

City of Winsted
City Council Work Session
Lewis Room
February 6, 2012
5:00 p.m.

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
Deb Boelter, City Clerk-Treasurer

I. Call to Order

Mayor Stotko called the meeting to order at 5:00 p.m.

II. 2012 Pavement Improvement Project

Martens reviewed the project scope and the financing options for the 2012 Pavement Management Plan projects of Westgate Drive, Terrace and Circle; the Westgate Lift Station and the Winsted Volunteer Fire Department's parking lot.

Mr. Martens presented the proposed assessment costs to the residents in the Westgate neighborhood and the payment options that will be available to them.

Council Member Quast presented information that she received regarding a possible petition that has been signed by some of the residents in the Westgate neighborhood that are opposed to being assessed for the aforementioned projects.

Mayor Stotko asked why Westgate Drive was seal coated in 2009. Mr. Martens stated that the Pavement Management Plan was established and adopted in 2010 after Westgate Drive was seal coated.

Council Member Ollig stated that the City staff and Council should be prepared at the February 21, 2012 public hearing to address the issue of what happens if the residents in the Westgate neighborhood present a petition opposing the aforementioned projects.

Mr. Martens presented what funds in the City's budget will pay for the different projects to be completed in the Westgate neighborhood and the proposed costs to be expensed from each particular fund.

Mayor Stotko presented another option for the City Council to consider in regards to improvements to the Winsted Volunteer Fire Department's parking lot. Mr. Martens stated that he will forward Mayor Stotko's additional option to the City's engineer for comment.

Mr. Martens reviewed the City's current debt levy and projections of the City's future debt levy if financing is obtained for the 2012 Pavement Management Plan projects. Mr. Martens stated that the City can support the financing for both the 2012 and 2014 Pavement Management Plan projects without an increase to the existing debt levy.

Mr. Martens stated that he did discuss the proposed projects and assessment with a resident in the Westgate neighborhood and they stated that they did not have an issue with the projects and/or the assessment to their property.

Mr. Martens stated that he does feel strongly that the City Council should move forward with the proposed projects and the Assessment Policy. Mr. Martens continued by stating that the City Council does have the authority to change the Assessment Policy so that the residents would be assessed for a smaller percentage of the project; but, he stated that this

would increase the overall debt levy of the City of Winsted and jeopardize the completion of any future projects in the City of Winsted.

Mr. Martens asked the City Council if a member of the Public Works Department should attend the February 21, 2012 public hearing. Council Member Mochinski asked what type of question may be directed to the Public Works Department at the public hearing. Mr. Martens stated that their knowledge and history regarding the condition of the streets and the drainage issues in the Westgate neighborhood may be beneficial. The City Council discussed and stated that they did not believe it was necessary for a representative from the Public Works Department to be in attendance at the public hearing.

Council Member Ollig asked what steps will be taken if a resident does present a petition with the required number of signatures needed to oppose the project. The City Council directed staff to contact the League of Minnesota Cities (LMC) for information regarding how the City Council and staff proceeds at the public hearing if a petition is presented with the required number of signatures to oppose the aforementioned projects.

III. Bond Refinancing

Mr. Martens presented the options that the City Council needs to consider for refinancing the bonds.

Council Member Ollig stated that he would be in favor of Scenario Number Two (#2) which would shorten the term of the bonds by three (3) years; but, not increase the annual payment amount. Council Members Quast, Mochinski and Schulenberg stated that they agreed with Council Member Ollig.

Council Member Mochinski stated that if can keep the same payment amount and still have the ability to shorten the term more than three (3) years, he would like to do that.

Council Member Quast asked if the City pays more than the annual payment amount, can the City pay off the bond sooner. Mr. Martens stated no. The City can only pay the principal and interest payments as listed in the Debt Schedule.

Mr. Martens stated that Mr. Steve Mattson, Northland Securities, Incorporated, has indicated that he does believe that the City of Winsted will receive an A plus (A+) bond rating.

Council Member Mochinski asked Mr. Martens to provide the City Council with the bond rating when the City receives it. Mr. Martens stated that he will include the information in his "Weekly Update."

IV. Holy Trinity Agreement – Winstock Country Music Festival

Mr. Martens presented the proposed 2012 agreement between the Winstock Country Music Festival and the City of Winsted. Mr. Martens stated that there are some items that the City Council adopted in the 2012 Fee Schedule that would have an impact on the services provided to the Winstock Country Music Festival by the City of Winsted.

Council Member Ollig stated that the 2011 agreement required that the Winstock Country Music Festival pay the Winsted Volunteer Fire Department \$500 for emergency and medical services that they provided.

Mr. Martens stated that the 2012 agreement may supersede the 2012 Fee Schedule.

Council Member Mochinski asked what the total cost would be if the City of Winsted would charge the Winstock Country Music Festival for services they provide. Mr. Martens provided an approximate breakdown of the costs incurred by the City of Winsted for the services they provide.

Council Member Ollig stated that for the year 2012, the Winstock Country Music Festival could pay the City of Winsted \$1,000 per the agreement and then have the Public Works Department

and the Police Department track the amount of time they provide for the Winstock Country Music Festival. Payment for their services and time could then be considered for the 2013 agreement. Mr. Martens stated that he can prepare information on what the proposed total fees would be to the Winstock Country Music Festival according to the Fee Schedule and present to the City Council at a future Work Session.

