

City of Winsted
City Council Meeting
Council Chambers
June 7, 2011
6:00 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
Deborah R. Boelter, City Clerk-Treasurer
Fran Eggert, City Attorney

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

a) **The Pledge of Allegiance was taken.**

2) **Consent Agenda**

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

a) **Minutes – Special City Council and Winsted Municipal Airport Commission Joint Meeting – May 17, 2011**

Accepted the minutes of the Special City Council and Winsted Municipal Airport Commission Joint Meeting of May 17, 2011.

b) **Minutes – City Council Work Session – May 17, 2011**

Accepted the minutes of the City Council Work Session of May 17, 2011.

c) **Minutes – City Council Regular Meeting – May 17, 2011**

Accepted the minutes of the City Council Regular Meeting of May 17, 2011.

d) **Park Commission Chairperson Appointment – Amanda Alguire**

Appointed Amanda Alguire as the Chairperson for the Park Commission.

e) **Linden Avenue Sewer Project – 114 Linden Avenue East**

Approved the quote from Litzau Excavating in the amount of \$14,686.50 for the Linden Avenue sewer project at 114 Linden Avenue East.

(This project will be 100% assessed pending the signed agreement).

f) **Licenses to Sell Tobacco Products and Tobacco Related Devices**

Approved licenses to sell Tobacco Products and Tobacco Related Devices from July 1, 2011 through June 30, 2012 for the following:

Casey's General Store #1673
240 – 6th Street North

G & J Foods, Inc.
491 Main Avenue West

Hussong's Liquor
132 – 6th Street North

The Woods Group
Keg's Bar
121 – 1st Street North

J & N Schlagel Enterprises II
The Blue Note Ballroom
320 – 3rd Street South

g) Road Maintenance Services Agreement – McLeod County

Approved an agreement between the City of Winsted and McLeod County for road maintenance services within the City.

h) Southview Park – Fence Repair

Authorized Century Fence Company to repair the fence at Southview Park for \$1,080.00.

i) Flagship Bank of Winsted – Pledged Securities

Approved the Pledged Securities that Flagship Bank of Winsted has purchased for the City of Winsted for the month of May, 2011.

j) Claims

Approved the claims list for June 7, 2011.

3) No Public Hearings.

4) No Old Business.

5) New Business

a) Downtown Beautification Program – 131 – 1st Street North

Martens stated that the City of Winsted created the Downtown Beautification Program in order to stimulate private sector investment for the beautification of commercial structures located in the downtown area. Under the program's guidelines, a property may be eligible for grant funding of up to \$5,000 dollars in forgivable loan dollars for approved exterior improvements. Construction must commence by July 1, 2011 and program funds must be expended by December 31, 2011.

Doug Remer has submitted an application to the program for the purpose of making exterior improvements to his building located at 131 - 1st Street North in downtown Winsted. The application has been reviewed by Shannon Sweeney of David Drown Associates who has found it to meet established program guidelines.

Martens continued by stating that in the spring of 2010, the State of Minnesota modified the tax increment statutes to provide temporary authority to stimulate construction. The new law indicates that tax increments from an existing tax increment district, whenever the district was certified and not withstanding any law to the contrary, may be spent for the following purposes:

- a) To provide improvements, loans, interest rate subsidies or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state, including construction jobs, and construction commences before July 1, 2011, and would not commence before that date without the assistance; and
- b) To make an equity or similar investment in a corporation, partnership or limited liability company that the authority determines is necessary to make the construction of a development meeting the requirements of paragraph (a) above financially feasible.

Available funds in Tax Increment Financing District Number Six (TIF District #6) had not been dedicated for another use, so the amount of \$40,000 was dedicated towards the Downtown Beautification Program. As of the date of this report, \$5,000 had been previously issued and a balance of \$35,000 remains to fund the program. The approval of this application would utilize \$5,000 from these funds.

Martens recommended that the City Council approve the application submitted by Doug Remer requesting \$5,000.00 in program assistance for improvements to his building located at 131 - 1st Street North in downtown Winsted conditioned upon any required design review approvals and direct the City Attorney to draft security documents to secure the forgivable loan to Doug Remer.

Ollig motioned to approve Resolution R-11-09 authorizing a forgivable loan as provided for in the Spending Plan for Tax Increment Financing District Number Two through Six (2-6). Quast seconded. Motion carried 5-0.

b) Darrin Mason – Federal Aviation Administration (FAA) Certified Flight Instruction - Winsted Municipal Airport

Martens presented Darrin Mason's proposal to conduct FAA certified flight training at the Winsted Municipal Airport. Martens stated that at the earlier Special City Council and Winsted Municipal Airport Commission Joint Meeting there was overwhelming support from both the City Council and Airport Commission for Mason's proposal.

Martens stated that Mason has asked for a temporary agreement so he can begin flight instruction immediately at the Winsted Municipal Airport. He continued by stating that Mason has asked for a Memorandum of Understanding so he can move forward. Martens stated that Mason would provide the City with a copy of his Pilot's license, Flight Instructor certificates, Airplane insurance, a waiver holding the City harmless and proof that his airplane is approved on maintenance and certified.

