

Present: Mayor Steve Stotko
Council Member Tom Ollig
Council Member Bonnie Quast
Council Member Dave Mochinski
Council Member George Schulenberg

Staff Present: Brad Martens, City Administrator
Deborah R. Boelter, City Clerk-Treasurer
Chad Engel, Winsted Volunteer Fire Department

1) Mayor Stotko called the meeting to order at 6:00 p.m.

a) The Pledge of Allegiance was taken.

2) Consent Agenda

Council Member Mochinski motioned to adopt the Consent Agenda as presented. Council Member Schulenberg seconded. Motion carried 5-0.

a) Minutes – City Council - Work Session – January 3, 2012

Accepted the minutes of the City Council Work Session of January 3, 2012.

b) Minutes – City Council – Regular Meeting – January 3, 2012

Accepted the minutes of the City Council Regular Meeting of January 3, 2012.

c) Minutes – November 9, 2011 Planning Commission Meeting

Accepted the minutes of the November 9, 2011 Planning Commission Meeting.

d) Minutes - December 13, 2011 Winsted Municipal Airport Commission Meeting

Accepted the minutes of the December 13, 2011 Winsted Municipal Airport Commission Meeting.

e) 2011 Audit

Authorized the audit of the City of Winsted's financial statements for the year ending December 31, 2011 by Conway, Deuth and Schmiesing in the amount of \$32,500.

f) December, 2011 Financial Report

Approved the December, 2011 Financial Report.

g) December, 2011 Building Permit Report

Approved the December, 2011 Building Permit Report.

h) Claims

Approved the Claims List for January 17, 2012.

3) New Business

a) Resolution R-12-01 Refinancing Bonds

Martens stated that the City of Winsted staff has been contacted by Northland Securities, Incorporated about an opportunity to refinance the General Obligation Capital Improvement Plan Bonds, Series 2006A, Series 2006 B, and Series 2007A. The refinancing would take advantage of lower interest rates and would reduce the debt service payment on these bonds by the City of Winsted.

Martens continued by stating that Steve Mattson, of Northland Securities, Incorporated is requesting that the City Council approve a “trigger” resolution authorizing the refinancing of the bonds by approval of the Mayor and City Administrator.

Steve Mattson, Northland Securities, Incorporated, addressed the City Council. He distributed information detailing the possible savings to the City of Winsted if they would refinance the aforementioned bonds at the current interest rate.

Mr. Mattson stated that the refinancing of the bonds has the potential to reduce debt service payments by one (1) of two (2) ways:

1. Lower annual payments beginning in 2015 by approximately \$15,000-\$17,000 annually. This could result in a total savings of more than \$400,000 over the life of the bonds.
2. Maintain the same annual payment with a lower interest rate and reduce the term of the bonds. The amount saved in this option would exceed the savings in the preceding option. This option has a potential savings of over \$700,000 over the life of the bonds.

Mr. Mattson stated that the saving projections are based upon an A1 bond rating and current interest rates.

Council Member Ollig if there is any risk to the City of Winsted if the City Council would decide to refinance the aforementioned bonds. Mr. Mattson stated that interest rates may not be where they are now; but, Northland Securities, Incorporated staff will monitor the interest rates.

Council Member Quast asked Mr. Mattson if Northland Securities, Incorporated begins preparing the refinancing documents based on the current interest rates and they decrease, is the City locked into the interest rates at the time that the documents were prepared. Mr. Mattson stated no, it will be based on what the interest rates are on the day Northland Securities, Incorporated goes to the market.

Mayor Stotko asked Mr. Mattson what the City of Winsted's current bond rating is. Mr. Mattson stated that the City of Winsted does not currently have a bond rating; however, he believes that the City would achieve an A1 rating or higher.

Council Member Ollig motioned to adopt Resolution R-12-01 approving the issuance of General Obligation Crossover Refunding Bonds, Series 2012A. Council Member Quast seconded. Motion carried 5-0.

b) Resolution R-12-02 Pavement Improvement Plan

Martens stated that on September 21, 2010, the City Council approved a Pavement Management Plan which outlines proposed street improvements for years 2011 – 2026. For year 2012, the Plan calls for street reconstruction of Westgate Drive from Westgate Terrace to the north curve and a bituminous overlay of Westgate Drive from Main Avenue to Westgate Terrace and from the north curve to Sixth Street. The project also includes the updating of the storm sewer in this area.

