regular meeting. As part of this process, Kennedy & Graven has provided the attached resolution for the City Council to consider, which would formally approve the sale of those bonds on Wednesday (10/8) by the EDA.

This resolution would also approve the two attached agreements. The first agreement would be an agreement to lease the ground the police station sits on to the EDA. The second agreement would then lease the police station building back to the City.

This resolution and the two lease documents were drafted and reviewed by Kennedy & Graven.

Recommendation

Staff recommends approval of Resolution #25-10-06-04, Approving the Issuance of Lease Revenue Bonds (City of New Prague, Minnesota Police Facility Lease), Series 2025C, by the New Prague Economic Development Authority; and Authorizing the Execution and Delivery of Lease Documents.

EXTRACT OF MINUTES OF MEETING
OF THE CITY COUNCIL OF THE
CITY OF NEW PRAGUE
SCOTT COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of New Prague was duly held on October 6, 2025, commencing at 6:00 o'clock p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 25-10-06-04

RESOLUTION APPROVING THE ISSUANCE OF LEASE REVENUE BONDS (CITY OF NEW PRAGUE, MINNESOTA POLICE FACILITY LEASE), SERIES 2025C, BY THE NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY; AND AUTHORIZING THE EXECUTION AND DELIVERY OF LEASE DOCUMENTS

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

Section 1. Background.

1.01. Statutory Authorization. The City is authorized by Minnesota Statutes, Section 465.71, as amended, to acquire real and personal property under lease-purchase agreements.

1.02. Lease Agreements. The City has agreed with the New Prague Economic Development Authority (the “Authority”) that pursuant to a Ground Lease (the “Ground Lease”) between the City, as lessor, and the Authority, as lessee, the Authority will acquire certain property from the City (the “Site”), and the Authority will lease such property, together with the buildings, structures or improvements now or hereafter located thereon (the “Facilities”), to the City pursuant to a Lease with Option to Purchase Agreement (the “Lease”) between the Authority, as lessor, and the City, as lessee.

1.03. Issuance of the Bonds. Pursuant to a resolution to be considered on October 8, 2025 (the “Bond Resolution”), the Authority will authorize the issuance of its Lease Revenue Bonds (City of New Prague, Minnesota Police Facility Lease), Series 2025C (the “Bonds”), in the proposed aggregate principal amount of \$10,130,000.

1.04. The Project. Pursuant to the Bond Resolution, proceeds of the Bonds will be used to pay costs of the construction and equipping of a new police facility (the “Improvements”) on the Site, all as described in the Lease.

1.05. Forms of Documents. Forms of the Ground Lease and the Lease have been prepared and submitted to the Council and are on file with the City.

Section 2. Findings. On the basis of information given the City to date, it is hereby found, determined and declared that:

(a) It is desirable and in the best interest of the City to enter into the Ground Lease and the Lease.

(b) The terms of the Ground Lease and the Lease are found to be advantageous to the City and the form and terms thereof are hereby approved.

(c) The Site and the Facilities described in the Lease constitute essential government property, and the City presently intends to appropriate all Lease Payments under the Lease for the term of the Lease; however, the obligations of the City under the Lease are not to be payable from nor charged upon any funds of the City other than the funds appropriated annually to the payment thereof, and the Lease shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City except its interest in the Lease and in the Site and the Facilities under the Lease.

Section 3. Authorization of Documents. The Mayor and the City Administrator are authorized and directed to execute and deliver the Ground Lease and the Lease on behalf of the City, substantially in the forms on file with the City, but with all such changes therein as shall be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof. Copies of all of the transaction documents shall be delivered, filed and recorded as provided therein. The Mayor, the City Administrator and other City officers are also authorized and directed to execute such other documents, certificates and instruments as may be required to give effect to the transactions herein contemplated.

Section 4. Payment of Lease Payments. The City will pay to the Bond Registrar, promptly when due, all of the Lease Payments and other amounts required by the Lease. To provide moneys to make such payments, the City will include in its annual budget, for each Fiscal Year during the term of the Lease, commencing with the Fiscal Year ending on December 31, 2025, moneys sufficient to pay and for the purpose of paying all Lease Payments, a reasonable estimate of Additional Lease Payments, and other amounts payable under the Lease. The City will approve its annual budget no less than three months prior to any Lease Payment paid with a tax levy or other moneys included in that annual budget. The agreement of the City in this section is subject to the City’s right to terminate the Lease at the end of any Fiscal Year, as set forth in Section 5.6 of the Lease. Capitalized terms used here that are otherwise not defined shall have the meanings provided in the Lease or the Bond Resolution.

Section 5. Approval of Issuance and Sale of Bonds. The issuance and sale of the Bonds by the Authority as described in the Official Statement and the Bond Resolution is hereby approved in all respects. The City will pay, from proceeds of the Bonds or from other City funds, the costs of issuance of the Bonds.

Section 6. Authentication of Transcript.

6.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

6.02. Certification as to Official Statement. The Mayor and the City Administrator are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

6.03. Other Certificates. The Mayor and the City Administrator are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the Authority or incumbency of its officers, at the closing the Mayor and the City Administrator shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation.

6.04. Electronic Signatures. The electronic signature of the Mayor and the City Administrator to this resolution and any document or certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the Authority thereto; provided, however, that the Ground Lease and the Lease shall be executed with the original signatures of the Mayor and the City Administrator. For purposes hereof, (i) “electronic signature” means: (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 7. Continuing Disclosure.

7.01. Execution of Continuing Disclosure Certificate. “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate to be executed by the Mayor and the City Administrator of the City and the President and the Executive Director of the Authority and dated as of the date of issuance of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

7.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate substantially in the form on file with the City. Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

In addition, pursuant to a resolution adopted by the Board of Commissioners of the Authority on October 8, 2025 (the “Bond Resolution”), the Authority covenants and agrees that it will comply with and carry out all of the Authority’s provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Bond Resolution, failure of the Authority to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under the Bond Resolution.

Section 8. Tax Covenants. The City covenants and agrees with the Owners from time to time of the Bonds that the investment of proceeds of the Bonds, including the investment of any revenues pledged to the Lease Payments which are considered proceeds under applicable regulations, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable regulations thereunder, and that the City shall comply with all other applicable requirements of Section 148. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby certifies that it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be “arbitrage bonds” under Section 148 and any regulations thereunder. The Site, the Facilities and the proceeds of the Bonds will likewise be used in such manner that the Bonds

will not be “private activity bonds” under Section 141 of the Code and applicable regulations. The City covenants that it will file (or cause the Authority to file) with the Internal Revenue Service the information required under Section 149(e) of the Code.

Section 9. Effective Date. This resolution shall be effective immediately upon its final adoption.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

New Prague City Council

Charles Nickolay

ATTEST:

Joshua M. Tetzlaff

STATE OF MINNESOTA)
)
COUNTY OF SCOTT) ss.
)
CITY OF NEW PRAGUE)

I, the undersigned, being the duly qualified City Administrator of the City of New Prague, Scott County, Minnesota (the “City”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on October 6, 2025, with the original minutes on file in my office, and the extract is a full, true, and correct copy of the minutes insofar as they relate to they relate to authorizing the issuance of the New Prague Economic Development Authority’s Lease Revenue Bonds (City of New Prague, Minnesota Police Facility Lease), Series 2025C.

WITNESS My hand officially as such City Administrator this _____ day of October, 2025.

Joshua Tetzlaff
City Administrator
City of New Prague, Scott County, Minnesota

GROUND LEASE

between

**CITY OF NEW PRAGUE, MINNESOTA,
as Lessor**

and

**NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY,
as Lessee**

Dated as of October 1, 2025

Related to:

**\$10,130,000
New Prague Economic Development Authority, Minnesota
Lease Revenue Bonds
(City of New Prague, Minnesota Police Facility Lease)
Series 2025C**

This instrument drafted by:

KENNEDY & GRAVEN, CHARTERED (PAM)
150 South Fifth Street, Suite 700
Minneapolis, Minnesota 55402
(612) 337-9300

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GROUND LEASE

THIS GROUND LEASE, dated as of October 1, 2025 (the “Ground Lease”), is between the CITY OF NEW PRAGUE, MINNESOTA, a statutory city and political subdivision of the State of Minnesota, as lessor (the “City”), and the NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota, as lessee (together with its successors and assigns as lessee hereunder, the “Authority”).

WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEMISE OF SITE AND WARRANTIES

Section 1.01. Demise. Subject to and upon the terms, conditions, covenants and undertakings hereinafter set forth, the City hereby leases and permits the use to, and the Authority hereby leases from the City, the property described in EXHIBIT A attached hereto, located in Scott County, Minnesota (the “Site”).

Section 1.02. Warranties. The City covenants and warrants to the Authority:

- (1) That the City has good and merchantable title to the Site, has authority to enter into, execute and deliver this Ground Lease, has duly authorized the execution and delivery of this Ground Lease and has duly executed and delivered this Ground Lease;
- (2) That the Site is not subject to any dedication, easement, right-of-way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the alteration, improvement or operation of certain facilities (the “Facilities”) on the Site, as contemplated by that certain Lease with Option to Purchase Agreement by and between the City and the Authority of even date herewith (hereinafter called the “Lease”);
- (3) That all taxes, assessments or impositions of any kind with respect to the Site, except current taxes, have been paid in full;
- (4) That the Site is properly zoned for the purpose of the Facilities; and
- (5) That the City has authority to enter into, execute and deliver the Lease, has duly authorized its execution and delivery, and has duly executed and delivered the Lease.

Section 1.03. Environmental Covenant. To the knowledge of the City, without conducting an investigation, (i) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating thereto (collectively, the “Environmental Regulations”), and also including urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Site and the Facilities to any damages, penalties or liabilities under any applicable Environmental Regulation (collectively, the “Hazardous Substances”) are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon,

under, over or from the Site or the Facilities in violation of any Environmental Regulation; (ii) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Site into the environment; (iii) the Site has not been used as or for a mine, a landfill, a dump or other disposal facility, an industrial or manufacturing facility, or a gasoline service station; (iv) no underground storage tank is located at the Site or has previously been located therein but has been removed therefrom; (v) no violation of any Environmental Regulation now exists relating to the Site or the Facilities, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Site or the Facilities by any governmental entity or agency which in any way relates to Hazardous Substances; (vi) no person, party or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in clause (i) above; (vii) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under, over or from the Site; (viii) the Site is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and (ix) the Site is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

The City shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Site or the Facilities in violation of any Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulation; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; and shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulations which are applicable to the Site and the Facilities.

