

City of Winsted  
City Council Work Session  
Lewis Room  
Tuesday, March 5, 2013  
5:00 p.m.

Present: Mayor Steve Stotko  
Council Member Max Fasching  
Council Member Tom Ollig  
Council Member Bonnie Quast

Absent: Council Member George Schulenberg

Staff Present: Brad Martens, City Administrator  
Dave Meyer, Maintenance Supervisor

**I. Call to Order**

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

Mr. Martens stated that there would be a large amount of information during this Work Session, so the City Council would call a recess for the Work Session before the Regular City Council Meeting and continue the Work Session after the Regular City Council Meeting was finished.

**II. Revolving Loan Fund – Southwest Initiative Foundation**

Mr. Martens stated that in 2012, the City Council discussed \$600,000 worth of funds that remain in the Revolving Loan Fund, and directed staff to coordinate an effort with a Local Development Organization to establish a Revolving Loan Fund in order to provide low interest financing to Winsted business owners. He continued by stating that the Southwest Initiative Foundation is interested in coordinating efforts with the City on this item and that representatives from this foundation were present at the Work Session for discussion.

Nancy Fasching and Scott Marquardt, from the Southwest Initiative Foundation, introduced themselves. Mr. Marquardt explained the experience of the Southwest Initiative Foundation regarding loans and how they have been used in the downtown development of cities.

Mr. Marquardt asked the City Council to consider the list of wants that they would like accomplished with the \$600,000; and from there, a discussion could take place to compare the wants to the guidelines for the variable loan options, rather than starting with what is restricted with the loan funds. He also inquired about the history of what types of programs that the City of Winsted is already involved in, for example, funding programs with Flagship Bank or other bankers, the Regional Development Commission (RDC) in Willmar, the Department of Employment and Economic Development (DEED), or the United States Department of Agriculture (USDA).

Council Member Ollig stated that Winsted wants to help retail businesses, first and foremost, either develop their buildings so that they are a more viable business, or help someone come into a building that is vacant and get their business started.

Mr. Marquardt asked if the Downtown Business District is the main priority. The City Council Members stated yes. Council Member Quast stated that the City has spent a large amount of money to create the Promenade and has heard dissatisfied remarks regarding the Promenade area because of the appearance of the buildings next to the Promenade. She continued by stating that there have been loan and grant funds available for businesses to improve their buildings in the past; however, no one pursued these options because there was so much red tape to go through to obtain the funds. Council Member Quast stated that if the Promenade was used properly, it would bring more people into the downtown/retail Area.

Council Member Ollig asked Mr. Martens if he had informed Mr. Marquardt of the downtown grant program that was offered by the City. Mr. Martens stated that he had informed Mr. Marquardt about the Downtown Beautification Program offered in the past.

Mr. Marquardt asked if the goal of the City would be focused on the downtown structures themselves versus getting people inside of the buildings. The Council Members stated yes. Council Member

Quast stated that appearance of buildings means a great deal to people. Mayor Stotko stated that if a business came into Winsted and worked to make the appearance of their building appealing and then needed help with equipment for their business or the interior of the building, these items should not be disregarded; they should be weighted against the next project that comes along.

Mr. Marquardt asked if the City would want some of the funds to go toward someone purchasing the structure, or would the funds help after the person already has title to the property.

Council Member Ollig stated the funds should be offered after someone owns the property; however, if it would mean that a business would be revitalized, it should be considered.

Ms. Fasching asked how much risk the City is willing to take with loaning the funds. Council Member Ollig stated that he would want the City to be more flexible than a bank would be.

Mr. Marquardt asked if the City would be willing to take risk on a handful of projects rather than placing a lower cap on funds to make available to more businesses. The City Council Members stated yes.

Mr. Martens stated that the City Council has discussed incentivized programs with forgivable portions for property owners of buildings facing the Promenade to improve the appearance of the exterior sides facing the Promenade.

Mr. Marquardt asked if the City would fund new construction within the downtown area when there are already multiple vacant buildings. The City Council Members stated yes.

