

City of Winsted
City Council Work Session
Lewis Room
Tuesday, April 3, 2018
4:00 p.m.

Present: Mayor Steve Stotko
Council Member Mike Henrich
Council Member Patty Fitzgerald
Council Member Tom Ollig
Council Member George Schulenberg

Staff Present: Mr. Dan Tienter, City Administrator
Ms. Raquel Kirchoff, City Clerk-Treasurer

Also Present: Mr. Ron Roetzel, Bolton and Menk, Incorporated

I. Call to Order

Mayor Stotko called the meeting to order at 4:00 p.m.

II. Minnesota Investment Fund, Revolving Loan Fund Exception

Mr. Daniel Tienter, City Administrator, stated that in the year 2005, the City Council authorized the Economic Development Authority (EDA) to administer a Revolving Loan Fund (RLF) to support economic development efforts within the corporate boundaries of the City of Winsted. Generally, RLF capitalization occurs through the repayment of business development loans issued through the City by the Minnesota Department of Employment and Economic Development (DEED). Upon repayment, these monies may be borrowed for other eligible activities as identified in the RLF Program Plan (Plan). Due to the various Plan regulations and requirements, the City has only administered two (2) loans since the inception of the RLF.

Mr. Tienter stated that in order to improve access to RLF monies, the City Council explored several plan alternatives, most notably the creation of a Local Development Organization (LDO) in partnership with the Winsted Area Chamber of Commerce and/or Southwest Initiative Foundation. However, the resignation of the City Administrator at the time, coupled with the opportunity to expand the existing Industrial Park limited these discussions. On October 21, 2014, the City Council amended the plan to allow for the use of RLF monies for the purchase of land for the Industrial Park Expansion, which resulted in the expenditure of approximately \$605,400 of RLF monies and a remaining fund balance of approximately \$133,757.

Mr. Tienter stated that on June 17, 2017, following modifications to RLF related statutes by the State of Minnesota (State), DEED announced a one-time, RLF exception, which allows local governments the opportunity to "use 80 percent of the uncommitted [RLF] balance for any lawful purpose if 20 percent of the [RLF] balance is returned to the State." Based on this arrangement, the City would return approximately \$26,751 of RLF funds to release approximately \$107,006 from any and all RLF requirements. City staff recommend any such funds remain assigned for EDA related activities and programs, such as the 2018 – 2020 EDA Goals and Strategies. There are no other costs and/or penalties for utilizing this exception.

Mr. Tienter stated that on March 22, 2018, the EDA recommended the City Council approve a one-time exception for the balance of the RLF monies. Given the process to date, the previous efforts of the City Council to improve access to RLF monies, the strategic planning efforts of the EDA, and the capability to expend any remaining RLF monies as general-purpose aids, City staff recommends the City Council approve the aforementioned exception at their April 17, 2018 Regular Meeting.

Council Member Henrich asked if the City must pay back the money it used from the RLF to purchase land. Mr. Tienter stated no.

Mr. Tienter further stated that the City Council has made the decision in the initial negotiating for the Industrial Park, not to recoup any of the costs as a part of the sale of land. Under Minnesota State Law, the City can provide land for Industrial development uses for \$1.00. The City Council chose this option in an effort to build out the Industrial Park Expansion. At the time the land was purchased for Industrial Park Expansion, the City Council was not concerned with recouping the cost because the purchase money came from the State of Minnesota.

Council Member Fitzgerald asked if the City must repay the \$107,000. Mr. Tienter stated no.

Council Member Ollig stated the EDA is a good group of age varied people. He continued by stating that the EDA is considering the idea of a daycare in the community to keep workers in Winsted.

The City Council Members provided guidance to include consideration of approval of the RLF Exception on the next City Council Agenda.

Mr. Tienter stated that there is no 2018 budget authority for any economic development activities; and by taking advantage of the RLF Exception, it is a good way to begin the work of the EDA. He further stated that one of the 2019 budget items will be to consider how to fund the EDA efforts on an ongoing basis.

III. Winsted Municipal Airport - Runway Improvement Project Update

Mr. Tienter stated that City staff, the City Airport Planner, and the City Engineer met with the Federal Aviation Association (FAA) on March 16, 2018 to discuss the next steps in the Runway Improvement Project, considering that the City Council shifted from a paved runway to a turf runway as the preferred alternative.

Mr. Tienter stated that Mr. Ron Roetzel, Bolton and Menk, Incorporated, was present to provide an update for the City Council regarding the requests from the FAA from the meeting on March 16, 2018.

Mr. Tienter stated that the Airport Commission has been reconstituted; however, that Commission is in transition and is not in a position to recommend decisions. Mr. Tienter stated that the City Council packet materials were provided to the Airport Commission Members.

Mr. Roetzel stated that the FAA has to complete items because of preferred alternative switch from a paved runway to a turf runway. Mr. Roetzel provided an update to the City Council Members related to the following items.