In the event any Hazardous Substance is found upon, under, over or from the Site or the Facilities in violation of any Environmental Regulation or if any lien or claim for lien in favor of any governmental entity or agency as a result of any release of any Hazardous Substance is threatened, the City, at its sole cost and expense, shall, within ten days of such finding, deliver written notice thereof to the Authority and shall promptly remove such Hazardous Substances upon, under, over or from the Site or the Facilities and prevent the imposition of any liens against the Site or the Facilities for the cleanup of any Hazardous Materials. Such removal shall be conducted and completed in compliance with all applicable federal, state and local laws, regulations, rules, ordinances and policies, in accordance with the orders and directives of all federal, state and local governmental authorities. In the event the City has not removed such Hazardous Substances within a time period deemed reasonable by the Authority, the City shall, at the written direction of the Authority, take such remedial action as the Authority shall direct. In the event the City shall not comply with the written directions of the Authority within the time frame established within its written directions, the City hereby grants to the Authority an irrevocable license to remove Hazardous Substances from, repair, clean up, and detoxify the Site and the Facilities and agrees to reimburse the Authority for all of its costs therefor.

The City further agrees, to the extent permitted by Minnesota law, to reimburse the Authority for any and all judgments, penalties, liabilities, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Authority (prior to trial, at trial and on appeal) in any action against or involving the Authority, resulting from any breach of the foregoing covenants, or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from the Site or the Facilities, whether or not the City is responsible therefor, it being the intent of the City and the Authority that the Authority shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused

by, for abatement and/or clean up of, or otherwise with respect to, Hazardous Substances by virtue of the interest of the Authority in the Site and the Facilities pursuant to this Ground Lease, or hereafter created, or as the result of the Authority exercising any of its rights or remedies with respect thereto hereunder or under any other instrument, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure. The foregoing representations, warranties and covenants of this Section shall be deemed continuing covenants, representations and warranties for the benefit of the Authority, including but not limited to any purchaser at a foreclosure sale, any transferee of the title of the Authority or any other purchaser at a foreclosure sale, and any subsequent owner of the Site or the Facilities, and shall survive the satisfaction or release of this Ground Lease, any foreclosure of a mortgage lien under any instrument, and/or any acquisition of title to the Site or the Facilities or any part thereof by the Authority, by deed in lieu of foreclosure or otherwise. Any amounts covered by the foregoing shall bear interest from the date incurred at the maximum rate permitted by law and shall be payable on demand.

ARTICLE II

TERM AND RENT

Section 2.01. Term. The term of this Ground Lease shall commence as of the day and year first above written, and shall end on the date the term of this Ground Lease is terminated in accordance with Section 3.01 hereof.

Section 2.02. Rent. The rent for the entire term of this Ground Lease shall be One Dollar (\$1.00), payable in one installment in advance of the Closing.

ARTICLE III

TERMINATION

Section 3.01. Termination. Subject to the other provisions of this Ground Lease, this Ground Lease shall terminate upon the occurrence of any one of the following events:

- (1) The payment by the City of all Lease Payments owing by the City as lessee under the Lease.
- (2) The exercise by the City of its option to prepay the Lease Payments and all other sums due in accordance with the terms and conditions of the Lease.
- (3) The termination of the Lease Term by the City for non-appropriation pursuant to Section 5.6 of the Lease and the receipt by the Authority of amounts from the sublease or other disposition of the Authority’s interest in the Site and the Facilities sufficient to:
 - (a) reimburse the Authority for all administrative costs and expenses, including reasonable attorneys’ fees, incurred by the Authority as a result of the termination of the Lease Term and the sublease or sale of the Authority’s interest in the Site and the Facilities;
 - (b) reimburse the Authority for all capital costs and expenses in any manner incurred by the Authority with respect to preparing the Site and the Facilities for sublease for commercial or other lawful purposes (as used in this Ground Lease, the right to sublease the Site includes the right to sell all leasehold interests in the Site); and

(c) pay the unpaid principal of and interest on the Bonds described in the Lease.

(4) The termination of the Lease Term upon the occurrence of an Event of Default by the City under Article X of the Lease and the receipt by the Authority of amounts from the sublease or sale of the Authority’s interest in the Site and the Facilities sufficient to:

(a) reimburse the Authority for all administrative costs and expenses, including reasonable attorneys’ fees, incurred by the Authority as a result of the Event of Default and the termination of the Lease and the sublease or sale of the Authority’s interest in the Site and the Facilities;

(b) reimburse the Authority for all capital costs and expenses in any manner incurred by the Authority with respect to preparing the Site and the Facilities for sublease for commercial or other lawful purposes; and

(c) pay the unpaid principal of and interest on the Bonds described in the Lease.

The amounts referred to in clauses (a), (b) and (c) of subsection (3) or (4) above, as applicable, are hereinafter referred to as the “Reimbursement Amount.”

Section 3.02. Use of Revenues. After termination of the Term of the Lease by the City because of non-appropriation pursuant to Section 5.6 of the Lease or termination of the Term of the Lease upon the occurrence of an Event of Default under Article X of the Lease, revenues received by the Authority from the Site and the Facilities as contemplated in Section 3.01(3) or (4) shall be applied as follows:

- | | | |
|--------|----|--|
| FIRST | -- | an amount thereof equal to ongoing administrative costs and costs of operation of the Site and the Facilities may be retained by the Authority; |
| SECOND | -- | an amount thereof equal to interest on the outstanding Reimbursement Amount at the rates per annum specified in Exhibit B to the Lease may be retained by the Authority; and |
| THIRD | -- | any remaining amount thereof shall be retained by the Authority and credited to the payment of the Reimbursement Amount. |

Use of the Site and the Facilities by the Authority or any affiliate of the Authority, other than for the purpose of assuming control, making any necessary changes in the Site or the Facilities, and the initial subleasing thereof, shall be treated as the sublease thereof on a monthly basis at the then current monthly value.

Section 3.03. Reports. In the event that the Term of the Lease is terminated by the City because of non-appropriation pursuant to Section 5.6 of the Lease or terminated by the Authority as a result of the occurrence of an Event of Default by the City thereunder, the Authority shall keep complete and accurate records regarding any sublease of the Site and the Facilities and shall, within sixty days after the end of each Fiscal Year of the City, deliver a written report to the City showing: (a) all amounts received by the Authority from any sublease of the Site and the Facilities; (b) an analysis as to whether the Authority has received the Reimbursement Amount, with all supporting calculations; and (c) the date, if any, during the next Fiscal Year of the City on which the Authority expects to receive the Reimbursement Amount. Such

written report shall be verified by a certified public accountant or firm of certified public accountants not in the regular employ of the Authority. The City shall have the right, at its own expense, to examine all of the Authority's records insofar as they relate to the Site and the Facilities. Such examination shall be made at the Authority's offices during normal business hours.

Section 3.04. City's Option to Pay Reimbursement Amount. In the event that the Lease Term is terminated by the City because of non-appropriation pursuant to Section 5.6 of the Lease or terminated by the Authority as a result of the occurrence of an Event of Default by the City thereunder, the unpaid balance of the Reimbursement Amount and any other payment required under Section 3.02 hereof may be paid by the City at any time. Upon such payment, this Ground Lease and the Authority's interest in the Site and the Facilities shall terminate; provided that if the Authority's interest in the Site or the Facilities has been subleased to any sublessee pursuant to any sublease that is still in effect, this Ground Lease shall not terminate, but the Authority shall assign and set over to the City all of the Authority's interest in the Site and the Facilities granted under this Ground Lease, subject to all existing rights created in the Site and the Facilities by all such subleases, and the City shall be entitled to all rent payments with respect to any subleases of the Site and the Facilities.

Section 3.05. Effect of Termination of Lease. In the event that the Lease Term is terminated by the City because of non-appropriation pursuant to Section 5.6 of the Lease or terminated by the Authority as a result of the occurrence of an Event of Default by the City thereunder, the City shall have no continuing obligation under this Ground Lease after such termination, other than to continue to allow the Authority to continue to use and enjoy the Site and the Facilities as provided herein.

ARTICLE IV

USE OF SITE; ADDITIONAL COVENANTS

Section 4.01. Use. The Authority shall not use or permit the use of the Site for any unlawful purpose.

Section 4.02. Quiet Enjoyment. The City covenants that upon the Authority's paying the rent reserved herein, and performing all conditions and covenants set forth in this Ground Lease and the Lease, the Authority shall and may peaceably have, hold and enjoy the Site for the term of this Ground Lease. The Authority covenants that upon expiration of this Ground Lease, it shall give the City peaceable possession of the Site, together with the Facilities and any other improvements constructed thereon pursuant to the Lease.

Section 4.03. Assignment and Subletting. The Authority shall have the right to assign its interest in this Ground Lease, and to sublet the Site in accordance with the Lease.

Section 4.04. Additional Covenants. In the event that any person or entity, however organized (other than the Authority or any assignee of the Authority), shall be determined to hold any interest that in any manner affects the City's good and merchantable title to the Site, the City shall use its best efforts to acquire the interest so held, such acquisition to be made at the City's sole cost and expense. The City hereby agrees to save and keep harmless the Authority, or any assignee of the Authority, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees, but only in the event that litigation is actually commenced by the Authority) of whatever kind and nature, imposed on, incurred by or asserted against the Authority, or any assignee of the Authority, that in any way relate to or arise out of the assertion of any interest affecting the City's good and merchantable title to the Site by any person or entity, however organized (other than the Authority or any assignee of the Authority).

ARTICLE V
MISCELLANEOUS

Section 5.01. Binding Effect. This Ground Lease shall be binding upon, and inure to the benefit of, the parties hereto, and their successors and assigns.

Section 5.02. Definitions. Unless the context hereof clearly requires otherwise, capitalized terms used in this Ground Lease and defined in the Lease are used herein with the same meanings as set forth in the Lease.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the City has caused this Ground Lease to be executed in its corporate name by its duly authorized officers and sealed with its corporate seal; and the Authority has caused this Ground Lease to be executed in its name by its duly authorized officers, as of the date and year first written above.

CITY OF NEW PRAGUE, MINNESOTA

By _____
Its Mayor

(SEAL)

By _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the Mayor of the City of New Prague, Minnesota, a statutory city and political subdivision of the State of Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the City Administrator of the City of New Prague, Minnesota, a statutory city and political subdivision of the State of Minnesota, on behalf of the City.

Notary Public

Execution page of the Authority to the Ground Lease, dated as of the date and year first written above.

**NEW PRAGUE ECONOMIC DEVELOPMENT
AUTHORITY**

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025,
by _____, the President of the New Prague Economic Development Authority, a public body
corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025,
by _____, the Executive Director of the New Prague Economic Development Authority, a public
body corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

Notary Public

EXHIBIT A
LEGAL DESCRIPTION OF SITE

LEASE WITH OPTION TO PURCHASE AGREEMENT

between

**NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY,
as Lessor**

and

**CITY OF NEW PRAGUE, MINNESOTA,
as Lessee**

Dated as of October 1, 2025

Related to:

**\$10,130,000
New Prague Economic Development Authority
Lease Revenue Bonds
(City of New Prague, Minnesota Police Facility Lease)
Series 2025C**

This instrument drafted by:

KENNEDY & GRAVEN, CHARTERED (PAM)
150 South Fifth Street, Suite 700
Minneapolis, Minnesota 55402
(612) 337-9300

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LEASE WITH OPTION TO PURCHASE AGREEMENT

THIS LEASE WITH OPTION TO PURCHASE AGREEMENT, dated as of October 1, 2025 (the “Lease”), is between the NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota, as lessor (the “Authority”), and the CITY OF NEW PRAGUE, MINNESOTA, a statutory city and political subdivision of the State of Minnesota, as lessee (the “City”).

WITNESSETH:

WHEREAS, the City is authorized by law to acquire such items of real and personal property as are needed to carry out its governmental and proprietary functions, and to acquire such real and personal property by entering into lease-purchase contracts; and

WHEREAS, the City has determined that it is necessary for it to acquire, pursuant to this Lease, the Authority’s interest in certain real property described on EXHIBIT A hereto (the “Site”), together with the construction of a new Police Facility in the City (the “Improvements”) and all buildings, structures and improvements constructed and to be constructed thereon, and certain equipment to be contained therein (the “Facilities”); and

WHEREAS, the development of the Site and the Facilities is consistent with and furthers the economic development functions of the Authority; and

WHEREAS, the Authority is willing to acquire a leasehold interest in the Site from the City pursuant to a Ground Lease, dated as of October 1, 2025 (the “Ground Lease”), between the City, as lessor, and the Authority, as lessee, and to acquire title to the Facilities and to lease and sell the Site and the Facilities to the City, pursuant to this Lease; and

WHEREAS, to provide funds for the construction and equipping of the Facilities, the Authority will issue its Lease Revenue Bonds (City of New Prague, Minnesota Police Facility Lease), Series 2025C (the “Bonds”), in the original aggregate principal amount of \$10,130,000, pursuant to a resolution adopted by the Board of Commissioners of the Authority on _____, 2025 (the “Bond Resolution”); and

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

(The remainder of this page is intentionally left blank.)

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease and exhibits attached hereto, have the meanings herein specified:

“Act” means Minnesota Statutes, Sections 465.71 and 469.090 through 469.1082, as amended, including Section 469.103.

“Additional Lease Payments” means payments due from the City pursuant to Section 4.3 hereof.

“Authority” means the New Prague Economic Development Authority, a public body corporate and politic and political subdivision of the State, and its successors and assigns as lessor hereunder.

“Authorized Officer” means (a) when used with respect to the City, its Mayor, City Administrator, or Finance Director, or any other person who is designated in writing by the City as an Authorized Officer for purposes of this Lease; and (b) when used with respect to the Authority, its President, Executive Director, or any other person who is designated in writing by the Authority as an Authorized Officer for purposes of this Lease.

“Bond Counsel” means Kennedy & Graven, Chartered, and any attorney or law firm having a national reputation as bond counsel in connection with the issuance of state and local governmental obligations and appointed by the Authority as bond counsel.

“Bond Registrar” means Bond Trust Services Corporation in Minneapolis, Minnesota, or any successor Bond Registrar appointed by the Authority pursuant to the Bond Resolution.

“Bond Resolution” means the resolution authorizing the issuance and sale of the Bonds adopted by the Board of Commissioners of the Authority on _____, 2025.

“Bonds” means the Lease Revenue Bonds (City of New Prague, Minnesota Police Facility Lease), Series 2025C, issued by the Authority on the Closing Date in the original aggregate principal amount of \$10,130,000, pursuant to the Bond Resolution.

“City” means the City of New Prague, Minnesota, a statutory city and political subdivision of the State, and any successor to its functions.

“City Council” means the City Council of the City and any successor as governing body of the City.

“Closing Date” means _____, 2025, which is the date upon which the Bonds are delivered to the Original Purchaser thereof against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended.

“Completion Date” means the date of completion of construction of the Improvements, as evidenced by the certificate of the City described in Section 3.2(f) hereof.

“Costs of Issuance” means all fees and expenses incurred by the City and the Authority in connection with the execution and delivery of the Lease and the issuance of the Bonds, including but not limited to costs of preparing and printing the Bonds, this Lease, the Ground Lease, the Official Statement relating to the Bonds, and related documents; legal fees (including without limitation those of Bond Counsel); recording fees and title insurance premiums; Rating Agency fees; municipal advisor’s fees; and the Bond Registrar’s initial fees.

“Facilities” means any buildings, structures and improvements to be constructed or renovated on the Site, and all furniture, fixtures and equipment to be acquired with proceeds of sale of the Bonds and located thereon. For the avoidance of doubt, “Facilities” refers to the construction and equipping of a new Police Facility to be financed with the proceeds of the Bonds.

“Fiscal Year” means the twelve (12) month fiscal period of the City, which commences on January 1 and ends on December 31 of each year.

“Ground Lease” means the Ground Lease, dated as of October 1, 2025, between the City, as lessor, and the Authority, as lessee, by which the City leases the Site to the Authority, as amended or supplemented from time to time.

“Improvements” means the expansion, addition, enlargement, improvement, extension or alteration of or to the Facilities and any fixtures, furnishing or equipment within the Facilities, all to the extent financed from proceeds of the Bonds. For the avoidance of doubt, “Improvements” refers to the construction and equipping of a new Police Facility to be financed with the proceeds of the Bonds.

“Independent,” when used with reference to an attorney, engineer, architect, certified public accountant, consultant or other professional person, means a person who (i) is in fact independent; (ii) does not have any material financial interest in the City or the transaction to which such person’s certificate or opinion relates (other than payment to be received for professional services rendered); and (iii) is not connected with the Authority or the City as an officer, director or employee.

“Independent Counsel” means an Independent attorney duly admitted to practice law before the highest court of any state.

“Interest Payment Date” means August 1, 2026, and each February 1 and August 1 thereafter until the Bonds are paid in full.

“Lease” means this Lease with Option to Purchase Agreement, dated as of October 1, 2025, between the Authority, as lessor, and the City, as lessee, as amended or supplemented from time to time.

“Lease Payment” means each of the payments due from the City to the Authority on each Lease Payment Date during the Term of this Lease, as shown on EXHIBIT B.

“Lease Payment Date” means the date upon which any Lease Payment is due and payable as provided in EXHIBIT B.

“Net Proceeds,” when used with respect to proceeds of insurance or a condemnation award, means moneys received or receivable by the City, as owner or as lessee hereunder, or the Authority, as lessee under the Ground Lease or as secured party, of the Site or the Facilities, less the cost of recovery (including attorneys’ fees) of such moneys from the insuring company or the condemning authority.

“Original Purchaser” means_____.

“Outstanding,” when used as of any particular time with reference to Bonds, means all Bonds theretofore authenticated and delivered by the City under the Bond Resolution except: (i) Bonds theretofore canceled by the Bond Registrar or surrendered to the Bond Registrar for cancellation; (ii) Bonds for the payment or redemption of which funds or direct obligations of or obligations fully guaranteed by the United States of America in the necessary amount shall have theretofore been deposited with the Bond Registrar (whether upon or prior to the maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to the Bond Resolution, or provision satisfactory to the Bond Registrar shall have been made for the giving of such notice; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bond Registrar pursuant to the terms of the Bond Resolution pertaining to replacement of Bonds.

“Owner” means the registered owner of any Outstanding Bond.

“Permitted Encumbrances” means, as of any particular time: (i) liens for taxes and assessments not then delinquent, or which the City may, pursuant to provisions of Section 6.3 hereof, permit to remain unpaid; (ii) the Ground Lease, this Lease and amendments hereto or thereto; (iii) the Authority’s interest in the Facilities; (iv) any mechanic’s, laborer’s, materialmen’s, supplier’s or vendor’s lien or right not filed or perfected in the manner prescribed by law; (v) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Site and which do not, in the opinion of Independent Counsel, materially impair the property affected thereby for the purpose for which it was intended; and (vi) easements, restrictions or encumbrances, if any, shown on EXHIBIT A hereto.

“Project” means the Site and the Facilities, as they exist at any time. For the avoidance of doubt, the “Project” refers to the construction and equipping of a new Police Facility to be financed with the proceeds of the Bonds.

“Project Costs” has the meaning provided in Section 3.2(b) hereof.

“Project Fund” means the Project Fund established under the Bond Resolution.

“Purchase Price” means, with respect to any date, cash or obligations of or guaranteed by the United States of America maturing at such times and in such amounts as to provide for the full and timely payment of all interest and premium, if any, on and principal of the Outstanding Bonds to maturity or an earlier redemption date, if applicable. The City shall be entitled to credit against the Purchase Price the amount of any moneys theretofore paid to and held by the Authority or the Bond Registrar and available for the payment of the Outstanding Bonds.

“Site” means the real property described in EXHIBIT A hereto, including any property added to or substituted for any portion of the Site, and less any real property released from this Lease pursuant to Article VI hereof.

“State” means the State of Minnesota.

“State and Federal Laws” means the Constitution and any law of the State and any ordinance, rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any executive department or federal agency.

“Term” means the period during which this Lease may remain in effect as specified in Section 5.1 hereof.

Section 1.2. Exhibits. The following exhibits are attached to and by reference made a part of this Lease:

EXHIBIT A: Legal description of the Site and a listing of Permitted Encumbrances.

EXHIBIT B: The date and amount of each Lease Payment coming due during the Term of this Lease.

EXHIBIT C: The form of Completion Certificate to be delivered by the City to the Authority pursuant to Section 3.2(f) hereof.

(The remainder of this page is intentionally left blank.)

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants as follows:

(a) The City is authorized under the Constitution and laws of the State to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(b) None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions thereof, or the consummation of the transactions contemplated thereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the City, or upon the Site and the Facilities except Permitted Encumbrances.

(c) This Lease is entered into under authority of and pursuant to the Act.

