

City of Winsted
City Council Work Session
Lewis Room
Tuesday, April 7, 2015
4:00 p.m.

Present: Mayor Steve Stotko
Council Member Bonita Quast
Council Member Tom Ollig
Council Member George Schulenberg
Council Member Max Fasching

Staff Present: Mr. Clay Wilfahrt, City Administrator
Mr. Fran Eggert, City Attorney
Ms. Deborah R. Boelter, City Clerk-Treasurer
Mr. Dave Meyer, Public Works Department Maintenance Supervisor

I. Call to Order

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

Council Member Ollig motioned to recess the Work Session and move the meeting downstairs to the City Council Chambers due to lack of space for attendees from the general public to participate in the Work Session. Council Member Fasching seconded the motion. Motion carried 5-0.

Council Member Fasching motioned to reconvene the Work Session in the downstairs City Council Chambers. Council Member Ollig seconded the motion. Motion carried 5-0.

II. Westside Skydiving, Limited Liability Company (LLC) - Agreement

Mr. Wilfahrt stated that there have been some allegations against Mr. Joe Johnson, the former owner of Westside Skydivers, LLC. The City's Attorney, Mr. Fran Eggert, and also the Attorney for Westside Skydivers, LLC were present at the Work Session to determine how the City should move forward.

The City's Attorney, Mr. Fran Eggert, addressed the City Council and presented the following information:

- His discussions with Mr. Brian Toder, the Attorney for Westside Skydivers, LLC and Ms. Kristin M. Merritt.
- Mr. Toder's and Ms. Merritt's intentions for the future of the Skydiving business.
- The steps being taken by Mr. Toder and Ms. Merritt to continue the operation of the Skydiving business at the Winsted Municipal Airport.

Ms. Merritt's Attorney, Mr. Brian Toder of Chestnut Cambronne, addressed the City Council to discuss the following:

- ❖ His representation of Mr. Joe Johnson and Ms. Kristin Merritt.
- ❖ The allegations and indictments against Mr. Joe Johnson.
- ❖ Ms. Merritt's intention to discontinue all business relations with Mr. Joe Johnson and to begin operating a new Skydiving business at the Winsted Municipal Airport.
- ❖ The steps Ms. Merritt has taken to start a new Skydiving business.
- ❖ Asked the City Council for an extension to prepare the documentation for Ms. Merritt to start a Skydiving business at the Winsted Municipal Airport.
- ❖ Asked the City Council to give Ms. Merritt the opportunity to present her proposed Skydiving business at a future City Council meeting.

Mayor Stotko asked Mr. Eggert about Mr. Johnson's adherence to his terms in the Agreement that he and Westside Skydiving, LLC has with the City of Winsted and if the current Agreement allows Westside Skydiving, LLC to continue operating at the Winsted Municipal Airport. Mr. Eggert stated that the Agreement cannot be transferred to another entity without prior written agreement from the City of Winsted. Westside Skydiving, LLC did not assign their interest to another entity; however, Mr. Johnson sold his shares of the Skydiving business to Ms. Merritt.

Mr. Toder stated that Mr. Johnson will no longer have any involvement in the operation of the Skydiving business at the Winsted Municipal Airport.

Council Member Quast asked if the hangar and/or airplanes are also forwarded to Ms. Merritt. Mr. Toder stated that the hangar and airplanes are leased; so, Ms. Merritt can take over the lease of the hangar and airplanes. Mr. Toder stated that the airplane company that leases the airplanes for the Skydiving business has asked Ms. Merritt to obtain a restraining order against Mr. Johnson because they do not want him near their airplanes.

Mr. Toder stated that he and Ms. Merritt would like to attend a future City Council meeting to present a proposal to the Winsted City Council to start a new Skydiving business, apart from any involvement by Mr. Johnson, at the Winsted Municipal Airport.