Mr. Marquardt asked if metropolitan developers have inquired about constructing in Winsted because of Winsted's location to the metro area, Winsted's size, and Winsted's small town appeal. Council Member Fasching stated that he believes that people are looking at Winsted and with the turn of the economy, Winsted will be more attractive.

Mr. Marquardt asked how many of the downtown buildings have apartments on the second floor and if the City would be willing to fund affordable housing type projects. Council Member Ollig stated that a large percentage of the buildings downtown have apartments on the second floor, and that the City does not allow apartments on street level, facing the street. The City Council Members stated that they would be willing to fund affordable housing type projects.

Mr. Marquardt asked if there was one large, capstone project that the City would like to allocate a large portion of the funds to.

Council Member Fasching stated that he liked when the City of Annandale renovated their downtown area with a themed cedar façade on the businesses, and would like that type of project in Winsted.

Mayor Stotko stated that the second phase of the Downtown Vibrancy project would be started soon, and the task force for the Downtown Vibrancy project discussed this same idea of a theme for Winsted, where a focal point needs to be created within Winsted's downtown area.

Council Member Ollig stated that in the past, when the Minnesota Design Team worked with Winsted, drawings were created and could be used for a starting point.

Mr. Marquardt asked if the City saw more potential with strengthening the businesses that are already in the downtown area or by trying to recruit new complimentary businesses in.

Council Member Ollig stated both. Council Member Quast stated both, and that Winsted is missing an element by not using the Industrial and Commercial businesses within Winsted for help to bring people into the downtown area of Winsted. Compared to surrounding cities, Winsted has more jobs and industry.

Council Member Ollig stated that the day time population in Winsted is larger than the night time population because of the industry in Winsted.

Council Member Ollig stated that the Promenade is a start to attract people to the downtown area. He continued by stating that directing the Luce Line Trail through the downtown area, will help too, and the City is working on developing a route through the area.

Mr. Marquardt stated that the right steps need to be taken to draw people to downtown Winsted to capitalize on the increased number of people within Winsted during the day because of the industry of Winsted.

Council Member Quast stated that she feels that the City should be advertising the opportunities and businesses that Winsted has to offer on State Highway Seven (7) and she has discussed this option with contacts who would provide land space for this type of advertising.

Mr. Marquardt asked if the City has heard from business owners that there is a labor issue. The City Council Members responded yes and Council Member Quast stated that there are many job openings advertised within Winsted and that industries are looking for land within Winsted.

Mayor Stotko stated that in the summer of 2013, Duebers will be closing and it would be advantageous for a similar business to go into that upcoming empty building. Mayor Stotko stated that he would support using some of the \$600,000 to coax a business into this space.

Council Member Ollig stated that Winsted has been willing to take a chance on projects to make the community better. The City is at an opportunistic point to be the first city amongst surrounding cities to take steps forward to revitalize, which will be a great benefit to Winsted.

Council Member Fasching asked if the loan funds for the \$600,000 are offered across a broader range of options, will the fees for the loan program be more expensive. He continued by asking if the City is very focused and determines that all it wants is a downtown exterior façade will the fees be less for the funding.

Mr. Marquardt stated that the fees depend on the circumstances, the maintenance of what is being loaned for, and the amount of risk.

Mr. Martens stated that the City Council is willing to explore all options for revitalization of the downtown area and what is most important is the local control regarding decisions for the funds. Mr. Marquardt stated that he would look into the possibility of a Local Loan Committee being formed. Mr. Marquardt asked if there is potential for local investors to bring a business into Winsted because local investors can contribute more to the success of a business. Council Member Ollig stated yes.

Mr. Marquardt stated that he learned what the concerns of the City are from the discussion at this Work Session and would be working with Mr. Martens on further discussing the revolving loan fund program and about exploring options that RDC and USDA funds may provide also.