(d) The officers of the City executing this Lease have been duly authorized to do so.

(e) The City will not pledge, mortgage or assign this Lease, or its rights, duties and obligations hereunder to any other person, firm or corporation except as provided under the terms of this Lease.

(f) Subject to the City's rights under Section 5.6 hereof, the Facilities will be used until the Bonds have all been paid primarily to carry out the essential governmental or proprietary purposes of the City.

(g) Subject to the provisions of Section 5.6 hereof, the City administration will include in the annual budget of the City submitted to the City Council, for each Fiscal Year during the Lease Term, moneys sufficient to pay and for the purpose of paying all Lease Payments and Additional Lease Payments and other obligations of the City under this Lease, and for this purpose the City will make a reasonable estimate of Additional Lease Payments to become due in the next Fiscal Year, and will take all other actions necessary to provide moneys for the payment of the obligations of the City under this Lease from sources of the City lawfully available for this purpose.

(h) Except to the extent specifically provided herein, the City is not obligated to appropriate or otherwise provide moneys for the payment of the Lease Payments or any other amounts coming due hereunder; and in the event of non-appropriation or non-renewal by the City, the City shall not be liable for general, special, incidental, consequential or other damages resulting therefrom. This Lease does not constitute a general or moral obligation of the City, and the full faith and credit and taxing powers of the City are not pledged for the payment of the Lease Payments or other amounts coming due, or other actions required to be performed, hereunder.

(i) The City hereby declares its current need for the Facilities and the Improvements. The City has determined that the purchase price to be paid for the Site and the Facilities (as improved by the Improvements) under this Lease represents the fair market value of the improved Facilities; that Lease Payments and Additional Lease Payments hereunder during the Lease Term represent the

fair value of the use of the improved Facilities; and that the Purchase Price represents the fair purchase price of the improved Facilities. The City hereby determines that the Lease Payments and Additional Lease Payments do not exceed a reasonable amount so as to place the City under an economic compulsion to renew this Lease or to exercise its option to purchase the Facilities hereunder. In making such determinations, the City has given consideration to the costs of the Facilities and Improvements, the uses and purposes for which the Facilities will be employed by the City, the benefit to the City by reason of the acquisition of the Facilities pursuant to the terms and provisions of this Lease and the City's option to purchase the Facilities. The City hereby determines and declares that the improvement of the Facilities and the leasing of the Facilities pursuant to this Lease will result in facilities of comparable quality and meeting the same requirements and standards as would be necessary if the construction of the Facilities was performed by the City other than pursuant to this Lease. The City hereby determines and declares that the period during which the City has an option to purchase the Facilities (i.e., the Term of this Lease) does not exceed the useful life of the Facilities as improved by the Improvements.

Section 2.2. Representations, Covenants and Warranties of the Authority. The Authority represents, covenants and warrants as follows:

- (a) The Authority is a public body corporate and politic and political subdivision of the State; has power to enter into this Lease; is possessed of full power to own and hold real and personal property, and to sell the same; and has duly authorized the execution and delivery of this Lease.
- (b) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Authority, or upon the Site and the Facilities except Permitted Encumbrances.
- (c) This Lease is entered into under authority of and pursuant to the Act.
- (d) The Authority declares and finds that the Facilities are necessary to operate the Authority, and also promote economic development generally by ensuring a modern and efficient City public works facility.
- (e) The officers of the Authority executing this Lease have been duly authorized to do so.

(The remainder of this page is intentionally left blank.)

ARTICLE III

ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS; PAYMENT OF COSTS

Section 3.1. Costs. The City has caused estimates of the costs of construction of the Improvements on the Site to be prepared, which estimates have been reviewed and approved by the Authority. Based on such estimates, the total costs of construction of the Improvements on the Site, when added to the Costs of Issuance of the Bonds, are estimated to be not less than \$10,130,000. In order to provide the moneys needed to pay such costs when due, and in consideration of the actions agreed to be performed by the City under this Lease, the Board of Commissioners of the Authority has adopted the Bond Resolution, pursuant to which the proceeds of sale of the Bonds in the amount of \$_____ (par amount of \$10,130,000.00, plus original issue premium of \$_____, less underwriter's discount of \$_____) will be deposited with the City.

Section 3.2. Acquisition of Site; Construction of Improvements; Payment of Cost.

(a) The Authority shall cause the Improvements to be constructed with all reasonable dispatch. The Authority hereby appoints the City as its agent for the purpose of construction of the Improvements on the Site, and the City may perform the same itself or through its agents, and may make or issue such contracts, orders, receipts and instructions, and in general do or cease to be done all such other things as it may consider requisite or advisable for the completion of the Improvements and for fulfilling its obligations under this Article. The City shall have full authority and the sole right under this Lease to supervise and control, directly or indirectly, all aspects of the construction of the Improvements on the Site.

(b) The Authority shall deposit the proceeds of the issuance and sale of the Bonds in the amount of \$_____ with the City for credit to the Project Fund, as provided in the Bond Resolution. Amounts in the Project Fund shall be disbursed to pay the following costs (referred to as "Project Costs"):

(i) Obligations incurred for labor (including payroll cost of City employees according to time spent by such employees on the Improvements) and to contractors, builders and material suppliers in connection with the construction, reconstruction, renovation and installation of the Improvements, including obligations for machinery, materials and equipment therefor;

(ii) Costs of acquisition of land and all interests in land required specifically for the Site, site improvements required for the construction or operation of the Improvements, demolition of any portion of the existing building on the Site and removal of any equipment therefrom (net of any salvage).

(iii) Costs of acquisition and installation of equipment, furnishings and other tangible personal property required for the Improvements or the Facilities;

(iv) Fees and expenses of engineers and architects for surveys, estimates and other preliminary investigations, preparation of plans, drawings and specifications, and supervising construction, as well as for the performance of all other duties of engineers and architects in relation to the Improvements or the issuance of the Bonds therefor, including the costs of such services as may have been performed by employees of the City;

(v) Expenses of administration, supervision and inspection properly chargeable to the Improvements or acquisition of the Site, administrative fees and other expenses relating to the acquisition of the Site and Improvements, title insurance premiums, abstracting and filing fees, and legal expenses and fees;

(vi) Costs of Issuance of the Bonds; and

(vii) Any other obligation or expense heretofore or hereafter incurred by the City in connection with the Improvements defined as and constituting a proper Improvements cost and approved by an Authorized Officer of the City.

(c) Before any of the payments referred to in this Section may be made from the Project Fund, an Authorized Officer of the City shall certify with respect to each such payment: (i) that none of the items for which the payment is proposed to be made has formed the basis for any payment theretofore made from the Project Fund; and (ii) that each item for which payment is proposed to be made is or was necessary in connection with construction of the Improvements. In the case of any construction contract providing for the retention of a portion of the contract price, there shall be paid only the net amount remaining after deduction of any such portion. Notwithstanding anything to the contrary herein, proceeds of the Bonds may be applied directly to pay Costs of Issuance in accordance with the Bond Resolution.

(d) Money in the Project Fund shall be subject to withdrawal from time to time only for the purposes of paying Project Costs or for the reimbursement to the City, subject to any applicable provision of law, for payments theretofore made by the City for Project Costs. The Authority agrees that none of the funds in the Project Fund shall be used for any purposes other than payment or reimbursement of Project Costs and the payment of principal of, premium (if any) on and interest on the Bonds.

(e) If the proceeds of the Bonds, together with any other moneys available to pay the costs of construction of the Improvements, shall not be sufficient to pay such costs in full, then the City shall pay all that portion of the costs in excess of the moneys available therefor. If the City shall make any payments pursuant to this subsection, it shall not be entitled to any reimbursement therefor from the Authority or the Owners of the Bonds, nor shall it be entitled to any diminution in or postponement of the payment of the Lease Payments, the Additional Lease Payments or the payment of any other amounts payable under this Lease.

(f) The Completion Date shall be the date on which the Improvements are completed in their entirety and the Facilities, as improved by the Improvements, are ready to be placed in service and all other property which constitutes the Facilities has been acquired and installed, all as determined by the City. Promptly after the Completion Date, the City shall submit to the Authority a certificate signed by an officer of the City, substantially in the form of EXHIBIT C hereto, which shall specify the Completion Date and shall state that construction of the Improvements has been completed and the costs thereof have been paid, except for any portion thereof which has been incurred but is not then due and payable, or the liability for the payment of which is being contested or disputed by the City. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being. The certificate as to the Completion Date shall include a list of the equipment financed with proceeds of the Bonds and included as part of the Facilities.

(g) Upon the Completion Date, the City shall transfer any remaining balance in the Project Fund to the Debt Service Fund for the Bonds in accordance with the Bond Resolution.

(The remainder of this page is intentionally left blank.)

ARTICLE IV
LEASE AND SALE OF FACILITIES

Section 4.1. Lease and Sale of Facilities. The Authority hereby leases and sells its leasehold interest in the Site and the Facilities to the City, and the City hereby leases and purchases the Authority’s interest in the Site and the Facilities from the Authority, upon the terms and conditions set forth in this Lease. The sale shall be completed in accordance with the terms of Section 5.5 hereof.

The Site and the Facilities are leased and sold in their present condition without representation or warranty of any kind by the Authority, and subject to the rights of parties in possession, to the existing state of title, to all applicable legal requirements now or hereafter in effect, and to Permitted Encumbrances. The City has examined the Site and title thereto and has found all of the same to be satisfactory for the purposes of this Lease.

Section 4.2. Lease Payments. Subject to the provisions of Section 4.4 hereof, the City shall pay to the Authority the Lease Payments at the times and in the manner specified in the attached EXHIBIT B. The Lease Payments shall be paid in lawful money of the United States of America, in same-day funds, directly to the Bond Registrar. It is acknowledged that the Lease Payment to be made on each February 1 or August 1 shall be applied by the Bond Registrar to payment of the principal of and interest on the Bonds to be paid on the same date.

Section 4.3. Additional Lease Payments. During the Term of this Lease, the City shall pay or cause to be paid as Additional Lease Payments the following amounts:

- (a) All fees, charges and expenses, including agent and counsel fees, of the Bond Registrar and any Paying Agent, as and when the same become due.
- (b) All costs incident to the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, including redemption premiums, if any, and all other costs and expenses in connection with the call, redemption and payment of Bonds.
- (c) An amount sufficient to reimburse the Authority for all expenses reasonably incurred by the Authority hereunder and in connection with the performance of the Authority’s obligations under this Lease or the Bond Resolution.
- (d) All expenses incurred in connection with the enforcement of any rights under this Lease by the Authority or the Owners of the Bonds.
- (e) All other payments of whatever nature which the City has agreed to pay or assume under the provisions of this Lease (including without limitation any amounts advanced under Section 6.2(b) hereof and interest thereon).
- (f) All costs, charges, expenses and other amounts and obligations due and owing by the Authority under the Ground Lease, as and when the same become due.