Mr. Eggert stated that a future presentation by Ms. Merritt of her proposal to the City Council for a new Skydiving business at the Winsted Municipal Airport would allow them the opportunity to determine if they feel Ms. Merritt would be a good business citizen for the City of Winsted and its Airport.

Mr. Eggert stated that Mr. Toder has indicated that Ms. Merritt would propose to sign a one (1) year Agreement with the City of Winsted; so, the City Council can decide after the one (1) year if Ms. Merritt has a viable business and can continue to operate from the Winsted Municipal Airport.

Council Member Schulenberg stated that Mr. Toder indicated that Ms. Merritt would like to begin operations of the Skydiving business on Saturday, April 11, 2015. He continued by asking Mr. Eggert if Ms. Merritt can begin operating her Skydiving business on Saturday, April 11, 2015. Mr. Eggert stated that the City has received the payment that was due by Westside Skydiving, LLC and that the City's Agreement is with Westside Skydiving, LLC and since Mr. Joe Johnson no longer has any shares in Westside Skydiving, LLC; Ms. Merritt can continue operations at the Winsted Municipal Airport under the current Agreement.

Mr. Wilfahrt asked Mr. Eggert about the section of the Agreement that requires Westside Skydiving, LLC to remain compliant with the Federal Aviation Administration's (FAA) and Minnesota Department of Transportation/Office of Aeronautics (MN DOT/OA) regulations and requirements. He continued by asking Mr. Eggert that since there are only allegations against Mr. Joe Johnson would the City only be allowed to prohibit Westside Skydiving, LLC from operating at the Winsted Municipal Airport at the time Mr. Johnson is convicted of the crimes he has been indicted for. Mr. Eggert stated that the City could have their own due process to determine if Mr. Johnson violated the rules and regulations of the FAA and MN DOT/OA.

Mr. Toder stated that Ms. Merritt has been in contact with the FAA and MN DOT/OA regarding the allegations.

Mr. Toder stated that Ms. Merritt is a wonderful person and she has the brains and skills to continue the operation of the Skydiving business at the Winsted Municipal Airport. He continued by stating that the Winsted City Council has to determine if they want to the Skydiving business to continue to operate at the City's Airport.

Council Member Ollig asked Mr. Dave Meyer, Public Works Department Maintenance Supervisor, if the condition of the turf runway is able to support the Skydiving airplanes starting on Saturday, April 11, 2015. Mr. Meyer stated that if it would rain before Saturday, April 11, 2015, he will have to close the runway.

Mayor Stotko stated that in summary, Westside Skydiving, LLC can continue to operate at the Winsted Municipal Airport at this time.

Mr. Eggert recommended that the City Council make a motion at tonight's Regular City Council directing the City staff to contact the FAA to do an investigation to determine if Westside Skydiving, LLC has violated any of the terms of their Agreement with the City of Winsted and as a result should be suspended from operating at the Winsted Municipal Airport.

Council Member Fasching shared his concerns with the serious allegations against Mr. Johnson and the illegal activity that he was operating out of the Winsted Municipal Airport. Mr. Eggert stated that there would have to be a conviction before the City could determine to suspend Westside Skydiving, LLC operations from the Winsted Municipal Airport.

Mr. Eggert stated that the City cannot terminate their Agreement with Westside Skydiving, LLC until they receive all the facts from the FAA and they have the information they need to make an informed decision on the future operations of Westside Skydiving, LLC.

Mr. Toder stated that he has advised Ms. Merritt to attend future City Council meetings to represent herself. He encouraged Mr. Eggert and City staff to contact her for any information they are seeking.

Mayor Stotko clarified to the general public and the City Council that the Agreement that the City has with Westside Skydiving, LLC is for the use of the Drop Zone. He continued by stating that the City does not have any involvement in the airplanes that are leased by Westside Skydiving, LLC and/or their activity to and from the Winsted Municipal Airport.

III. Winsted Municipal Airport – Environmental Assessment

Mr. Wilfahrt stated that the City of Winsted's Airport Engineer, Mr. Ron Roetzel of Bolton and Menk, Incorporated, will be giving a presentation on the proposed improvements to the Winsted Municipal Airport runway.

Mr. Roetzel gave a presentation on the Winsted Municipal Airport's Runway Improvements. The presentation included information on the following:

- ✓ Airport Planning.
- ✓ Drawing of the Winsted Municipal Airport's *Ultimate Airport Layout Plan*.
- ✓ Drawing of the Winsted Municipal Airport's *Terminal Area Plan*.
- ✓ Flight Operations.
- ✓ United States Airspace Classifications.
- ✓ Hangar Development.
- ✓ Runway Alternative Comparisons.
- ✓ Costs and Potential Revenue.
- ✓ Hangar Owner Fees.
- ✓ Environmental Assessment.

Mr. Roetzel recommended that the City Council proceed with the Environmental Assessment to obtain as much information as they can in regards to the proposed paving of the runway; so, they can make informed decisions on how they want to proceed.

Mr. Wilfahrt stated that if the City Council would decide to move forward with the Environmental Assessment, it would not be a commitment by the City Council to move forward with paving the Winsted Municipal Airport's runway. It would instead be authorization to conduct additional research to determine the pros and cons of pavement versus a turf runway.

The City Council discussed and directed Mr. Roetzel and Mr. Wilfahrt to proceed with the Environmental Assessment.

IV. Winsted Municipal Airport – Minimum Standards Policy - TABLED

V. Sewer Line Televising

Mr. Wilfahrt stated that one of the goals the City Council established at their annual Strategic Planning Session was to consider lining sewer pipes throughout the City of Winsted in an effort to reduce costs. Lining the sewer pipes instead of repairing them is a significant cost savings.

Mr. Wilfahrt stated that the lining process involves installing a resin-infused felt tube into deteriorated sewer pipes. The result is a seamless and jointless pipe which will actually increase flow rates and greatly extend the life of the sewer pipes.

Mr. Wilfahrt stated that generally sewer pipes that are older and deteriorating are able to be lined and their life will be extended. According to the suppliers of the lining, it has a life expectancy of fifty (50) years.

Mr. Wilfahrt stated that in consideration of the cost benefits and the life expectancy, City staff would like to televise areas in the City of Winsted with known sewer issues to see if the sewer lines in these areas would be good candidates for lining. The City's Engineer and the Public Works Department developed a map of approximately 6,000 feet to televise that includes the most problematic areas of the City. He continued by presenting a map depicting the areas of sewer lines proposed to be televised.

Mr. Wilfahrt stated that City staff contacted two (2) sewer lining companies; however, the City received only one (1) quote. The quote from Infratech was for \$3,827.84 to televise all of the sewer lines highlighted in the aforementioned map. He continued by stating that the City's Engineer indicated that Infratech's quote for \$3,827.84 is less than anticipated and is a reasonable cost; so, Mr. Saulsbury recommended moving forward with Infratech. Mr. Wilfahrt also stated that the City has worked with Infratech on past projects and the City has had good experiences with them.

The City Council discussed and directed City staff to proceed with having Infratech televise the sewer lines that were presented in the aforementioned map.

VI. Downtown Beautification Forgivable Loans

Mr. Wilfahrt stated that in January of the year 2015, the City of Winsted's Downtown Vibrancy Commission directed City staff to send out applications for the *Downtown Beautification Forgivable Loan Policy Program*. The City Council budgeted \$10,000 for the program in the year 2015, and expressed an interest in possibly granting additional funding for worthy projects.

Mr. Wilfahrt stated that the City received four (4) completed applications. The Downtown Vibrancy Commission was directed to evaluate each application and then consider each application's adherence to the intention of the program. In the next step, the Downtown Vibrancy Commission was directed to score each application from one to ten (1-10) on its general impression of the project in accordance with the intention of the *Downtown Beautification Forgivable Loan Policy Program*. Finally, the Downtown Vibrancy Commission was directed to recommend to the City Council which grants to award. City staff will then present the recommendation to the City Council and have the appropriate documents drafted and approved to secure the loans.