### **III. Capital Improvement Plan (CIP) Purchase – Dump Truck**

Mr. Martens stated that the Public Works Department has several vehicles in its fleet that are nearing their anticipated life expectancy. In order to ensure the Department has the quality of equipment necessary to continue providing the existing level of services in the future, there is a need to begin replacing equipment to avoid a failure of multiple pieces of equipment at the same time.

Mr. Martens stated that Dave Meyer, Maintenance Supervisor, has worked with the Public Works Department to request the consideration of replacing the 1992 Ford L900 Tandem Axle Dump Truck. The current mileage of the vehicle is 152,676 miles.

Mr. Martens stated that several quotes through State Contract for a new replacement truck have been obtained by Mr. Meyer and are listed below:

- 2014 Mack truck with Towmaster equipment \$189,552.95
- 2014 Mack truck with Crysteel equipment \$189,714.67
- 2014 Freightliner truck with Towmaster equipment \$191,832.89
- 2014 Freightliner truck with Crysteel equipment \$191,994.61
- 2014 International truck with Towmaster equipment \$189,636.51
- 2014 International truck with Crysteel equipment \$189,798.23

Council Member Ollig asked if this purchase would be taken out of the Capital Improvement Fund. Mr. Martens stated yes and that there is currently enough money in the fund for the purchase. The Capital Improvement Fund has \$200,000 from the year 2012 and in the year 2013, an additional \$130,000 will be allocated to it.

Council Member Fasching asked why the bids were so close. Mr. Meyer stated that the vehicles are

the same type of truck, with the same equipment, and that the quotes are at state bid pricing. The general public cannot purchase at these prices. Mr. Meyer stated that the biggest difference with the quotes is trade-in price. Mr. Meyer stated that the Public Works Department prefers the Mack truck because it is safer and easier to drive.

Mr. Meyer stated that the Public Works Department has spent a great deal of money on the current dump truck, and more will need to be spent to pass Department of Transportation's (DOT) inspections. He stated that the City purchased the current dump truck used, from a county, approximately fifteen (15) years ago and paid \$40,000 for it. The trade-in value given for it will be \$21,500.

Council Member Ollig asked if it would be worth it to keep it in the fleet. Mr. Meyer stated no because they are receiving a good trade-in value for it and if it is kept, more money will have to be spent on it. Mr. Meyer stated that the life expectancy of the new truck is approximately twenty-five (25) to thirty (30) years.

Council Member Ollig and Mayor Stotko stated that the Capital Improvement Fund is set for purchases like this, and the truck is needed. The City Council Members directed Mr. Martens to place this item on a future Regular City Council Meeting agenda.

#### **IV. Leave of Absence Request – John Schlechter**

Mr. Martens stated that John Schlechter, Maintenance Worker, has requested two (2) weeks of unpaid leave in 2013, one in the spring and one in the fall, for farming purposes. He continued by stating that Mr. Schlechter made a similar request in 2012 for one (1) week, which the City Council approved. The City's Personnel Policy does allow for the City Council to approve this type of leave. Mr. Martens stated that the leave would be worked around weeks that would have the least impact on the Department. The overall result of approving a leave of absence would be a slower response time to citizen requests during that time.

Mr. Meyer stated that he is comfortable with granting this request for Mr. Schlechter, who is a good employee. He continued by stating that he has talked with Mr. Schlechter to let him know that if an emergency arose, he could call Mr. Schlechter and the leave of absence would end until the emergency was resolved. Mr. Meyer stated that Mr. Schlechter is planning to use this leave in the months of May and October.

The City Council Members had no objections to the request and directed Mr. Martens to place the approval on a future Regular City Council Meeting agenda.

**Council Member Ollig motioned to recess the City Council Work Session until after the City Council Meeting. Council Member Fasching seconded the motion. Motion carried 4-0.**

The City Council Work Session was recessed at 5:50 p.m.

Mr. Martens stated that the City Council Work session was reconvened at 6:45 p.m.

#### **V. 2013 Goal Setting**

Mr. Martens stated that the City Council held a Goal Setting meeting on February 15, 2013 and developed a Must Do, Should Do and Could Do list. The City Council Members reviewed the Must Do list and the action items regarding the list as follows.

##### **a. Expand the Industrial Park**

Mr. Martens reviewed that the City Council wanted the City to:

- Complete a feasibility study by July 1, 2013.
- Choosing a City Council approved preferred site by August 31, 2013.
- Adopt a financing plan by the end of September, 2013.
- Attempt to sign a purchase agreement by the end of the year, 2013.

Council Member Ollig stated that the Entinger property, which is the probable property to attempt to acquire for the Industrial Park expansion, is currently under contract with the Winstock Country Music Festival through the approximately July, 2015. Because of this, the property will not be available until July, 2015.

The City Council Members discussed what the process would be to develop the land into an Industrial Park, if it would happen in phased events of development, and how long that process would take. Mayor Stotko stated that the City should be able to work around the current agreement that the Winstock Country Music Festival has with the owners of the Entinger property. Council Member Ollig stated that the Winstock Country Music Festival is in the process of researching other land options for lease.

The City Council Members discussed the Roos property and stated that it would be the best option for an expansion; however, the property is unattainable.

**b. Appoint a Downtown Vibrancy Group to Carry out the Goals of the Downtown Vibrancy Task Force**

Mr. Martens reviewed that the City Council wanted the City to:

- Place the item on the March 19, 2013 Work Session for discussion.
- Advertise and recruit members throughout April, 2013
- Appoint members to the group by May 31, 2013.

Council Member Ollig asked if there were any members from the original Task Force that might consider serving on the new group, and if so, the invitation should be extended to that group first. Mayor Stotko stated yes and agreed with Council Member Ollig.

Council Member Fasching stated that Nancy Fasching would be a good person to consider for the new group because of her knowledge base.

The City Council discussed the forming of the group, the large commitment required of the group, the training provided for the group members, and how the members of the group would be appointed and given their directive. They also discussed that the directive of the group depends on the outcome of options available through the Revolving Loan Funds.

**c. Build a Lighted Skating Rink**

Mr. Martens reviewed that the City Council wanted the City to:

- Complete a feasibility study of Westgate Park by the end of April, 2013 to include design, cost, equipment, maintenance, etcetera.
- Have the Park Commission will review the findings at the May, 2013 Park Commission Meeting.
- Approve the plan along with financing in June, 2013
- Receive quotes for the work in July, 2013
- Begin the construction work for the rink at the end of the 2013 summer baseball season.

Mr. Martens reviewed the draft plan for the rink from Bolton and Menk, Incorporated, which includes a lighted, high school regulation size, 200 feet by 85 feet rink, a warming shack, and a lighted leisure rink in addition to the regulation sized rink.

Mayor Stotko asked if the Westgate location was the agreed upon location for the rink. Mr. Martens stated that the Park Commission has been informed of this possible location and was in favor of the location. Mr. Martens stated that these rinks should not have an impact on the Westgate ball playing fields.

Mayor Stotko discussed other possible locations for the rink, including the basketball court on Main Avenue because of the location and the lights that are already within this park.

The City Council discussed the Westgate Park location and stated that if Westgate will be determined as the location, the City must have conversations with Mr. and Mrs. Gordon Kubasch, 210- 6<sup>th</sup> Street North, to inform them that the rink will be created in Westgate Park, that there will be additional lights in the area, and that the additional water from the ice rink will not create more storm water issues for their property.

**d. Improve Communication between the City and Residents/Business Owners on City Issues**

Mr. Martens stated that he had written a communication update that was included in the utility bill sent

in February, 2013. He also stated that Chris Schultz, of the Herald Journal, would submit a proposal to the City Council for starting a blog for the City.