2017 Grant:

- o The 2017 grant will be updated to fit with the final turf runway reconstruction alternative.
- o The grant request was for \$474,000 for the preliminary design, final design, Airports Geographic Information System (AGIS) work, grant administration, and independent fee estimate.
- o \$426,600 will be funded by the FAA, \$23,700 will be funded by the Minnesota Department of Transportation (MnDOT), and \$23,700 will be locally funded.

2018 Grant:

- o The 2018 grant will include the Northern Natural Gas pipeline relocation, the concurrent land use work, the survey and description for the pipeline easement, recording of the pipeline easement, and Exhibit A work. Mr. Roetzel explained what Exhibit A work is as it relates to all property that is currently owned by the Winsted Municipal Airport.
- o The easement for the pipeline will need to be executed before the 2018 grant can be issued.

All of the costs represented below will be part of project formulation with the 2018 grant.

- o **Finding of No Significant Impact (FONSI): - \$3,000**

- Update the FONSI to show T1 as the preferred alternative.

- o **Capital Improvement Plan (CIP): - \$500**

- Confirm the final numbers of the CIP for the turf runway project steps and send to the FAA to be entered into the MnDOT website.

o **Consultant Selection: - \$0**

The FAA would like the City to complete consultant selection after the revised FONSI has been approved and finalized.

o **Runway Width: - \$2,000**

Draft a letter and finalize the runway width to be constructed with the turf runway reconstruction project.

Mr. Roetzel stated that the FAA has stated that they will fund a 120 feet wide turf runway. They will further consider 10 feet shoulders on each side for a total of 140 feet wide turf runway. Mr. Tienter stated the current width of the runway is 200 feet and the City and the Environmental Assessment listed a 200 feet runway for the project. Mr. Tienter stated that the City has voiced the concern of the runway width change to the FAA at the March 16, 2018 meeting.

Mr. Roetzel stated that Bolton and Menk, Incorporated has since done some research of an average width of a turf runway and they range from 140 – 160 feet. Mr. Roetzel stated that he spoke with Maintenance Supervisor, Mr. Dave Meyer, regarding if 10 feet shoulders on each side of the runway was enough. Mr. Meyer requested 20 feet shoulders on each side because of the amount of snow that is plowed from the runway and where it has to go when plowed.

Mr. Tienter stated that City staff submitted a formal request to the FAA for the runway at 120 feet and 20 feet shoulders on each side, for a total width of 160 feet and is waiting to hear back from the FAA regarding this request. Mr. Tienter stated that the City Council must consider if it is comfortable with the runway width of 120 feet and possibly 10 feet of shoulders on each side that the FAA is proposing to fund.

Mr. Tienter stated that what the FAA has told the City in the past is that through the runway alternative process they were comfortable with a 200 feet wide total runway. Currently, what the FAA is telling the City is that they are using guidance on a paved surface and applying it to turf surface to produce a 120 feet runway and that is what they are willing fund.

Mr. Roetzel stated that the FAA was likely not focused on the runway width listed in the Environmental Assessment because they were focused on a paved runway as the preferred alternative.

The City Council Members stated that the runway should be a minimum of 160 feet, with a 120 feet runway and 20 feet shoulders on each side.

o **Airport Layout Plan (ALP) Update: - \$500**

Bolton and Menk, Incorporated will work with the FAA to determine if an ALP update is necessary within the 2017 design grant or if this is a future project. If the FAA wants to include an ALP update with this grant there will be an additional cost. That work would be included in the 2018 grant.

Mr. Tienter stated that the FAA offered that the eastern portion of the Northern Natural Gas line need not be relocated at this time, but will need to be relocated in the future. City staff recommends that this portion does get relocated with the project because project funding is available now, which may not be at the time they would require relocation. The City Council Members agreed.

Mr. Tienter stated that City staff would convey the information to the FAA and the City Council would be updated once the FAA responded.

IV. Other

a) 2018 Legislative Session

Mr. Tienter provided an update regarding the meeting that he, Council Member Fitzgerald and Council Member Henrich had with Senator Newman had regarding the 2018 Legislative Platform.

b) Investments

Mr. Tienter stated that the City would be purchasing two two-year Certificates of Deposit (CD) at 2.5% for the City's outstanding \$358,000 from long term investments. Mr. Tienter stated that an update regarding the City's investments would be provided annually.

c) 2017 Audit

Mr. Tienter stated that the 2017 Audit would be conducted during the week of April 9, 2018.

V. Closed Session – Purchase or Sale of Real or Personal Property

Council Member Schulenberg motioned to close the Work Session to discuss the purchase of Lots 1 & 2 of the Industrial Park Expansion. Council Member Henrich seconded the motion. Motion carried 5-0. The Work Session closed at 5:24 p.m.

Council Member Fitzgerald motioned to re-open the Work Session. Council Member Schulenberg seconded the motion. Motion carried 5-0. The Work Session re-opened at 5:44 p.m.

V. Adjourn

Council Member Fitzgerald motioned to adjourn the Work Session. Council Member Henrich seconded the motion. Motion carried 5-0.

The Work Session was adjourned at 5:44 p.m.

Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted