

City of Winsted  
 City Council Work Session  
 Lewis Room  
 Tuesday, August 16, 2016  
 5:10 p.m.

Present: Mayor Steve Stotko  
 Council Member George Schulenberg  
 Council Member Bonita Quast  
 Council Member Patty Fitzgerald  
 Council Member Tom Ollig

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

Also Present:

**I. Call to Order**

Mayor Stotko called the meeting to order at 5:10 p.m.

**II. Recommended 2017 Capital Improvement Plan Budget**

Mr. Tienter reviewed the 2017 Capital Improvement Plan Budget as follows.

**Capital Budget Assumptions and Considerations**

- The Recommended 2017 – 2021 Capital Equipment and Improvement Plan (CEIP) considers the following:
  - Previous City Council actions (e.g., 2011 Pavement Management Plan);
  - Recommendations of City Commissions (e.g., Fire Board);
  - Reallocates existing General Fund revenues among various CEIP sections;
  - Cost assumptions based on best available project estimates; and
  - Annual increases in certain fees and revenues used to finance capital improvements, including:
    - Fire Department Fee Reallocation;
    - Storm Water Sewer Fee Creation; and
    - Park Improvement Fee.
- The Recommended 2017 – 2021 CEIP does not include the following:
  - Water Tower Recoating Project; and
  - Winsted Municipal Airport Improvement Project.

Mr. Tienter reviewed the Recommended Capital Equipment and Improvement Plan Changes.

<b>Recommended CEIP Changes</b>			
<b>Department and Change</b>	<b>Expense</b>	<b>Other Revenue</b>	<b>Net City Cost</b>
600 - 42300 Police and Public Works CEP			
Police Equipment Set-Aside	\$ 4,000		\$ 4,000
Police Department Body-Worn Cameras	\$ 8,500		\$ 8,500
General Fund Transfer Decrease		\$ (10,000)	\$ 10,000
<i>Subtotal</i>	<i>\$ 12,500</i>	<i>\$ (10,000)</i>	<i>\$ 22,500</i>
600 - 43600 Streets CIP			
General Fund Transfer Increase		\$ 57,323	\$ (57,323)
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ 57,323</i>	<i>\$ (57,323)</i>
600 - 44000 Facilities CIP			
Facilities Improvement Set-Aside	\$ 1,000		\$ 1,000
Security Enhancements	\$ 10,000		\$ 10,000
Computer Replacement	\$ 4,000		\$ 4,000
<i>Subtotal</i>	<i>\$ 15,000</i>	<i>\$ -</i>	<i>\$ 15,000</i>

Recommended CEIP Changes			
Department and Change	Expense	Other Revenue	Net City Cost
600 - 45200 Parks CIP			
Cambell Field Improvements	\$ 101,000		\$ 101,000
<i>Subtotal</i>	\$ 101,000	\$ -	\$ 101,000
600 - 45201 Winsted Lake CIP			
Deferred Shoreline Maintenance	\$ 29,744		\$ 29,744
<i>Subtotal</i>	\$ 29,744	\$ -	\$ 29,744
600 - 45203 Sidewalks and Trails CIP			
<i>Subtotal</i>	\$ -	\$ -	\$ -
704 - 42200 Fire Department CIP			
Debt Service	\$ 36,868		\$ 36,868
Fire Department Equipment Set-Aside	\$ 10,000		\$ 10,000
<i>Subtotal</i>	\$ 46,868	\$ -	\$ 46,868

### Capital Equipment and Improvement Plan Revenue Strategies

- Fire Department Per Unit Fee Reallocation
  - For each of the next four years, return 25% of the Fire Department per Unit Fee to the unit owners.
  - Reallocate all realized revenue to the Street CIP to offset projected capital budget shortfalls.
  - Raises approximately \$448,593 of additional revenue by the end of 2021.

Year	Per Unit Fee	Percent Returned	Total Revenue
2017R	\$ 123.00	\$ 30.75	\$ 30,442.50
2018P	\$ 125.46	\$ 62.73	\$ 62,102.70
2019P	\$ 127.97	\$ 95.98	\$ 95,017.13
2020P	\$ 130.53	\$ 130.53	\$ 129,223.30
2021P	\$ 133.14	\$ 133.14	\$ 131,807.76

### CEIP Revenue Strategies

- Establish a Storm Water Utility Fee
  - Common practice to support maintenance and repair of storm sewer systems.
  - Reallocate all realized revenue to the Street CIP to offset projected capital budget shortfalls.
  - Raises approximately \$60,600 of additional revenue by the end of 2021P.
    - When combined with the Fire Department Per Unit Fee reallocation, these approaches raise approximately \$509,193 by the end of 2021P.

