

City of Winsted
City Council Work Session
Lewis Room
Tuesday, July 3, 2012
5:00 p.m.

Present: Mayor Steve Stotko
Council Member Tom Ollig
Council Member Dave Mochinski
Council Member George Schulenberg

Absent: Council Member Bonnie Quast

Staff Present: Brad Martens, City Administrator
Deborah R. Boelter, City Clerk-Treasurer

I. Call to Order

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

II. City of Winsted Compensation Plan

Mr. Martens presented the 2012 Compensation Survey Summary that he completed.

Mr. Martens asked the City Council a series of questions to provide him some direction for preparing the employee wages and salaries in the 2013 budget process.

The City Council discussed the options that Mr. Martens presented and directed him to review the employee positions in the City of Winsted and complete a comparable worth study.

Mr. Martens recommended that a small task force be formed to assist with the comparable worth study. Council Member Ollig and Council Member Schulenberg volunteered to be on the task force.

The City Council discussed whether the City's department heads should be included in the task force meetings. They directed Mr. Martens to plan a preliminary task force meeting that includes himself, Council Member Ollig and Council Member Schulenberg. They agreed that the task force should decide in their preliminary meeting what department heads should be included in the preparation of the comparable worth study.

Mr. Martens asked the City Council if they would like to make any changes to the employee's health and/or dental insurance benefits. The City Council discussed and directed Mr. Martens to postpone the discussion of the employee's health and dental insurance benefits to a future City Council Work Session.

III. Waste Removal Contract

Mr. Martens stated that the City of Winsted currently has a contract with Waste Management for exclusive rights to collect and dispose of refuse materials for all properties in the City of Winsted through August 30, 2012. He continued by stating that he has started the process to review waste removal services in the City of Winsted and would like to receive the City Council's opinion on the best option to bid out the service in the future.

Mr. Martens stated that the City has been contacted by several business owners asking that in the future Commercial, Industrial, and Rental properties be excluded from a City-wide contract. These business owners feel that restricting waste removal to one (1) company is financially detrimental to their businesses.

Mr. Martens stated that at a recent training session that he attended at the 2012 League of Minnesota Cities Annual Conference, he was able to learn about waste removal contracts in other communities and found it common that a single hauler was contracted for residential properties;

while Commercial, Industrial, and Rental properties with more than four (4) units are able to receive service on the open market. In these communities, haulers were still approved by the City Council and required to purchase a license from the City to provide waste removal services. He continued by stating that this option may best serve the businesses in the City of Winsted.

Mr. Martens stated that staff would like the City Council to also discuss removing the billing process from the City to the contractor itself. The billing process has proven to use staff time and has left an ongoing deficit in the waste removal account.

Mr. Martens stated that Minnesota State Statute and the City of Winsted's Purchasing Policy dictate that the waste removal contract must be selected using the competitive bid process. The City would establish a Request for Proposals (RFPs) based upon the direction of the City Council, advertise the RFPs in the Herald Journal newspaper and the City Council would then evaluate and approve the appropriate RFPs.

Council Member Ollig stated that he thought the administrative fee of \$1.50 per account per month that was implemented in the year 2012 was to be used to help cover staff time and/or any other additional expenses the City incurs when administering the billing for Waste Management. Mr. Martens stated that this is the purpose of the administrative fee that was implemented; however, it will be several years before this fee will eliminate the ongoing deficit in the Garbage Fund.

Mr. Martens stated that he also learned that it is very common for a city to include in their RFPs, for waste removal services, that all city facilities receive free garbage service.

Council Member Ollig stated that he is in favor of approving one (1) waste removal hauler for the residential garbage services in Winsted and the businesses can choose whatever company they want for their garbage services.

Council Member Ollig stated that if the waste removal hauler that the City Council approves for residential garbage service maintains the billing, they will likely add an administrative fee to each bill. Mr. Martens stated that added fees can be avoided by stating specifics in their contract; such as, how much they can charge each resident for the size garbage container they have.

Council Member Mochinski asked what the term of the contract would be. Mr. Martens stated three (3) years. Council Member Mochinski stated that he believes the term of the contract should be minimal so if the City is experiencing any problems with the newly approved waste removal hauler, the City can redo the RFPs process.

Mayor Stotko asked if the businesses would have a list from the City of Winsted on what waste removal haulers they are allowed to have or would the businesses be allowed to have whatever hauler they want. Mr. Martens stated that the businesses would be allowed to use the waste removal haulers that are licensed through the City.

Mayor Stotko shared his concerns about having too many waste removal haulers in the City. Council Member Ollig stated that Mayor Stotko's concerns would be an issue if the City had more than one (1) hauler for residential garbage services.

Council Member Mochinski stated that if the City does allow businesses to choose their waste removal hauler, the licensing fee for the haulers should be reasonable so that they do not pass on the cost of the City's license to their customers.

Mr. Martens stated that any changes in the waste removal format require the City's Sanitation Removal Ordinance to be updated at the same time a contract is approved.

IV. Tax Increment Financing (TIF) District Number Six (#6)

Mr. Martens stated that at the June 19, 2012 City Council meeting, the Auditors for the City of Winsted mentioned that there is a Fund Balance of approximately \$76,000 in Tax Increment Financing (TIF) District Number Six (#6). Mr. Martens continued by stating that he has discussed with Shannon Sweeney of David Drown and Associates, what opportunities exist to use this Fund Balance should the City Council decide to close TIF District #6 early.

Mr. Martens stated that closing the TIF District #6 early would require the City of Winsted to pay Herald Journal Publishing in advance for funds that would be collected in the year 2013. This amount would come out of the TIF District #6 Fund Balance. The remaining Fund Balance would then be submitted to McLeod County who would proportionately disperse the remainder to their County, the Howard Lake Waverly and Winsted (HLWW) School District, and City of Winsted. Mr. Martens stated that the amount received by the City of Winsted could be used to pay for a Feasibility Study for a possible future Industrial Park.

Mr. Martens stated that he did discuss the aforementioned proposal with Chris Schultz, Herald Journal Publishing, and he was tentatively agreeable to the payment advancement.

Council Member Ollig asked if there is any advantage to not paying the advancement to Herald Journal Publishing. Mr. Martens stated that if the Minnesota State Legislature would change the rules regarding TIF Districts, this could impact what the Fund Balance may be used for.

The City Council discussed and agreed that Mr. Martens should proceed with the proposal to close TIF District #6 early.

V. Shared Services – McLeod County

Mr. Martens stated that he attended another session at the 2012 League of Minnesota Cities Annual Conference that presented information on sharing services with other entities.

Mr. Martens stated that he identified the possibility of sharing the City's Information Technology (IT) services. He continued by stating that the City needs to upgrade the server and it may be an opportune time to find another entity that could house the City's server.

Mr. Martens stated that he discussed his proposal to share IT services with the McLeod County Administrator, Pat Melvin. He continued by stating that McLeod County employes full-time IT personnel and they currently provide IT services for the Winsted Police Department.

Mr. Martens stated that Mr. Melvin is willing to discuss the proposal with the McLeod County Board of Commissioners.

The City Council discussed Mr. Martens proposal to share IT services with McLeod County and agreed that he should continue his discussions with McLeod County.

VI. Other

a) Revolving Loan Fund

Mr. Martens stated that the City's Downtown Facade Grant Program has expired because the TIF Legislation was not extended in the Tax Bill.

Mr. Martens stated that he will be meeting with Shannon Sweeney of David Drown and Associates to discuss the establishment of a similar program with the available funding in the Revolving Loan Fund.

Mayor Stotko stated that the program should be developed in conjunction with the Downtown Vibrancy Task Force report.

b) Ms. Linda Scherer – Herald Journal Newspaper Reporter

Mr. Martens announced that tonight's Winsted City Council Work Session and Regular meeting are the last night for the City's Herald Journal Newspaper reporter, Ms. Linda Scherer, because she is retiring.

VII. Adjourn

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

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