Mr. Wilfahrt gave a brief overview of the grant applications that the Downtown Vibrancy Commission received:

Corner Bar – 111-1st Street North:

Score :	Twenty-Six (26) points out of Thirty-Four (34) points.
Amount Requested:	\$3703
Match Contributed:	\$3703

Planned Project(s): Painting the front and side of building. Install rock around the building and under the deck.

Mr. Marvin Vetsch's Buidling – 121-1st Street North:

Score:	Twenty-One (21) points out of Thirty-Four (34) points.
Amount Requested:	\$425
Match Contributed:	\$430

Planned Project(s): Replace the door to the apartment entrance.

Mr. Doug and Mrs. Dianne Remer Building – 131-1st Street North:

Score: Twenty-Two (22) points out of Thirty-Four (34) points.
Amount Requested: \$5,000
Match Contributed: \$5,000

Planned Project(s): Remove the skyway and repair the wall. Replace the crumbling brick. Replace the stucco on the side garage, remove an unusable door and window and install brick, block, or stucco in the area where the door and window were removed. Finish the front of the garage.

Mr. Scott Bachman's Building – 181-1st Street North:

Score: Twenty-Five (25) points out of Thirty-Four (34) points.
Amount Requested: \$5,000
Match Contributed: \$5,554

Planned Project(s): Renovate the first (1st) floor of old the City Hall building into a Coffee and Floral Shop. Add a kitchen, dining area, conference room, retail floral shop and workroom. Replace the exterior doors, flooring, lighting, Heating Ventilation and Air Conditioning (HVAC) system, the outdoor deck and add a new handicap approved bathroom.

Mr. Wilfahrt stated that the Downtown Vibrancy Commission discussed the loans and directed City staff to bring all four (4) applications forward to the City Council for approval in the order that they were scored. The Downtown Vibrancy Commission also recommended that the *Vetsch* Project should only be funded if the *Remer* Project is funded as well.

Mr. Wilfahrt stated the total amount of the loans would obviously be more than the \$10,000 initially budgeted by the City Council for this *Program*, and the excess of \$4,128 would be taken from the City's General Fund Reserve which has a balance of approximately \$148,164. The City will also pay for the document costs for the loans which is expected to be approximately \$200 to \$250 per loan.

Ms. Nancy Fasching, Downtown Vibrancy Commission Chairperson, was in attendance at the Work Session to answer questions from the City Council.

The City Council discussed and directed staff to move forward with the four (4) Projects recommended by the Downtown Vibrancy Commission.

VII. Denis M. Campbell Baseball Field Improvements

Mr. Wilfahrt stated that for the last several months, City staff has been working with the Winsted Amateur Baseball Association (Baseball Association) on a plan for improvements to the Denis M. Campbell Baseball Field. The Baseball Association has draft plans drawn up with some costs associated with the project. The Baseball Association presented some information to the City's Park Commission and they voted in support of dedicating money to the project and recommended the City Council move forward with the project. Since then, City staff has worked with the City Engineer, Mr. Jake Saulsbury of Bolton and Menk, Incorporated, to determine the next steps. The City Engineer recommended getting some additional planning work done to avoid some of the pitfalls that have occurred with other Denis M. Campbell Baseball Field improvement projects.

Mr. Wilfahrt stated that Mr. Saulsbury suggested that the City solicit a plan for architectural design for the project to ensure its integrity. The low quote for this service was \$14,800. This cost would come out of the Parks Improvement Fund which has a balance of \$51,665. This cost would be added to the initial estimated cost of the project.