Section 4.4. Source of Lease Payments. Notwithstanding any other provision of this Lease apparently to the contrary, this Lease shall not constitute a general or moral obligation of the City, and the full faith and credit of the City are not pledged for the payment of the Lease Payments or the performance by the City of its obligations hereunder. The Lease Payments and Additional Lease Payments shall be paid, and

other obligations of the City hereunder shall be met, solely from the amount appropriated by the City Council for such purpose in the City's annual budget and shall constitute a current expense of the City for the Fiscal Year then in effect. It shall not constitute an indebtedness of the City within the meaning of the Constitution and laws of the State.

The other obligations of the City hereunder shall be met solely from one or more of the following: (a) Net Proceeds of insurance or self-insurance required to be maintained by the City under Article VII hereof; (b) Net Proceeds of any condemnation award with respect to the Site and Facilities; and (c) moneys from time to time appropriated by the City Council for this purpose, provided that the City Council shall have no legal obligation to appropriate moneys for this purpose.

Section 4.5. City's Obligations and Remedies.

(a) Except as provided in Section 5.6 hereof, the City's obligation to pay Lease Payments due with respect to the Site and the Facilities, and to perform and observe all other covenants and agreements of the City contained herein, shall be absolute and unconditional; and the Lease Payments and Additional Lease Payments due and payable hereunder shall be made without notice or demand and without set-off, counterclaim, abatement, deduction or defense, including without limitation any failure or delay by the Authority in the performance of any of its obligations hereunder, and irrespective of whether the Improvements shall have been started or completed, or whether the City's or the Authority's title thereto or to any part thereof is defective or nonexistent, and notwithstanding any damage to, loss, theft or destruction of the Facilities or any part thereof, any failure of consideration, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Facilities, legal curtailment of the City's use thereof, the eviction or constructive eviction of the City, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Authority's legal organization or status, or any default of the Authority hereunder, and regardless of the invalidity of any action of the Authority, and regardless of the invalidity of any portion of this Lease.

(b) Notwithstanding any provision or covenant contained in this Lease or the Bonds, the City is not obligated to renew the Lease beyond any Fiscal Year from time to time in effect, nor is it obligated to budget or appropriate moneys or to pay Lease Payments or Additional Lease Payments beyond the end of the Fiscal Year in effect at a given time.

(c) Nothing in this Lease shall be construed to release the Authority from the performance of any agreement on its part herein contained or as a waiver by the City of any rights or claims which the City may have against the Authority under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the Authority separately, it being the intent of this Lease that the City shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease during the Term of this Lease unless sooner terminated in accordance with Section 5.2 hereof (including the obligation to make Lease Payments and Additional Lease Payments) for the benefit of the Owners of the Bonds. The City may, however, at its own cost and expense and in its own name or in the name of the Authority, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Authority hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Authority in any such action or proceeding if the City shall so request.

Section 4.6. Possession and Enjoyment. The Authority hereby covenants to provide the City during the Term of this Lease with quiet use and enjoyment of the Site and Facilities, and the City shall during such Term peaceably and quietly have and hold and enjoy the Site and Facilities, without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease. At the request of the City and at the City’s cost, the Authority will join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so.

Section 4.7. Authority Access to Site and Facilities. The Authority shall have the right at all reasonable times to examine and inspect the Site and Facilities, and shall have such rights of access to the Site and Facilities as may be reasonably necessary to cause the proper maintenance thereof in the event of failure by the City to perform its obligations hereunder.

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ARTICLE V

TERM OF LEASE; TRANSFER OR SURRENDER OF SITE AND FACILITIES

Section 5.1. Lease Term. Subject to the provisions of Section 5.6 hereof, this Lease shall be in effect for a Term commencing upon the execution hereof and ending on February 1, 2055.

Section 5.2. Termination of Lease Term. The Term of this Lease will terminate upon the occurrence of the first of the following events:

- (a) non-appropriation by the City pursuant to Section 5.6 hereof;
- (b) the payment by the City of the Purchase Price, pursuant to Section 8.1 hereof;
- (c) the discharge by the City of its obligation to pay the Lease Payments and Additional Lease Payments required to be paid by it hereunder pursuant to Section 8.3 hereof; or
- (d) a default by the City and the Authority's election to terminate this Lease pursuant to Article X hereof.

Section 5.3. Authority's Interest in the Site and Facilities. Upon payment of all Lease Payments and Additional Lease Payments due hereunder, or upon prepayment of the Lease Payments and Additional Lease Payments or discharge of the City's obligation to make the Lease Payments and Additional Lease Payments in accordance with Article VIII hereof, and in either event, upon defeasance of the Bonds, full and unencumbered legal title to the Facilities shall pass to the City, and the Authority shall have no further interest therein. In such event the Authority and its officers shall take all actions necessary to authorize, execute and deliver to the City any and all documents necessary to vest in the City, all of the Authority's right, title and interest in and to the Site and Facilities, free and clear of all liens, leasehold interests, encumbrances (other than Permitted Encumbrances), including, if necessary, a release of any and all interests or liens created under the provisions of this Lease.

Section 5.4. Surrender of Site and Facilities. Upon termination of the Term of this Lease pursuant to Section 5.2(a) or (d) hereof, or upon exercise by the Authority of its right to take possession of the Site and Facilities under Section 10.2 hereof, the City shall surrender the Site and Facilities to the Authority in the condition in which they were originally received from the Authority, except as repaired, rebuilt, restored, altered or added to as permitted or required hereby, ordinary wear and tear excepted. The City shall have the right to remove from the Site and Facilities at or prior to such termination or possession all personal property located therein which was not financed with proceeds of the Bonds, or which has not replaced personal property so financed, and which is not otherwise owned by the Authority, but the City shall repair any damages caused by such removal.

Section 5.5. Purchase; Conveyance of Title. At any time when the Purchase Price, together with any unpaid or delinquent interest, has been fully paid or provided for, whether by (i) payment of all Lease Payments and Additional Lease Payments as provided in Section 8.1 hereof, or (ii) payment or provision for payment of the Purchase Price as provided in Article VIII hereof, then the purchase of the Site and the Facilities by the City shall be deemed to have been completed. The Authority shall thereupon deliver to the City such instruments of conveyance or release as, in the opinion of the City, may be necessary to release the interest of the Authority in the Site and Facilities.

Section 5.6. Non-Appropriation. If the City Council does not appropriate or budget moneys sufficient to pay the Lease Payments and reasonably estimated Additional Lease Payments coming due in the next Fiscal Year, as determined by the City’s budget for the Fiscal Year in question, then the Term of this Lease shall terminate at the end of the preceding Fiscal Year. The City Council shall effect such non-appropriation by adoption of a resolution specifically referring to this Lease and determining (i) not to provide moneys for payments due hereunder in the next Fiscal Year and (ii) that the Lease shall terminate at the end of the then-current Fiscal Year, and the City shall give the Authority a written notice of such non-appropriation and shall pay to the Authority any Lease Payments and Additional Lease Payments which are due and have not been paid at or before the end of its then current Fiscal Year. The City shall endeavor to give as much notice of non-renewal as possible prior to the end of such Fiscal Year, but in any event the City shall not be required to give more than twelve (12) months’ notice, and the City shall notify the Authority of any anticipated termination. In the event of termination of this Lease as provided in this Section, the City shall surrender possession of the Site and Facilities to the Authority in accordance with Section 5.4 hereof and convey to the Authority or release its interest in the Site and Facilities within ten (10) days after the expiration of the then-current term.

Section 5.7. Intent to Continue Term; Appropriations. The City presently intends to continue this Lease for its entire Term and to pay all Lease Payments specified in EXHIBIT B attached hereto and Additional Lease Payments. The City reasonably believes that moneys in an amount sufficient to make all such Lease Payments and Additional Lease Payments can and will lawfully be appropriated or budgeted and made available.

Section 5.8. Effect of Termination. Upon termination of this Lease as provided in Section 5.6 hereof, the City shall not be responsible for the payment of any Lease Payments or Additional Lease Payments coming due with respect to succeeding Fiscal Years, but if the City has not delivered possession of the Site and Facilities to the Authority in accordance with Section 5.4 hereof and conveyed to the Authority or released its interest in the Site and Facilities within ten (10) days after the termination date, the termination shall nevertheless be effective, but the City shall be responsible for the payment of damages in an amount equal to the amount of the Lease Payments thereafter coming due under EXHIBIT B attached hereto and Additional Lease Payments which are attributable to the number of days during which the City fails to take such actions and for any other loss suffered by the Authority as a result of the City’s failure to take such actions as required. The City shall be required to pay over to the Authority any moneys which it has appropriated or budgeted for the purpose of paying obligations under this Lease for any Fiscal Years preceding the Fiscal Year for which non-renewal under Section 5.6 hereof is effective.

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ARTICLE VI
GENERAL MATTERS

Section 6.1. Use; Permits. The City shall exercise due care in the use, operation and maintenance of the Site and Facilities, and shall not use, operate or maintain the Site and Facilities improperly, carelessly, in violation of any State and Federal Law or for a purpose or in a manner contrary to that contemplated by this Lease. The City shall obtain or cause to be obtained all permits and licenses necessary for the operation, possession and use of the Site and Facilities. The City shall comply with all State and Federal Laws applicable to the operation, possession and use of the Site and Facilities, and if compliance with any such State and Federal Law requires changes or additions to be made to the Site and Facilities, such changes or additions shall be made by the City at its expense.

Section 6.2. Maintenance and Modification of Facilities by the City.

(a) During the Term of this Lease the City shall, at its own expense, maintain, preserve and keep the Site and the Facilities in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Site and the Facilities in such condition. The Authority shall have no responsibility for any of these repairs, replacements or improvements. In addition, the City shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Facilities and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Facilities; and the Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value not less than the value of the Facilities immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by the City in such manner and on such terms as are determined by the City. The City will not permit any mechanic's or other lien to be established or remain against the Site and Facilities for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City pursuant to this Section; provided that if any such lien is established and the City shall first notify the Authority of the City's intention to do so, the City may in good faith contest any lien filed or established against the Site or the Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such item the interest of the Authority in the Site or the Facilities will be materially endangered or the Site or the Facilities or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Authority with full security against any such loss or forfeiture, in form satisfactory to the Authority. The Authority will cooperate fully with the City in any such contest, upon the request and at the expense of the City.