Council Member Ollig stated that he wants the City Council to understand that this is a fundraiser for Holy Trinity School; but, he continued by stating that he also understands that the Winstock Country Music Festival may have to compensate the City of Winsted for some of the services they provide for the annual event.

Council Member Ollig asked the City Council to take into consideration the fact that the Winstock Country Music Festival does allow the Winsted Volunteer Fire Department to hold their annual "Spaghetti Dinner" fundraiser on the property of the Winstock Country Music Festival and they profit approximately \$7,000 from this event. He continued by stating that the Festival could provide their own "Spaghetti Dinner" fundraiser and keep the \$7,000 for Holy Trinity School.

Council Member Quast asked the City Council to also consider what the Winstock Country Music Festival has done for the City of Winsted and its businesses.

Council Member Schulenberg stated that the City does not want the Winsted Volunteer Fire Department to lose the \$7,000. The City Council discussed and agreed.

Mayor Stotko asked Council Member Ollig what the schedule is for approvals that the Winstock Country Music Festival needs to obtain for the year 2012. Council Member Ollig presented the schedule for approvals.

Mayor Stotko recommended that the Winstock Country Music Festival pay the City of Winsted \$1,000 for the year 2012 and then the fees be evaluated for the 2013 agreement.

Council Member Mochinski stated that the City of Winsted is responsible to the taxpayers so the City Council needs to know the approximate cost of services provided by the Public Works Department and the Police Department.

Mr. Martens asked Council Member Ollig if he can wait for staff to provide information at the February 21, 2012 City Council Work Session. Council Member Ollig stated yes.

Council Member Mochinski stated that he has residents approach him wondering what the costs are to the City of Winsted for the services they provide for the Winstock Country Music Festival.

Council Member Ollig stated that the public should also be informed of the fact that the Winsted Volunteer Fire Department profits \$7,000 from their "Spaghetti Dinner" that is held on the Winstock Country Music Festival property.

Council Member Quast stated that the City and its residents must also take into consideration that the Winstock Country Music Festival attendees profit the businesses in Winsted and the Community as a whole.

Mr. Martens stated that it is very clear that the Winstock Country Music Festival benefits the City of Winsted in many areas.

Council Member Quast stated that the Winstock Country Music Festival provides funding to Holy Trinity School and the school is an important part of the Community. It would be detrimental to the Community if it would close.

Council Member Ollig stated that Council Member Mochinski is correct and that the City staff should prepare information on what the approximate costs are to the City of Winsted for services they provide for the Winstock Country Music Festival. Council Member Schulenberg and Quast both agreed.

Council Member Mochinski stated that having this information is the only way the City Council

can make an objective decision on what fees should be charged to the Winstock Country Music Festival. The City Council discussed and agreed.

V. City Council Salary Comparison

Mr. Martens presented the City Council salary comparison that was completed by surveying area cities.

The City Council discussed the compensation of its Commission members.

Council Member Ollig stated that the City Council salaries and compensation for Commission members will be reviewed and considered by the Budget Task Force.

VI. Other

a) Winsted Municipal Airport Arrival/Departure (A/D) Building

Mr. Martens stated that Gopher State Contractors, Incorporated submitted their explanation for not completing the Winsted Municipal Airport's A/D building in the timeframe required.

Mr. Martens stated that the City now has to decide how to move forward. He continued by stating that the legal fees to pursue compensation from the Contractor will exceed the amount of money that the Contractor would reimburse the City of Winsted. He stated that it would be a net loss.

Mr. Martens stated that he is recommending that the City of Winsted not pursue the compensation and use this experience as a lesson on how future contracts are written.

Mr. Martens stated that he will ask the Contractor to reimburse the City of Winsted for not completing the project on time in the hopes that they will provide some type of compensation.

Mayor Stotko asked Mr. Martens who wrote the contract. Mr. Martens stated that the City's engineers, Bolton and Menk, Incorporated wrote the contract. The City Council discussed whether Bolton and Menk, Incorporated should be held responsible for obtaining reimbursement from the Contractor. Council Member Quast asked if Bolton and Menk, Incorporated should reduce the fees they charged for the services they provided during the construction of the Winsted Municipal Airport's A/D building.

Mr. Martens stated that the City Council approved the contract that Bolton and Menk, Incorporated prepared and presented.

The City Council directed Mr. Martens to ask the Contractor and/or Bolton and Menk, Incorporated for reimbursement on behalf of the City Council.

b) Winsted Volunteer Fire Department Meeting – Monday, February 6, 2012

Mr. Martens stated that he would be attending the Winsted Volunteer Fire Department's 7:00 p.m. meeting tonight, February 6, 2012 to discuss the proposed improvements to their parking lot.

c) City of Hutchinson, Minnesota - Mayor Steve Cook

Mr. Martens stated that he was contacted by the City of Hutchinson, Minnesota's Mayor Steve Cook regarding a possible public meeting to discuss the Luce Line State Trail.

d) City of Winsted Municipal Airport Commission and Park Commission Vacancies

Mr. Martens stated that he has received two (2) applications for the vacancy on the Winsted Municipal Airport Commission and no applications for the vacancy on the

Park Commission. He will be conducting interviews in the future.

The City Council discussed the two (2) candidates that applied for the Winsted Municipal Airport Commission vacancy.

Mr. Martens stated that he will continue to advertise for the Park Commission vacancy. He continued by asking the City Council to contact him if they have someone that they would like to be considered for the Park Commission.

VII. Adjourn

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

The meeting was adjourned at 5:50 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

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