In addition to the 2012 project in the Pavement Management Plan, the Winsted Volunteer Fire Department has requested that the City of Winsted reconstruct the parking lot at the Fire Hall. This item was originally brought forward in April, 2010.

Martens stated that the proposed project was discussed at the November 15, 2011 City Council meeting. As part of that discussion, it was requested that the project also look at Westgate Terrace and Westgate Circle. The City Council authorized Bolton and Menk, Incorporated to prepare a Feasibility Study for the 2012 Pavement Improvement Plan which includes the

Westgate Neighborhood, Westgate Lift Station, and the Winsted Volunteer Fire Department's parking lot.

Martens stated that the Feasibility Study has been completed and will be presented by the City's Engineer, Jake Saulsbury, Bolton and Menk, Incorporated.

Martens stated that the next step in the process would be to accept the Feasibility Study and to call a Public Hearing. The Hearing would be scheduled for the Tuesday, February 21, 2012 City Council meeting.

Martens stated that a detailed financial chart is outlined in Table 5.1.A in the Feasibility Study. The City of Winsted has an annual debt service payment of \$94,000 that will expire at the end of 2012; so, the City could incur the new debt service payment to complete the proposed street improvements.

Martens continued by stating that the preliminary assessment role for this project is also included in the Feasibility Study. It is estimated that the per unit cost assessed to property owners will be approximately \$4,940.47 per unit or \$460.03 annually for fifteen (15) years.

Mr. Saulsbury presented the Feasibility Study and detailed the following items:

1. General Project Process
2. Recommended Project Scope
3. Recommended Street Improvements
4. Recommended Storm Sewer Improvements.
5. Estimated Costs for Combined Street and Storm Sewer Improvements
6. Westgate Lift Station Improvements.
7. Winsted Volunteer Fire Department Parking Lot – Options A and B
8. Project Financing and Funding
9. Assessment Summary
10. Overall Cost Summary
11. Potential Project Schedule

Martens asked Mr. Saulsbury why the street in Westgate only lasted twenty (20) years. Mr. Saulsbury stated that it is likely due to poor designing and poor drainage.

Martens asked what type of a warranty contractors have on new street construction. Mr. Saulsbury stated it is typically two (2) years.

Martens asked if the proposed improvements to the Westgate Lift Station will accommodate future growth. Mr. Saulsbury stated yes.

Council Member Ollig motioned to adopt Resolution R-12-02 accepting the Feasibility Study for improvements to the Westgate Neighborhood, the Westgate Lift Station, and the Winsted Volunteer Fire Department Parking Lot and schedule a Public Hearing for Tuesday, February 21, 2012 at 6:00 p.m. in the Winsted City Hall Council Chambers. Council Member Schulenberg seconded. Motion carried 5-0.

c) Resolution R-12-03 Downtown Vibrancy Task Force

Martens stated that in 2011, the City Council held a Goal Setting Session which outlined the goals and objectives for the City of Winsted. As part of that Goal Setting Session, the Mayor outlined the idea of a Task Force to work on re-invigorating the Downtown Business District.

Mayor Stotko presented Resolution R-12-03 establishing a Downtown Vibrancy Task Force.

Council Member Quast motioned to adopt Resolution R-12-03 establishing a Downtown Vibrancy Task Force in the City of Winsted. Council Member Schulenberg seconded. Motion carried 5-0.

4) Public Hearings

a) Public Hearing – McLeod Cooperative Power Association Electric Distribution Franchise Ordinance

Martens stated that at the December 20, 2011 City Council meeting, Public Hearings were held to repeal and replace three (3) Franchise Ordinances. The City Council unanimously approved the changes to each of the three (3) Ordinances and the next day signed copies were mailed to the utility providers. Since the approval of the Franchise Ordinances, it has come to the City's attention that there were errors in the approved McLeod Cooperative Power Association Electric Distribution Franchise Ordinance.

Martens explained that the errors existed because an older version of McLeod Cooperative Power Association Electric Distribution Franchise Ordinance was approved inadvertently. The errors that were made cannot be corrected with a simple administrative procedure. An additional Public Hearing had to be scheduled for January 17, 2012 to correct the errors.

Martens stated that McLeod Cooperative Power Association has, on average, 138 accounts in the City of Winsted. McLeod Cooperative Power Association would be billed \$2.00 per account, per month. The approximate revenue would be:

138 accounts x \$2.00 per monthly fee = \$276 revenue per month

Mayor Stotko asked for public comment. No public comment was received.