(b) In the event the Authority becomes aware of any condition on the Site or in the Facilities which, in the reasonable opinion of the Authority, creates a risk to the health and safety of any users of the Facilities or creates a risk of significant deterioration of the Facilities (as improved by the Improvements) if not corrected, the Authority may, but shall be under no obligation to, notify the City of such condition and request that it be cured as promptly as is reasonably possible. In the event the City does not promptly cure such condition, the Authority may, but shall be under no obligation to, take reasonable steps to correct such condition. In such event, the cost to the Authority

and interest thereon at the highest rate specified in any Bond until paid will be charged to the City as an Additional Lease Payment.

Section 6.3. Taxes, Other Governmental Charges and Utility Charges. During the Term of this Lease the City shall also pay or cause to be paid when due all gas, water, steam, electricity, heat, power and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Site and the Facilities. The City shall also pay all property and excise taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Site or the Facilities or any part thereof or the Lease Payments, and which become due during the Term of this Lease with respect thereto; and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Site or the Facilities; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due. The City shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Authority, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon property.

The City may, at the City's expense and in the City's name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of the Authority in the Site or the Facilities will be materially endangered or the Site, the Facilities or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

Section 6.4. Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Site or the Facilities, except the respective rights of the Authority and the City as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the City shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The City shall reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 6.5. Easements. The Authority will from time to time, at the request of the City and at the City's cost and expense, cooperate and join with the City: (a) in granting easements and other rights in the nature of easements, releasing existing easements or other rights in nature of easements which are for the benefit of the Site or the Facilities; (b) in executing amendments to any covenants and restrictions affecting the Site or the Facilities; (c) in executing and delivering to any person any instrument appropriate (i) to confirm or to the effect that such grant, release or execution is not detrimental to the proper conduct of the operations of the City on or in the Site or the Facilities; (ii) to show the consideration, if any, being paid for such grant, release or amendment; (iii) to show that such grant, release, dedication, transfer, petition or amendment does not materially impair the use of the Site or the Facilities or reduce the value of the Site or the Facilities; or (iv) to confirm that the City will remain obligated hereunder to the same extent as if such grant, release, or amendment had not been made, and the City will perform all obligations under such instrument. The consideration, if any, received by the Authority or the City for such grant, release, or amendment shall be applied to the payment of the Bonds.

Section 6.6. Addition and Substitution of Land. The Authority and the City agree to add to the Ground Lease and this Lease certain additional interests in land, and to release from the Ground Lease and this Lease certain portions of the Site, and to substitute other interests in real property for some or all of the portions of the Site so released, but only upon the conditions hereinafter set forth:

(a) The City may, from time to time, add additional real property to the Site subject to the Ground Lease and this Lease if (i) the additional real property is to be the site of a portion of the Facilities; and (ii) the City provides the Authority with an adequate legal description and survey of the Site, satisfactory to the Authority.

(b) The City may, from time to time and with the prior written consent of the Authority, obtain the release of a portion of the Site as now described, if (i) the City certifies that such portion of the Site is not reasonably necessary for the construction of Improvements or operation of the Facilities; and (ii) the unreleased portion of the Site is not impaired by such release with respect to ingress and egress, access to dedicated roads and use of the unreleased portion of the Site for its then current or intended purposes.

(c) To accomplish the addition, release or substitution of real property as described in subsection (a) or (b) above, the City shall prepare and furnish to the Authority amendments or supplements to this Lease, the Ground Lease and any UCC financing statements filed in connection with this Lease. The City shall pay all expenses, including attorney’s fees, incurred in accomplishing any such addition, release or substitution.

Section 6.7. [Reserved].

Section 6.8. Compliance with Bond Resolution. During the Term of this Lease, the City agrees to perform all obligations imposed upon the Authority or the City by the Bond Resolution.

Section 6.9. Tax Covenants.

(a) The City covenants and agrees with the Authority for the benefit of the Owners from time to time of the Bonds that it will take, and will cause its officers, employees or agents to take, all actions necessary to comply with the applicable provisions of the Code, and that it will not take or permit to be taken by any of its officers, employees or agents any actions that would cause the interest on the Bonds to become subject to federal income taxation under the applicable provisions of the Code.

(b) None of the proceeds of the Bonds will be used, directly or indirectly, to replace funds which were used in any business carried on by any person other than a state or local governmental unit.

(c) The payment of the Lease Payments will not be (i) directly or indirectly secured by any interest in (A) property used or to be used for a private business use by any person other than a state or local governmental unit or (B) payments in respect of such property; or (ii) directly or indirectly derived from payments (whether or not by or to the Authority or the City), in respect of property or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit.

(d) None of the proceeds of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(e) Except as provided below, no user of the Facilities or other property financed with proceeds of the Bonds will use the Facilities or such other property in a trade or business on any basis other than the same basis as the general public; and no person other than a state or local governmental unit will be a user of the Facilities or such other property in a trade or business as a result of (i) ownership; or (ii) actual or beneficial use pursuant to a lease or a management or incentive payment contract; or (iii) joint venture or any other similar arrangement. Notwithstanding the foregoing, the City may permit a portion of the usable square footage of the Facilities to be used in the trade or business of a person other than a governmental unit, subject to the same conditions that apply to any sublease by the City under Section 9.2 hereof (e.g., consent the Authority and receipt of an opinion of Bond Counsel).

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ARTICLE VII

INSURANCE AND INDEMNIFICATION; DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1. Liability Insurance. During the Term of this Lease the City shall procure and maintain continuously in effect with respect to the Site and the Facilities, insurance against liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the maintenance, use or operation of the Site, the Facilities or any part thereof, in amounts not less than the City's tort liability limits under Minnesota Statutes, Chapter 466, as amended ("Chapter 466"), for death of or personal injury to any one person, in amounts not less than the City's tort liability limits under Chapter 466 for all personal injuries and deaths arising out of any one occurrence, and in amounts not less than the City's tort liability limits under Chapter 466 for property damage arising out of any one occurrence. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds may be paid. It is understood that with respect to persons or entities other than the Authority, this insurance covers any and all liability of the City and its officers, employees and agents. As an alternative to the purchase of liability insurance, the City may self-insure against such liabilities in accordance with the provisions of applicable law. Policies of commercial insurance may include deductibles of no more than ten percent (10%) of policy amounts.

Section 7.2. Property Insurance. During the Term of this Lease, the City shall procure and maintain continuously in effect, to the extent of the full insurable value of the Facilities, other than building foundations, but in an amount at least equal to the principal amount of the outstanding Bonds from time to time, insurance against loss from or damage by vandalism and fire, with a uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State, in such amount as will be at least sufficient so that a claim may be made for the full replacement cost of any part thereof damaged or destroyed. All policies (or endorsements or riders) evidencing insurance required in this Section shall be carried in the names of the City and the Authority, as their respective interests may appear. The Net Proceeds of insurance required by this Section shall be applied as provided in Article VII hereof.

Section 7.3. Administration of Claims, Etc. Neither the City nor the Authority shall be required to prosecute any claim against or contest any settlement proposed by any insurer, but any of them may prosecute any such claim or contest any such settlement. In the event of a contest by the City, it shall be at the City's expense, and the City may bring such claim or contest in the name of the Authority, the City or both, and the Authority will join therein at the City's written request upon the receipt by the Authority of an indemnity from the City against all costs, liabilities and expenses in connection with such claim or contest.

Section 7.4. Other Insurance and Requirements for All Insurance. All insurance required by this Article may be carried under a separate policy or a rider or endorsement; shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the City and the Authority at least thirty (30) days before the cancellation or revision becomes effective; and shall name the City and the Authority as insured parties. The insurance required by Sections 7.1 and 7.2 hereof may be provided by the City pursuant to an umbrella policy which provides coverage for the amounts and the insurable incidents provided in such Sections. Annually, the City shall deposit with the Authority policies evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in force and effect. Before the expiration of any such policy, the City shall furnish to the Authority evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article, unless such insurance is no longer obtainable.

Section 7.5. Indemnification. As between the Authority and the City, to the extent permitted by the laws of the State, the City assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Facilities and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the City, the Authority or of third parties, and whether such property damage be to the City or the Authority's property or the property of others, which is proximately caused by the negligent conduct of the City, its officers, employees, agents and lessees, or arising out of the operation, maintenance or use of the Site and the Facilities by the City, its officers, employees, agents and lessees. The City hereby assumes responsibility for and agrees to reimburse the Authority for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Authority or its officers or employees that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part on the foregoing, to the maximum extent permitted by law.

Section 7.6. Hazardous Substance Indemnification. The City agrees, to the extent permitted by the laws of the State, to defend, indemnify and hold harmless the Authority, its officers, employees, agents, successors and assigns (the "Indemnitees") from and against, and shall reimburse the Indemnitees for, any and all loss, claim, liability, damage, judgment, penalty, injunctive relief, injury to personal property or natural resources, cost, expense, action or cause of action arising in connection with or as the result of any past, present or future existence, use, handling, storage, transportation, manufacture, release or disposal of any Hazardous Substance in, on or under the land upon which the Project is located, whether foreseeable or unforeseeable, regardless of the source, the time of occurrence or the time of discovery (collectively referred to as "Loss"). This indemnification against Loss includes, without limitation, indemnification against all costs in law or in equity or removal, response, investigation, or remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the land upon which the Project is located, is in compliance with, and of causing the land upon which the Project is located, to be in compliance with, all applicable Environmental Laws, all costs associated with claims for damages to persons, property, or natural resources, and the Indemnitees' reasonable attorneys' and consultants' fees, court costs and expenses incurred in connection with any of the above. For this purpose "Hazardous Substance" shall be defined as any substance, the presence of which requires investigation, permitting, control or remediation under any federal, state or local statute, regulation, ordinance or order, including without limitation: (a) any substance defined as "hazardous waste" under the Resource Conservation and Recovery Act, as amended (42 U.S.C. §6901, et seq.); (b) any substance defined as a "hazardous substance" under the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. §9601, et seq.); (c) any substance defined as a "hazardous material" under the Hazardous Materials Transportation Act (49 U.S.C. §5101, et seq.); (d) any substance defined under any Minnesota statute analogous to (a), (b) or (c), to the extent that said statute defines any term more expansively; (e) asbestos; (f) urea formaldehyde; (g) polychlorinated biphenyls; (h) petroleum, or any distillate or fraction thereof; (i) any hazardous or toxic substance designated pursuant to the laws of the State; and (j) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority.