Mason addressed the City Council and presented his flight training proposal. He asked the City Council for a Memorandum of Understanding for sixty (60) days which would allow him to begin flight instruction at the Winsted Municipal Airport right away.

Mayor Stotko asked the City Attorney, Fran Eggert if the City Council would have to do another motion to renounce the motion made at the earlier Joint meeting to direct City staff to prepare an agreement between the City of Winsted and Mason. Ollig stated no because this request from Mason is something new. Ollig continued by stating that at the earlier Joint meeting, the City Council motioned to direct staff and Bolton and Menk, Incorporated to prepare an agreement between the City of Winsted and Mason for future review and/or approval by the City Council.

Eggert stated that the City would want to verify that their insurance carrier would be aware of Mason's proposal to operate flight instruction at the Winsted Municipal Airport; and that Mason would be insured for the amount of insurance that the City's insurance carrier requires. Eggert also stated that the City's insurance may require a more formal agreement between the City of Winsted and Mason; as opposed to a Memorandum of Understanding.

Mochinski asked Eggert if Mason has liability insurance now would that cover the items he mentioned above. Eggert stated that it would cover Mason; but, not necessarily the City. Mason stated that he would put a waiver on his insurance indemnifying the City of Winsted and not holding them harmless.

Ollig asked Eggert if his concern was not the insurance Mason has; but, whether it is in the amount required by the City's insurance carrier. Eggert stated yes; but, also whether it includes the City as an additional loss payee. Eggert continued by stating his concern on whether the City's insurance would cover the City of Winsted in the event of a loss; because, the City did not require sufficient policies and procedures for Mason to operate.

Eggert stated that the approval of a Memorandum of Understanding should be contingent on the City staff verifying what the legal and liability ramifications would be for Mason to operate a flight instruction program at the Winsted Municipal Airport.

Mochinski asked if the City Council could approve the Memorandum of Understanding pending the verification with the City's insurance carrier and approval from staff and Eggert.

Martens asked the City Council if they would direct him to sign the Memorandum of Understanding contingent on verification of the issues presented by Eggert so Mason can begin flight instruction and it does not need to be brought back to the City Council for approval at a later date. The City Council directed Martens to verify the the items Eggert presented, prepare a Memorandum of Understanding and sign it.

Mochinski motioned for a sixty (60) day Memorandum of Understanding pending City staff verification and approval of the requirements of the City's insurance carrier. Schulenberg seconded. Motion carried 5-0.

6) Department Reports

City Clerk-Treasurer

Deb Boelter, City Clerk-Treasurer, reported on the following:

- **Minnesota Municipal Clerk and Finance Officers 2011 Annual Conference**
Kirchoff and Boelter attended the Minnesota Municipal Clerk and Finance Officers (MCFOA) 2011 Annual Conference in St. Cloud from Tuesday, March 14, 2011 to Friday, March 18, 2011.
- **2010 Audit**
The 2010 audit was conducted the week of April 11, 2011. The process went smoothly and quickly. You will be receiving the audit report at the June 21, 2011 Regular City Council meeting.
- **League of Minnesota Cities Safety and Loss Control Workshop**
Zeidler attended the League of Minnesota Cities Safety and Loss Control Workshop on April 26, 2011.
- **MCFOA Advanced Academy**
Boelter attended the MCFOA Advanced Academy in New Ulm, Minnesota on May 19th and 20th, 2011. Boelter is working towards her advanced certification as a City Clerk. Boelter did apply and receive a scholarship to assist in financing a majority of the registration fee.
- **City Administrator Search**
Kirchoff, Zeidler and Boelter worked together well and made it through the transition of finding a new City Administrator. Boelter thanked the City Council for being available to City staff while there was not a City Administrator.
- **Blight**
City staff has been addressing blighted properties since April, 2011. We continue to evaluate properties located in the City and address them accordingly. Boelter asked the City Council to continue to contact staff if they are concerned about any properties.
- **Water and Sewer Disconnect Notices**
Disconnect notice postings are down in the month of June, 2011. Fifteen (15).
- **Clerk's Institute**
Kirchoff will be attending Year Three (3) of the Clerk's Institute in July, 2011. She did receive a scholarship to assist in some of the costs of the training. This will be her final year. Zeidler will start the Clerk's Institute in 2012.

Boelter has been asked to teach a class at the Clerk's Institute to Year One (1) students on *Minute-Taking, Meetings and Parliamentary Procedure*.

- **Local Board of Appeal and Equalization Training**
Boelter presented the information for City Council Local Board of Appeal and Equalization training.

Ollig thanked Boelter, Kirchoff and Zeidler for all the work they did during the City Administrator search process.

7) **No Open Forum.**

8) **Announcements**

a) **Brad Martens – City Administrator**

Mayor Stotko introduced the new City Administrator, Brad Martens and welcomed him to the City of Winsted.

9) **Adjournment**

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

Respectfully submitted,

Deborah R. Boelter

Deborah R. Boelter
City Clerk-Treasurer