Council Member Mochinski motioned to adopt Ordinance O-12-02 amending the City's McLeod Cooperative Power Association Electric Distribution Franchise Ordinance through repeal and replacement of Section 406 of the City Code. Council Member Quast seconded. Motion carried 5-0.

b) Public Hearing – McLeod Cooperative Power Association Electric Distribution Franchise Ordinance – Implementing Franchise Fee

Martens presented Ordinance O-12-03, an Ordinance to repeal and replace section 406 of the City Code with a new Ordinance approving the adoption of Franchise Fees. The next step in the process is to adopt an additional Ordinance which sets the actual fee amount.

Council Member Schulenberg motioned to adopt Ordinance O-12-03 implementing an Electric Service Franchise Fee on McLeod Cooperative Power Association. Council Member Quast seconded. Motion carried 5-0,

c) Public Hearing – Electric Distribution Franchise Ordinance – Implementing Franchise Fee

Council Member Quast motioned to adopt Ordinance O-12-04 implementing an Electric Service Franchise Fee on Northern States Power Company, doing business as (D/B/A) Xcel Energy. Council Member Mochinski seconded. Motion carried 5-0.

Council Member Ollig motioned to close the Public Hearing. Council Member Quast seconded. Motion carried 5-0.

5) Organization Report

a) Jeff Campbell – Winsted Holding Activities That Unite People (WHAT UP) and Winsted Area Chamber of Commerce

Martens stated that the goal of the Organizational Report is to highlight what an organization is doing for the Winsted Community and to identify if there are areas that the City may be of assistance to or cooperate with the group.

Jeff Campbell reported on the following two (2) organizations:

Winsted Holding Activities That Unite People (WHAT UP)

- Organization was established as a result of the Blandin Foundation's Leadership program.
- Activities are planned by four (4) adult members and some teen members.
- Established because Winsted needed smaller events that were free and would bring people together.

- Provide events for families and children.
- Activities are offered over a ten (10) month schedule each year; starting with an Ice Skating party in January.
- In February, a sledding party is held with the Winsted Lake Watershed Association.
- In March, a game day is held in the Vollmer Room at Winsted City Hall.
- In April, there is a scavenger hunt with items hidden in different points of interest in the community.
- During the months of May, June, July and August, movies are offered in the amphitheater at Mill Reserve Park.
- At the June, 2011 "Movie in the Park", there was an animal petting zoo and free ice cream.
- In September, weather permitting; there is generally another outdoor activity.
- The month of October is when the "Halloween Bash" is held. Pumpkins are given to participants and supplies are available to paint and/or decorate them. There are also other games and hayrides.
- WHAT UP events are funded and/or sponsored by local businesses.
- The Winsted Volunteer Fire Department is also an active partner in various events and activities.

Council Member Quast complimented WHAT UP for offering such great events and activities to the Winsted Community.

Council Member Ollig complimented WHAT UP for encouraging the next generation to get involved in the Community.

Winsted Area Chamber of Commerce

- Campbell stated that the Winsted Area Chamber of Commerce's (WACC) mission is, "to foster a stimulating atmosphere in which business can flourish, thereby adding to the economic and social well-being of our community."
- Encourage and support the Winsted community to buy locally by offering "Winsted Bucks" that can be redeemed at several Winsted businesses. They are purchased like a gift certificate.
- They visit new businesses and present them with a "1st Dollar" plaque and give them a one (1) year free membership to the WACC.
- Provide new residents with a "Welcome Packet."
- Offer General Membership meetings every other month with speakers.
- Currently developing a new marketing project to market both the WACC and its members.
- A new project for the year 2012 is to identify ways to attract new businesses to the City of Winsted.
- Presented the names and positions of the WACC Board members.
- Presented some upcoming events and activities sponsored by the WACC:
 - February, 2012 - Social at St. Mary's Care Center
 - April, 2012 - Easter Egg Hunt
 - April, 2012 - Women's Expo at the Blue Note Ballroom
 - July, 2012 – Civic Barbeque
 - August, 2012 – City of Winsted's 125th Celebration, Brat Busters and Business Open Houses
 - December, 2012 – Winsted Winter Festival

Mayor Stotko thanked both WHAT UP and the Winsted Area Chamber of Commerce for contributing to the health of the Winsted community.