Mr. Wilfahrt stated that the initial split for the overall project would have the City paying \$13,500 annually for seven (7) years and the Baseball Association paying the remaining \$6,000 annually for seven (7) years. The City Council discussed capping the City's contribution to \$13,500 annually, and at a recent meeting that Mr. Wilfahrt attended, the Baseball Association agreed with the annual contribution of \$13,500 from the City of Winsted.

Mr. Wilfahrt stated that City staff would like to proceed by drafting agreements between the City and the Winsted Amateur Baseball Association.

Mr. Wilfahrt stated that once agreements are drafted, architectural work could be started. City staff hopes that the architectural work will begin in May of the year 2015 and then construction would possibly begin in the fall of the year 2015.

Council Member Ollig asked Mr. Wilfahrt if the City's Park Commission recommended that the City Council move forward with the aforementioned improvement project at Denis M. Campbell Baseball Field. Mr. Wilfahrt stated that they did recommend moving forward with the proposed improvement project.

Council Member Schulenberg asked about the requests to repair or replace the outfield fencing. He continued by asking if some of the Winsted Community businesses could be approached to pay for advertising signage on the outfield fencing and the money received could be used to repair or replace the fencing. Mr. Wilfahrt stated that he would forward Council Member Schulenburg's advertising idea to the Baseball Association.

Council Member Fasching asked if any of the additional revenue generated at the Denis M. Campbell Baseball Field from future tournaments would be given to the City or the Baseball Association. Mr. Wilfahrt stated that it could be discussed with the Baseball Association. Council Member Ollig stated that the intention of the Baseball Association is to use the additional revenue for future improvements to the Denis M. Campbell Baseball Field.

VIII. Payloader – Public Works Department

Mr. Wilfahrt stated that as part of the Capital Equipment Replacement Plan adopted by the City, the City's Payloader is scheduled to be replaced in the year 2015. City staff believes that it is time to replace the Payloader due to increasing maintenance costs. The City spent nearly \$10,000 last year alone on repairs to the Payloader, and the mechanic making the repairs indicated that there may be some major engine repairs in the near future. Staff would like to purchase a replacement before having to make any more repairs.

Mr. Wilfahrt stated that the Payloader is from the year 1997 and has approximately 7,200 hours of usage. It is used for snow removal, installation of flags and banners, moving dirt and gravel, tree trimming, and other miscellaneous tasks.

Mr. Wilfahrt stated that City staff solicited quotes for the Payloader for the newest equipment available. Due to emissions standards, the engine on these machines needs to regenerate periodically to rid the engine of built up materials that can increase emissions. The L70G, which was the previous model, requires regeneration every eight (8) hours of operation which will require the equipment to shut down for fifteen to twenty (15-20) minutes to regenerate. The new piece of equipment will require it once every five hundred (500) hours of operation.

Mr. Wilfahrt presented information for a Volvo L70H Payloader; which is the preference of the Public Works Department. The Public Works Department also looked at a Caterpillar Payloader; but, preferred the Volvo L70H Payloader because it is less expensive and has significantly more cab room. The current Payloader that the City's Public Works Department has is a Volvo and it has been very reliable up until the last two (2) or three (3) years.

Mr. Wilfahrt stated that the City would trade in the existing Payloader for \$23,500 to the Volvo dealer.

Mr. Wilfahrt stated that the Capital Equipment Replacement Plan had \$160,000 budgeted to spend in the year 2015. The Capital Equipment Fund has a current balance of \$231,121 and this is the final purchase to be made from the Fund this year. The Fund will have a balance of \$84,891. With the purchase of the Payloader, the year 2015 capital equipment expenses will be \$20,145 below budget.

The City Council discussed and directed City staff to proceed with the purchase of the Volvo L70H Payloader.