#### **e. Make Improvements to better Utilize the City's Promenade**

Mr. Martens reviewed that the City Council discussed two (2) items regarding the Promenade:

- Create a trail head for parking for the Luce Line Trail.
  - The Park Commission will discuss at their meetings in March.
  - The Park Commission will review and recommend a plan for approval at their April, 2013 meeting.
  - The City Council will review the plan at their May, 2013 meeting.
  - The City Council will complete a plan by August 1, 2013 to include signage and connecting the trail.
  
- Paint selected buildings in the Lakefront Promenade area.
  - The City will meet with selected building owners in April, 2013 to discuss the possibility and to receive approval.
  - The City will solicit help from the Winsted Arts Council and Winsted Area Chamber of Commerce in May, 2013 for the painting.
  - Receive City Council approval for the painting of the buildings in June, 2013.
  - Paint the buildings in July, 2013.

Council Member Ollig stated that it should be known whose liability insurance will cover volunteer painters if someone is injured during the painting.

Council Member Fasching asked if there is a probability that property owners of these brick buildings will not want to go forward with the painting; and if so, would the City move forward with only those property owners that want to participate. The City Council Members stated that they would still move forward with the project if they only had one owner interested.

Mr. Martens stated that the paving of the Luce Line State Trail is an additional goal for the City and asked if the City Council is comfortable with him working toward that goal. The City Council Members stated yes.

### **VI. Legislative Update**

Mr. Martens reviewed a list of items that he would be discussing with legislators and asked that the City Council Members confirm that these items are for the City of Winsted's best interest.

- Local Government Aid
- Property Taxes
- Luce Line Trail Funding
  - Council Member Quast asked if Mr. Martens had heard any comments from Winsted residents regarding their feelings about the trail. Mr. Martens stated that he hears overwhelming support from the people he sees, including members of the Winsted Area Chamber of Commerce. Council Member Quast stated that she received one negative comment regarding the City's \$100,000 commitment to the trail. Council Member Fasching stated that he received negative comments from local business owners and also from Winsted Township.

Council Member Ollig stated that in his opinion, if you look at big picture and the future, the commitment toward the trail is the right thing to do. Council Member Quast agreed.

- Elections
- Waste Water Treatment Facility
- Street Improvement District
- Eliminate Sales Tax on Purchases by Local Governments

### **VII. Other**

Council Member Ollig stated that he and Council Member Fasching were in attendance at the Winsted Township Meeting. In regards to the City of Winsted, the Township members stated that they would like to build better relations with the City, they discussed the Millerbernd annexation, and they discussed the Luce Line Trail.

Council Member Fasching stated that interesting ideas regarding the Luce Line Trail, including incorporating geocaching into Winsted along with the trailhead at the Promenade, were suggested at the Winsted Township meeting. He continued by stating that Mr. Hausladen suggested that the Winsted Township give an update at a City Council meeting.

### **League of Minnesota Cities Conference – Thursday, March 21, 2013**

Mr. Martens stated that he would be attending the League of Minnesota Cities Conference on Thursday, March 21, 2013 and invited City Council Members that wanted to attend to let him know.

### **Main Street Program**

Mr. Martens stated that Council Member Ollig could not attend the March Main Street Program training session in Winona. The City Council directed Mr. Martens to inquire if the program could be taught in the future in Winsted for the City Council and new Downtown Vibrancy group that will be formed to attend.

### **Southern Minnesota Arts and Humanities Council**

Mr. Martens stated that the Southern Minnesota Arts and Humanities Council denied the funding request for Winsted's art structure planned to be placed in the helipad that was designed by Ralph Millerbernd.

### **City Council Report (CCR) Addition**

Mr. Martens stated that he added language to the City Council Reports to add how the item relates to Winsted's Value Statement.

## **VIII. Adjourn**

**Council Member Ollig motioned to adjourn the meeting. Council Member Fasching seconded the motion. Motion carried 4-0.**

The meeting was adjourned at 7:30 p.m.

*Steve Stotka*

Steve Stotka  
Mayor  
City of Winsted

ATTEST:

*Raquel Kirchoff*

Raquel Kirchoff  
Administrative Assistant  
City of Winsted