Section 7.7. Damage, Destruction and Condemnation. If the Facilities or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty or title to or the temporary use of the Facilities or any part thereof, or the interest of the City or the Authority in the Site or the Facilities or any part thereof is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the City shall have the rights with respect to the Net Proceeds of any insurance or condemnation award specified in this Section, but the City shall be obligated to continue to pay the Lease Payments and Additional Lease Payments due with respect to the Facilities. All Net Proceeds shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Site and the Facilities by the City, or, if the City elects not to repair or rebuild, all Net

Proceeds shall be applied to prepay the Lease Payments and Additional Lease Payments; in either event all Net Proceeds not needed for the purpose shall belong to the City.

Section 7.8. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Site and the Facilities, the City shall either: (a) complete the work and pay any cost in excess of the amount of the Net Proceeds, and the City agrees that if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this Section 7.8, the City shall not be entitled to any reimbursement therefor from the Authority nor shall the City be entitled to any diminution of the Lease Payments or Additional Lease Payments due with respect to the Facilities; or (b) prepay the Lease Payments and Additional Lease Payments, in which event the Net Proceeds shall be used for this purpose. If the City elects not to repair, rebuild or restore, the City shall prepay or discharge the Lease Payments and Additional Lease Payments to the full extent of the Net Proceeds.

Section 7.9. Cooperation of Authority. The Authority shall cooperate fully with the City at the expense of the City in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 7.7 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Site or the Facilities or any part thereof and will, to the extent it may lawfully do so, permit the City to litigate in any proceeding resulting therefrom in the name of and on behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Site or the Facilities or any part thereof without the written consent of the City.

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ARTICLE VIII

OPTION TO PURCHASE; OPTION TO PREPAY

Section 8.1. Option to Purchase or Prepay. The City shall have the option at any time to purchase the Site and Facilities by payment to the Authority of the Purchase Price then applicable, or to prepay unpaid Lease Payments and Additional Lease Payments, in whole or in part.

Section 8.2. Exercise of Option. The City shall give notice to the Authority of its intention to exercise its purchase or prepayment option not less than forty-five (45) days in advance of the date of prepayment or purchase, and shall pay to the Authority on the date of prepayment or purchase the prepayment amount or (in the event of a purchase) an amount equal to the then current Purchase Price, less any Net Proceeds to be applied to the amount to be so paid in accordance with Section 7.8 hereof.

Section 8.3. Provision for Payment of Purchase Price; Discharge of City’s Obligation. The City may at any time provide for the payment of the Purchase Price or discharge its obligation to pay Lease Payments due under this Lease by depositing irrevocably in escrow with a bank or trust company, cash or direct obligations of the United States, bearing interest payable at such times and at such rates and maturing on such dates, but not callable prior thereto, as shall be required to provide moneys sufficient to pay or prepay all unpaid Lease Payments and the applicable redemption premium, if any, on the Outstanding Bonds, on the dates when they are due or subject to prepayment as provided in Section 8.1 hereof, as determined by the City, together with (i) computations and an opinion letter of a certified public accounting firm showing and attesting to the sufficiency of such moneys and securities for this purpose, and (ii) an opinion letter of Bond Counsel stating that the deposit of such cash or securities will not cause the Bonds to become “arbitrage bonds” under Section 148 of the Internal Revenue Code.

Section 8.4. Prerequisite; No Default. The City may exercise the rights specified in Sections 8.1, 8.2, and 8.3 hereof only if it is not in default under this Lease or if such exercise cures any default then existing.

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ARTICLE IX

ASSIGNMENT, SUBLEASING, INDEMNIFICATION, MORTGAGING AND SELLING

Section 9.1. Assignment by Authority. Except as expressly provided in this Section, the Authority’s rights and obligations under this Lease, including the right to receive and enforce payment of the Lease Payments and Additional Lease Payments to be made by the City under this Lease and its interest in the Site and the Facilities, shall not be assigned, pledged, mortgaged or transferred, in whole or in part. The rights and obligations of the Authority may be transferred and assigned to any legal successor to the functions of the Authority.

Section 9.2. Assignment and Subleasing by the City. The rights and obligations of the City under this Lease may not be assigned by the City without the written consent of the Authority. The City may sublease the Project, or any portion thereof, to any other entity, provided that the City furnishes to the Authority an opinion of Bond Counsel that such sublease will not adversely affect the validity of the Outstanding Bonds or the exemption of the interest thereon from federal income taxation.

Section 9.3. Restriction on Mortgage or Sale by the City. Without the prior written consent of the Authority, the City will not mortgage, sell, assign, transfer or convey the Site or the Facilities or any portion thereof during the Term of this Lease.

(The remainder of this page is intentionally left blank.)

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default Defined. Any one (1) or more of the following events shall be an “Event of Default” under this Lease:

(a) the failure by the City to pay any Lease Payment, Additional Lease Payment, or other payment required to be paid hereunder at the time and from the sources specified herein;

(b) the failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (a) above, for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected;

(c) the occurrence of any of the following events:

(i) the City shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the City or of all or a substantial part of its property; (B) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect); or (C) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(ii) a proceeding or case shall be commenced, without the application or consent of the City, as the case may be, in any court of competent jurisdiction, seeking (A) the liquidation, reorganization, dissolution, winding-up, or the composition or adjustment of debts, of the City; (B) the appointment of a trustee, receiver, custodian, liquidator or the like of the City; or (C) similar relief in respect of the City under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case has not been dismissed within sixty (60) days of the filing thereof.

The provisions of subsection (b) above are subject to the following limitation: if by reason of force majeure either party is unable in whole or in part to carry out its obligations under this Lease, it shall not be deemed in default during the continuance of such inability or during any other delays which are a direct consequence of the force majeure inability, and the time for such performance shall be extended to cover such delays. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority, or the State or any of its departments, agencies or officials; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; pandemics; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of a party and not resulting from its negligence. Each party agrees, however, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements.

Section 10.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Authority may take, but only upon not less than five (5) days' written notice to the City, one or any combination of the following remedial steps:

- (a) without terminating this Lease, re-enter and take possession of the Site and the Facilities and exclude the City from using the Site and the Facilities until the Event of Default is cured;
- (b) subject to the provisions of Section 5.6 hereof, take any action at law or in equity which may appear necessary or desirable to: (i) collect the Lease Payments and Additional Lease Payments then due for the Fiscal Year then in effect; (ii) collect any Lease Payments and Additional Lease Payments to become due and payable during the current Fiscal Year; or (iii) enforce performance and observance of any obligation, agreement or covenant of the City under this Lease; or
- (c) terminate the Term of this Lease, exclude the City from possession of the Site and the Facilities, and use its best efforts to lease the Site and the Facilities to another for the account of the City, holding the City liable for the difference between the rentals received and the Lease Payments and Additional Lease Payments which would have been receivable hereunder for the Fiscal Year then in effect.

This provision does not limit any other remedies which the Authority may have under any other document or provision of law.

Section 10.3. Delay; Notice. 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 any part to exercise any remedy reserved to it in this Lease it shall not be necessary to give any notice, other than such notice as may be required in this Lease.

Section 10.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. 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.

Section 10.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease is 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 breach hereunder.

(The remainder of this page is intentionally left blank.)

ARTICLE XI

ADMINISTRATIVE PROVISIONS

Section 11.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand-delivered or deposited in the United States mail in certified or registered form with postage fully prepaid:

- If to the City:

City of New Prague, Minnesota
118 Central Avenue N.
New Prague, MN 56071
Attention: City Administrator
- If to the Authority:

New Prague Economic Development Authority
118 Central Avenue N.
New Prague, MN 56071
Attention: Executive Director

The above-named persons, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.2. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 11.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court or competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.4. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written amendment authorized and executed by the City and the Authority.

Section 11.5. Further Assurances and Corrective Instruments. The Authority and the City agree that they will, if necessary, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Site and the Facilities or for carrying out the expressed intention of this Lease.

Section 11.6. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 11.8. Authorized Officers. Whenever under the provisions of this Lease the approval of the Authority or the City is required, or the Authority or the City is required to take some action at the request of the other, such approval of such request shall be given for the Authority or for the City by an Authorized Officer, and any party hereto shall be authorized to rely upon any such approval or request.

Section 11.9. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Authority has caused this Lease with Option to Purchase Agreement to be executed in its corporate name by its duly authorized officers; and the City has caused this Lease with Option to Purchase Agreement to be executed in its name by its duly authorized officers and sealed with its corporate seal, as of the date and year first written above.

**NEW PRAGUE ECONOMIC DEVELOPMENT
AUTHORITY**

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the President of the New Prague Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the Executive Director of the New Prague Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

Notary Public

Execution page of the City to the Lease with Option to Purchase Agreement, dated as of the date and year first written above.

CITY OF NEW PRAGUE, MINNESOTA

By _____
Its Mayor

(SEAL)

By _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the Mayor of the City of New Prague, Minnesota, a statutory city and political subdivision of the State of Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the City Administrator of the City of New Prague, Minnesota, a statutory city and political subdivision of the State of Minnesota, on behalf of the City.

