

City of Winsted  
City Council Work Session  
Lewis Room  
Tuesday, September 1, 2015  
5:00 p.m.

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

Staff Present: Mr. Dan Tienter, City Administrator  
Ms. Deborah R. Boelter, City Clerk-Treasurer  
Mr. Justin Heldt, Winsted Police Department Chief  
Mr. Chad Engel, Winsted Volunteer Fire Department Chief

**I. Call to Order**

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

**II. Controlled Winsted Volunteer Fire Department Burn – 340 McLeod Avenue West**

Mr. Dan Tienter stated the Fire Department on October 10 is planning to conduct a controlled burn at 340 McLeod Avenue West. It will be done to remove a dilapidated structure as well as to provide the Fire Department with some training.

Mr. Scott Carriveau, Customized Fire Rescue Training, Incorporated, was in attendance at the Work Session. Mr. Carriveau went through steps involved with conducting a controlled burn. Some of the negatives associated with a controlled burn are the amount of paperwork that is involved as well as citizen complaints.

Mr. Carriveau noted he is a Certified Asbestos Inspector with the Minnesota Department of Health. The structure has been inspected and asbestos has been found. A building survey has been completed of all the open areas of asbestos that will need to be remediated or removed before the training burn can take place. The large majority of the asbestos consists of linoleum.

Step two consists of having the caulking in the building tested to see whether it contains PCBs. Mr. Carriveau stated it is unlikely it does but that it needs to be verified prior to the burn. Once that has been verified, the homeowner has the option of removing the asbestos products himself or by hiring a company certified with the State of Minnesota. The next step is creating a layout of the floor plan and creating a burn plan. The Minnesota Board of Firefighter Education has hired Hennepin Tech to develop a burn plan and a live burn procedure that is incorporated into the burn plan for this particular structure. In that packet are some forms that the fire chief will need to complete relating to notification of adjacent property owners, notification to Public Works, the electric company, and the gas company. In addition, permission to do the burn has to be received from the DNR and a signed permit must be received back from the DNR.

The next step is to provide notification of intent to perform a demolition to the Minnesota Pollution Control Agency. Mr. Carriveau indicated he would be the person filling out that form. Information on where the demolition material is delivered to as well as the name of the trucker is required by the PCA. In addition, PCA reserves the right to inspect the property from 0 to 48 hours prior to

the training burn. All light fixtures or other hazardous materials needs to be removed from the structure prior to the burn and then certified to the PCA.

Mr. Carriveau stated the City needs to be able to secure the streets around the structure. The burn will not be performed if the winds are too strong. Mr. Carriveau noted there are homes in the immediate area that will likely experience some smoke and that the fire chief will be in touch with them prior to the burn.

Mayor Stotko asked how much asbestos is allowed.

Mr. Carriveau stated if there is more than 260 lineal feet of asbestos product in the structure, it must be removed by a licensed asbestos contractor or the homeowner prior to the burn.

Mayor Stotko stated it is his understanding that asbestos can become airborne if damaged.

Mr. Carriveau stated there is information on the Department of Health's website regarding the safe removal of asbestos. If the floor tile is removed in one piece, the asbestos will not be a problem, but that spray-on ceilings tend to be a problem. This house does not have the popcorn ceilings. Normally the product is kept wet to prevent it from getting airborne. The overall burn time will be approximately two hours, with the debris smoldering for a couple of days.

Council Member Ollig asked whether the City would be assuming any risk if smoke damages an adjacent residence.

Mr. Carriveau stated that would fall under the liability of the Fire Department and City.

Council Member Ollig requested the City Administrator check with the City's insurance carrier to make sure the City is covered if an area home experiences smoke damage.

Mr. Carriveau stated if the risks outweigh the benefits, the City could elect to notify the homeowner that the Fire Department will not be conducting the burn.

Mr. Chad Engel, Fire Chief, stated in his view the benefits do outweigh the risks. Mr. Engel stated he also has spoken with the Police Chief about blocking off the necessary streets and that they are able to do that. In addition, safety equipment and first aid equipment will be on site.