6) No Old Business.

7) Department Report

a) City Engineer – Bolton and Menk, Incorporated

City Engineer, Jake Saulsbury, Bolton and Menk, Incorporated, reported on the following:

- **Winsted Municipal Airport Improvements:**

Year, 2011 and Year, 2012 Improvement Projects

- The Airport Pavement Rehabilitation project was bid in 2011 and includes crack repair and seal coat of all public landside pavements, and a slurry seal over all public airside pavements. Total estimated project cost is approximately \$90,000 based on bids. Due to the late issuance of the Federal Aviation Administration (FAA) grant, the work will be completed in the spring of 2012.
- The Arrival/Departure (A/D) building project was bid in 2011 and construction is now substantially complete. Total project costs are estimated at \$321,000 based on the low bid. Staff is working with the Contractor to identify and address outstanding items including interior and exterior punch list items. Seeding and landscaping will occur in the spring of 2012.
- The City of Winsted received a grant from the FAA to cover ninety-five (95%) of the project costs for the aforementioned projects.

➤ **Kingsley Lift Station:**

The improvement to this Lift Station was viewed as the highest priority of the work outlined in the 2010 Wastewater System Facility Plan:

- Construction was completed in the fall of 2011. The proposed work included a new duplex submersible pumping station, conversion of the existing wet well, two (2) new twenty-eight (28) horsepower (Hp) pumps, new valve manhole, new control panel, reuse of the existing generator, bypass pumping, and other miscellaneous items.
- The contract remains open with one percent (1%) retainage owed to the contractor; which is approximately \$1,900. This project will be closed out in the spring of 2012 once verification as to turf restoration can be confirmed and potential street settlement can be monitored.

➤ **Fairlawn Avenue Drainage:**

The intersection of Fairlawn Avenue and Fairlawn Circle frequently flooded impacting a neighboring property.

- Two (2) options were presented to the City Council in September of 2011. The option of additional structures, piping, and a swale was selected.
- The project was designed and bid in late fall. Construction was substantially completed in early November of 2011.
- The contract remains open with five percent (5%) retainage owed to the contractor; which is approximately \$2,600. This project will be closed out in the spring of 2012 once verification as to turf restoration can be confirmed and private improvements are approved by the adjacent property owner.

➤ **City Hall Slope Stabilization:**

In July of 2011, heavy rains and saturated soil conditions caused two (2) slope failures along the lakeshore adjacent to City Hall.

- Options to replace and stabilize the lakeshore, as well as options to minimize upstream water from reaching the slope were evaluated in the fall of 2011.
- The project was designed and bid in late fall of 2011. Construction was substantially completed in early November of 2011.
- The contract remains open with five percent (5%) retainage owed to the contractor; which is approximately \$2,500. This project will be closed out in the spring of 2012 once the plantings on the slope can be reviewed and approved.
- Grant funds totaling \$18,400 were secured for this project from the Crow River Organization of Water (CROW).

➤ **Wastewater Treatment Plant:**

- The improvement project outlined in the 2010 Facility Plan was submitted to the Public Facilities Authority (PFA) and Minnesota Pollution Control Agency (MPCA) for financing. The project scored thirty-three (33) points in 2011, the same score received in 2010, and is below the fundable level. Project financing, along with a phosphorus reduction grant, will be reapplied for in the year, 2012.

- The City's updated permit was reissued. The main provision is that the City must meet the one (1) milligram per liter (mg/l) limit for phosphorus 180 days after the permit issuance in June of 2012. This will require about \$50,000 in improvements to the plant along with approximately \$13,000 a year in additional chemical expenses.

➤ **Miscellaneous Items:**

- Private Development Reviews – Review and coordination items were completed for the Casey's General Store and the Tetra Pak expansions.

8) **No Open Forum.**

9) **Announcements**

a) **City Council Work Session and Regular Meeting – Monday, February 6, 2012**

Due to the Precinct Caucuses being held on Tuesday, February 7, 2012, Martens reminded the City Council and residents that the first City Council Work Session and Regular City Council meeting for February, 2012 have been moved to Monday, February 6, 2012.

10) **Adjournment**

Council Member Quast motioned to adjourn. Council Member Schulenberg seconded. Motion carried 5-0.

The meeting was adjourned at 7:50 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

Deborah R. Boelter, MCMC
City Clerk-Treasurer
City of Winsted