IX. Winsted City Hall - Summer Hours

Mr. Wilfahrt stated that last year while reviewing hours of other communities, City staff noticed that many communities offer summer hours. Typically, summer hours are nine (9) hours Monday through Thursday and then four (4) hours on Friday. At Winsted City Hall, there are only four (4) to five (5) people who would be affected by the new hours. Winsted used these hours during the summer months in the year 2014 and received a number of positive comments about them. There were a few questions; however, staff did not hear complaints from any residents. Staff would like to move to summer hours again over the summer of the year 2015.

Mr. Wilfahrt stated that City staff recommends being open 7:30 a.m. to 5:00 p.m. Monday through Thursday, and 7:30 a.m. to 11:30 a.m. on Friday. The reason for doing so is threefold:

1. Extending hours beyond 4:30 p.m. gives residents the opportunity to come to City Hall after work. If residents go in to work at 8:00 a.m. and do not get off of work until between 4:00 p.m. and 5:00 p.m., it makes it difficult to come into City Hall unless they take time off of work. By being open slightly before 8:00 a.m. and until 5:00 p.m., the hours are more convenient for residents.
2. Friday afternoons at City Hall are one of the slowest times for business, especially during the summer months. Residents are more likely spending Friday afternoons preparing for the weekend than doing business at City Hall. Anecdotally, this is one of the least effective times for City Hall to be open.
3. There is the morale aspect of this choice. City staff would find the hours beneficial to their personal lives.

Council Member Quast suggested that the administration staff rotate the hours they work over the summer months so they can take turns having Friday off and City Hall can operate under its current hours of 8:00 a.m. to 4:30 p.m. on Monday through Friday.

Council Member Ollig asked Mr. Wilfahrt if the summer hours that were worked in the year 2014 were well received by the public. Mr. Wilfahrt stated that the City staff did receive several positive comments on the having City Hall open extended hours. He continued by stating that one (1) individual from another community complained to someone else.

Mayor Stotko asked if the summer hours would be worked by the administration staff only. Mr. Wilfahrt stated that it was the administration staff only in the year 2014.

Mayor Stotko asked Mr. Dave Meyer, Public Works Department Maintenance Supervisor, for his opinion on having the Public Works Department work summer hours. Mr. Meyer stated that he does not want to work summer hours; however, the other two (2) Public Works Department employees would like to work summer hours. Mr. Meyer stated that he does not want to work summer hours because if they are called in for an emergency on a Friday afternoon, it would be overtime pay.

Council Member Fasching stated that he would like the City staff to explore other options for the summer hours; so, City Hall can be open from 8:00 a.m. to 4:30 p.m. on Mondays through Friday.

X. Other

a) McLeod County Recycling Center – Open House

Mayor Stotko stated that the McLeod County Recycling Center has scheduled a tour of their facility on April 21, 2015; however, the City of Winsted has their City Council meeting that night.

Mayor Stotko stated that he discussed the conflict with a representative from the McLeod County Recycling Center and he extended an invitation to the Winsted City Council and staff to tour the facility at a later date. He continued by asking the City Council to contact him with another date that would work for them to tour the facility and he will schedule a tour. Mayor Stotko stated that they would like the City Council and staff to tour during the day.

b) Luce Line State Trail Paving

Mayor Stotko announced that the bid for paving the Luce Line State Trail was been awarded and the cost came in lower than anticipated. As a result, they will be able to complete some of the alternate work that was bid with the project. He continued by stating that the paving of the Trail is anticipated to begin sometime in June of the year 2015. The paving project is being combined with a street project that the City of Hutchinson, Minnesota is doing; so, it helped reduce the cost of the project.

Council Member Fasching asked in what location of the Luce Line State Trail the paving will begin. Mayor Stotko stated that he did not know for certain where they were going to begin paving the Trail; but, since it is in coordination with a street project in the City of Hutchinson, Minnesota he assumes that they will begin in Hutchinson.

XI. Adjourn

Council Member Fasching motioned to adjourn the meeting. Council Member Quast seconded the motion. 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, CMC
City Clerk-Treasurer
City of Winsted