Storm Sewer			
Year	Utility Fee	Total Revenue	
2017R	\$ 1.00	\$ 11,880.00	
2018P	\$ 1.01	\$ 11,998.80	
2019P	\$ 1.02	\$ 12,118.79	
2020P	\$ 1.03	\$ 12,239.98	
2021P	\$ 1.04	\$ 12,362.38	

Mr. Tienter reviewed graphs related to the following:

- Capital Improvement Plan Expenditures, 2016 Budget versus 2017 Recommended
- Capital Improvement Plan Revenue, 2016 Budget versus 2017 Recommended

- 2017 Recommended Street Capital Improvement Program Revenue Breakdown
- Capital Improvement Plan Expenditures, Five Year Projection
- Capital Improvement Plan Revenues, Five Year Projection
- Capital Improvement Program, Five Year Projections

**Preliminary 2017 Debt Service Levy Summary**

Year	Debt Issue	Debt Service Payment
2008	Equipment Certificate	\$ 29,250
2008	City Hall (1)	\$ 36,400
2012	Westgate Project	\$ 48,000
2012	Refunding	\$ 210,100
2016	Kingsley Street (1)	\$ 26,000
Total		\$ 349,750

Notes (1) Estimated pending the sale of bonds.

**Debt Service Levy, Five Year Projection**

Year	Debt Issue	Debt Service Levy				
		2017R	2018P	2019P	2020P	2021P
2008	Equipment Certificate	\$ 29,250	\$ -	\$ -	\$ -	\$ -
2008	City Hall (1)	\$ 36,400	\$ 36,400	\$ 36,400	\$ 36,400	\$ 36,400
2012	Westgate Project	\$ 48,000	\$ 48,500	\$ 49,000	\$ 49,500	\$ 50,000
2012	Refunding	\$ 210,100	\$ 206,000	\$ 206,000	\$ 206,000	\$ 206,000
2016	Kingsley Street (1)	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000
Total		\$ 349,750	\$ 316,900	\$ 317,400	\$ 317,900	\$ 318,400
Additional Debt Service Estimate (2)			\$ 32,000	\$ 70,000	\$ 70,000	\$ 87,000
<b>Total Debt Service Estimate</b>			<b>\$ 348,900</b>	<b>\$ 387,400</b>	<b>\$ 387,900</b>	<b>\$ 405,400</b>

Notes (1) Estimated pending the sale of bonds.

(2) Assumes 2017 - 2021 Streets CIP Bond Issues at 2.00% for 15 years.

**Recommended 2017 – 2021 CEIP Summary**

- The Recommended 2017 – 2021 CEIP is not structurally balanced. Based on the five year projections, the CEIP will require either delay of certain projects or significant use of bond proceeds/interfund transfers.
  - Fire Department CEIP: \$340,000 Equipment Certificate.
  - Parks CIP: \$81,000 General Fund Transfer.
  - Streets CIP: \$1,445,475 General Obligation Bonds.
- The Recommended 2017 – 2021 CEIP raises revenue through the reallocation of an existing fee and newly available property tax revenue as well as the creation of a modest Storm Sewer Utility Fee.
  - Without raising other forms of revenue, the Streets CIP will continue to rely on bond proceeds and reduce the City Council’s control of the Property Tax Levy.

The City Council members stated that more discussion needed to occur regarding the proposed Storm Sewer Utility Fee and the proposed Fire Department per Unit Fee Reallocation that Mr. Tienter has referred to in recent City Council Work Sessions. Mr. Tienter stated that more discussion would occur at the September 6, 2016 City Council Work Session.

**III. Other**

**a. Bond Rating Report – “A-Stable”**

Mr. Tienter stated that the bond rating report was received and the City was rated “A-Stable”.

**b. 621 Northgate Circle – Status Report**

Mr. Tienter stated that City Staff located the manhole near Mr. Mills property at 621 Northgate Circle, that Mr. Mills referred to during a recent City Council meeting. Photographs were taken of the manhole functioning properly. Mr. Tienter stated that he would be meeting with the City Engineer on Wednesday, August 17, 2016 to determine next steps.

**c. Storm Damage Clean-Up**

Mr. Tienter stated that City Staff received compliments and gratitude to the Public Works staff for the recent storm damage clean up, for keeping the brush site open 24 hours per day, and for curb side pick-up of storm debris.

**d. Winstock Country Music Festival (Winstock) Agreement Amendment**

Mr. Tienter stated that City staff invoiced Winstock for 2016 City services rendered according to the agreement between the City and Winstock, except for the \$300 Industrial Park land lease fee. The City Council members directed Mr. Tienter to amend the agreement to remove the \$300 Industrial Park land lease fee.

**e. 621 Northgate Circle**

Mr. Schulenberg stated that Mr. Mills had personally attacked the Public Works Supervisor when describing his frustration regarding his property at 621 Northgate Circle at a recent City Council meeting, and that the City Council should have stopped this from occurring. Mayor Stotko stated that he should have stopped any personal comments directed at the Public Works Supervisor.

**IV. Purchase or Sale of Real or Personal Property**

**Council Member Ollig motioned to close the Work Session to discuss the purchase of land related to Property Identification Number 14.011.0300. Council Member Fitzgerald seconded the motion. Motion carried 5-0.**

Mayor Stotko asked the members of the public to please excuse themselves.

**Council Member Fitzgerald motioned to open the Work Session. Council Member Ollig seconded the motion. Motion carried 5-0.**

**V. Adjourn**

**Council Member Quast motioned to adjourn the meeting. Council Member Ollig seconded the motion. Motion carried 5-0.**

The meeting was adjourned at 6:00 p.m.

*Steve Stotko*

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Steve Stotko  
Mayor  
City of Winsted

ATTEST:

*Raquel Kirchoff*

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Raquel Kirchoff, CMC  
City Clerk-Treasurer  
City of Winsted