Notary Public

EXHIBIT A
DESCRIPTION OF SITE AND PERMITTED ENCUMBRANCES

Legal Description of the Site

Permitted Encumbrances

None

EXHIBIT B
SCHEDULE OF LEASE PAYMENTS

Payment Date	Principal	Interest	Total Payment
08/01/2026	\$0.00	\$0.00	\$0.00
02/01/2027	\$0.00	\$0.00	\$0.00
08/01/2027	\$0.00	\$0.00	\$0.00
02/01/2028	\$0.00	\$0.00	\$0.00
08/01/2028	\$0.00	\$0.00	\$0.00
02/01/2029	\$0.00	\$0.00	\$0.00
08/01/2029	\$0.00	\$0.00	\$0.00
02/01/2030	\$0.00	\$0.00	\$0.00
08/01/2030	\$0.00	\$0.00	\$0.00
02/01/2031	\$0.00	\$0.00	\$0.00
08/01/2031	\$0.00	\$0.00	\$0.00
02/01/2032	\$0.00	\$0.00	\$0.00
08/01/2032	\$0.00	\$0.00	\$0.00
02/01/2033	\$0.00	\$0.00	\$0.00
08/01/2033	\$0.00	\$0.00	\$0.00
02/01/2034	\$0.00	\$0.00	\$0.00
08/01/2034	\$0.00	\$0.00	\$0.00
02/01/2035	\$0.00	\$0.00	\$0.00
08/01/2035	\$0.00	\$0.00	\$0.00
02/01/2036	\$0.00	\$0.00	\$0.00
08/01/2036	\$0.00	\$0.00	\$0.00
02/01/2037	\$0.00	\$0.00	\$0.00
08/01/2037	\$0.00	\$0.00	\$0.00
02/01/2038	\$0.00	\$0.00	\$0.00
08/01/2038	\$0.00	\$0.00	\$0.00
02/01/2039	\$0.00	\$0.00	\$0.00
08/01/2039	\$0.00	\$0.00	\$0.00
02/01/2040	\$0.00	\$0.00	\$0.00
08/01/2040	\$0.00	\$0.00	\$0.00
02/01/2041	\$0.00	\$0.00	\$0.00
08/01/2041	\$0.00	\$0.00	\$0.00
02/01/2042	\$0.00	\$0.00	\$0.00
08/01/2042	\$0.00	\$0.00	\$0.00
02/01/2043	\$0.00	\$0.00	\$0.00
08/01/2043	\$0.00	\$0.00	\$0.00
02/01/2044	\$0.00	\$0.00	\$0.00
08/01/2044	\$0.00	\$0.00	\$0.00
02/01/2045	\$0.00	\$0.00	\$0.00
08/01/2045	\$0.00	\$0.00	\$0.00

02/01/2046	\$0.00	\$0.00	\$0.00
08/01/2046	\$0.00	\$0.00	\$0.00
02/01/2047	\$0.00	\$0.00	\$0.00
08/01/2047	\$0.00	\$0.00	\$0.00
02/01/2048	\$0.00	\$0.00	\$0.00
08/01/2048	\$0.00	\$0.00	\$0.00
02/01/2049	\$0.00	\$0.00	\$0.00
08/01/2049	\$0.00	\$0.00	\$0.00
02/01/2050	\$0.00	\$0.00	\$0.00
08/01/2050	\$0.00	\$0.00	\$0.00
02/01/2051	\$0.00	\$0.00	\$0.00
08/01/2051	\$0.00	\$0.00	\$0.00
02/01/2052	\$0.00	\$0.00	\$0.00
08/01/2052	\$0.00	\$0.00	\$0.00
02/01/2053	\$0.00	\$0.00	\$0.00
08/01/2053	\$0.00	\$0.00	\$0.00
02/01/2054	\$0.00	\$0.00	\$0.00
08/01/2054	\$0.00	\$0.00	\$0.00
02/01/2055	\$0.00	\$0.00	\$0.00

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting City Administrator of the City of New Prague, Minnesota (the “City”), and, with respect to the Lease with Option to Purchase Agreement dated as of October 1, 2025 (the “Lease”), between the City, as lessee, and the New Prague Economic Development Authority, as lessor (the “Authority”), that:

1. The Improvements to the Facilities described in the Lease have been completed , delivered and installed in accordance with the City’s specifications.
2. The City has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Lease Payments required to be paid under the Lease during the current fiscal year of the City, and such moneys will be applied in payment of all Lease Payments due and payable during such current fiscal year.
3. Attached as EXHIBIT A to this Certificate is a list of the equipment financed with proceeds of the Bonds and included as part of the Improvements.

Capitalized terms used in this Certificate have the meaning provided in the Lease.

Dated: _____, 20__.

CITY OF NEW PRAGUE, MINNESOTA

By _____
Its City Administrator

EXHIBIT A

LIST OF EQUIPMENT



UTILITIES COMMISSION MEETING
MINUTES

City of New Prague

Monday, August 25, 2025 at 3:30 PM
Power Plant - 300 East Main St

1. CALL TO ORDER

The meeting was called to order by Utilities Commission President Dan Bishop on Monday, August 25th, 2025, at 3:31 p.m.
Commissioners Present Dan Bishop, Tom Ewert, Paul Busch, Charles Nickolay and Bruce Wolf
Staff Present: General Manager Bruce Reimers, Finance Director Robin Pikal and Utility Billing Specialist Tara Thielen.

GM Reimers and Finance Director Pikal introduced Tara to the Commissioners as the new Utility Billing Specialist.

2. APPROVAL OF AGENDA

Motion made by Commissioner Busch, seconded by Commissioner Ewert, to approve the agenda as presented.
Motion carried (5-0)

3. APPROVAL OF MINUTES

a. July 28, 2025 Utilities Meeting Minutes
Motion by Commissioner Ewert, seconded by Commissioner Wolf, to approve the July minutes as presented.
Motion carried (5-0)

4. UTILITY AND SMMPA BILLS

a. Approval of accounts payable in the amount of **\$301,006.61** and the SMMPA billing of **\$644,040.63**.
Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to approve the accounts payables as presented.
Motion carried (5-0)

5. FINANCIAL REPORTS

a. Investment Report
b. Financial Report
c. Water and Kilowatt Hours Sales
Motion by Commissioner Ewert, seconded by Commissioner Busch, to approve the financial reports as presented.
Motion carried (5-0)

6. WEST SIDE ENERGY STATION (WSES) SITE GRADING

a. Approval of Bids from KA Witt Construction to complete the WSES Site Grading
GM Reimers informed the Commission that bids request had gone out to 6 local contractors and that they received back three bids. The low bid came in from KA Witt Construction in the amount of \$101,295.00. Staff and DGR engineering would recommend accepting the bid from KA Witt.
Motion by Commissioner Ewert, seconded by Commissioner Wolf, to accept the bid from KA Witt.
Motion carried (5-0)

7. SMMPA BOARD OF DIRECTORS MEETING

a. July 9, 2025
GM Reimers informed the Commission on the following:
SMMPA staff has been working on future bonding for the Owatonna power plant and transmission projects in preparation for a vote by the board at its September meeting.

8. GENERAL MANAGER'S REPORT

GM Reimers informed the Commission on the following:
-Utility Staff has been working on preparing the WES site for the contractor to start the site work in the middle of September.
-The Electric Distribution Staff has started work on the feeder #8 undergrounding project.
-Staff will be meeting with SEH engineers to start the specification process to rebuild filter plant #3

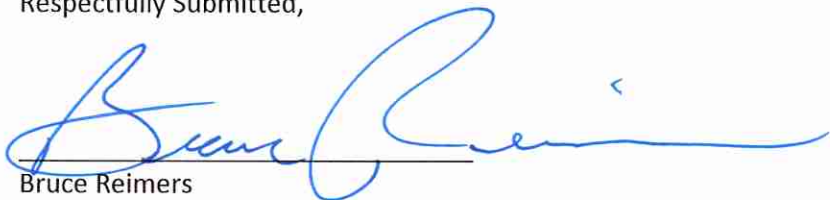
9. OTHER BUSINESS

None

10. ADJOURNMENT

Motion by Commissioner Bishop, seconded by Commissioner Nickolay, to adjourn the meeting at 4:13 p.m.

Respectfully Submitted,



Bruce Reimers
General Manager



MEETING MINUTES

New Prague Golf Board

On site meeting at NPGC
Tuesday, August 26th, 2025

The meeting was called to order at 6:30pm by Board President Den Gardner. The following Board Members were present for the meeting: Den Gardner, Jen Berglund, Adam Gill, Adam Brister and Mayor/Council Liaison Chuck Nickolay. Board Members Bob Cuniff and Graham Kuehner were unable to attend. Also present: GPE Owner/Contract Manager Kurt Ruehling.

- **Approval of July 22nd, 2025 Meeting Minutes:**
 - Ruehling informed the Golf Board that City Hall is changing their invoice delivery and payment procedures, to help ensure no late fees are assessed
 - A motion to approve was made by Nickolay, second by Brister. Motion carried (5-0)
- **Claims for Payment (\$83,997.23):**
 - Brister inquired about a few items, Ruehling clarified
 - Gill asked about a payment to Smart Golf, Ruehling informed the charge is for tournament software...already used for the Denny Greene Invitational
 - Nickolay commented that revenues are exceeding last year
 - A motion to approve the Claims for Payment was made by Gill, seconded by Berglund. Motion carried (5-0)
- **Review Monthly Income Statement and Balance Sheet (July 2025):**
 - A motion to approve the Monthly Income Statement and Balance Sheet was made by Nickolay, seconded by Brister. Motion carried (5-0)
- **Capital Equipment Report**
 - Ruehling reported that we are still awaiting delivery on a new sprayer and new utility carts for the maintenance department. Also a new upright cooler/freezer for the 3rd floor grill
 - Nickolay will talk with Superintendent, Jeff Pint, to get an updated CIP (Capital Improvement Plan) for the upcoming Budget Workshop
- **Grounds Operation Update...Jeff Pint, Grounds Superintendent:**
 - Gardner and Golf Board would like to see a tree removal plan. He stated that there are some players in the Keen Senior League that are nervous of falling branches
 - Questions arose regarding the condition of the north end of the putting green. Ruehling explained that the large oak trees nearby are depleting the moisture, causing the thin dry turf. Area has been aerated and seeded
- **Food & Beverage Update...Michelle Mulvihill, Food & Beverage Coordinator:**
 - Ruehling "introduced" Jess Trevino as our new Food & Beverage Coordinator. Positive comments ensued and all are looking forward to her presence!

- **Golf Operation Update...Kurt Ruehling, GM/PGA Professional:**
 - Ruehling touched the Public Country Club(PCC) and the Youth on Course(YOC) programs and whether or not they are still needed to increase rounds. He will continue to monitor
 - Berglund questioned us hosting a Couples' Golf night on the Friday of Dozinky. Ruehling added that there are numerous participants that do not live in New Prague...and the event should still be somewhat well attended
- **Marketing Update...Kurt Ruehling, GM/PGA Professional:**
 - Ruehling informed the Golf Board of his plans to run a 2026 Membership Promotion...as we have done in the past. Motion to approve was made by Gardner, seconded by Nickolay. Motion carried (5-0)...Ruehling will administer
- **Golf Scholarship Event Summary...Den Gardner:**
 - Gardner stated that it was an outstanding event, with great participation!
 - Before expenses, there was over \$5,700.00 collected. Ruehling will document the new profit
- **Miscellaneous:**
 - Golf Board agreed to schedule a 2026 Budget Workshop for Tuesday, October 7th, at 6:30p, in the Clubhouse. Ruehling to post
- **Adjournment:**
 - A motion to adjourn the meeting at 7:32p was made by Berglund, second by Nickolay. Motion carried (5-0)

Next Golf Board Meeting –Tuesday, September 23rd, 2025, 6:30pm

Respectfully submitted by,
Kurt Ruehling, GME...PGA General Manager