Mr. Dave Meyer noted the Hainlin Park bathrooms will need to be opened the day of the burn.

Mr. Carriveau stated he has provided a copy of all the necessary documents and forms to the City Administrator.

### **III. Tax Increment Finance (TIF) District Creation**

Mr. Shannon Sweeney stated included in the Council's packet are a letter and a resolution calling for a public hearing to create a tax increment district. Staff is suggesting the Council initiate the process to create the tax increment district, which is an economic development tool that the City has used in the past. The TIF district will allow the City to designate a property within the boundaries of the district and then capture the new tax dollars that occur after creation of the district. That includes city property taxes, county property taxes, and a small portion of school property taxes. The majority of the school levy comes from commercial/industrial property tax levy that is not captured as tax increment.

In this instance Staff is suggesting that the district include the DiMax property, which is a local manufacturing firm that has indicated they would like to expand by adding a little over 8,000 square feet in a second facility that will be attached by a breezeway to the existing facility.

It is expected the new facility will generate approximately \$8,000 in tax increment per year. Nine years is the maximum amount of time the City can collect those taxes in this type of district.

Staff is also suggesting that the City Council consider including the new industrial park within this district. No additional fees will be incurred as a result of that. This is an opportunity to save expense by including multiple properties at one time. The City Council can also remove any property from a TIF District any time by passing a resolution.

If the Council determines that it is appropriate to proceed, a subsidy agreement will be drafted that provides specific terms and conditions for the provision of tax increment assistance. It is anticipated that the proposed terms would include the deadlines for the start and completion of the new facility, job creation provisions, and the requirement that all property tax and public utility payments be made on time and in full. The agreement would also include repayment provisions if DiMax failed to meet the job creation and tax base goals established within the agreement. This agreement will be discussed at the public hearing that is tentatively scheduled for October 20.

Mr. Sweeney recommended the City Council include the DiMax property in the proposed TIF District if it is determined to be appropriate to proceed. A resolution calling for a public hearing on the creation of a new tax increment financing district is attached for consideration at the September 1, 2015 City Council meeting.

Council Member Quast asked whether the Tetra Pak parcel would also be included.

Mr. Tienter stated at this time it would not be.

Mayor Stotko asked how it would work if taxes go up or down.

Mr. Sweeney stated the City typically pledges up to 90 percent of the money collected up to a specific cap. If someone fails to pay their taxes, they would not be reimbursed anything, which is basically a pay-as-you-go arrangement.

Council Member Fasching asked if the nine-year term is set by the state.

Mr. Sweeney stated it is and that it would be nine collections in total rather than nine years from the time of the creation of the TIF District. Mr. Sweeney asked whether the City Council would be interested in including the Tetra Pak parcel. Mr. Sweeney noted by including the Tetra Pak property, the City is not required to provide any assistance.

The City Council briefly discussed this item. It was the consensus of the City Council to include the Tetra Pak property in the TIF District.

Mr. Sweeney stated costs associated with the creation of the district as well as the paperwork will amount to approximately \$6,500. Some cities will charge the developer 100 percent of those costs or a portion of them. The City has the ability to negotiate those costs with the developer. Sweeney stated he would suggest the City Council consider splitting the cost with DiMax since the City will also be including the industrial park in the district. The City will also be retaining ten (10) percent of the increments for administrative purposes and those can be used to reimburse the City for any costs.

The City Council briefly discussed this item. Mr. Tienter noted a TIF option as well as a tax abatement option was explored and DiMax preferred a TIF District. Mr. Sweeney noted the tax dollars currently collected from DiMax would also continue in the same manner as they have in the past.

#### **IV. Winsted Police Department Rifles**

Mr. Dan Tienter stated in 2010, the Winsted Police Department acquired three (3) Colt semi-automatic 9mm rifles from the Glencoe Police Department through Minnesota Surplus Services. Since that time, these rifles have not been placed into commission and have become outdated. The Police Department is currently working with the Minnesota Department of Administration to return/dispose of these rifles.

Mr. Tienter stated the Police Chief has submitted a City Council Request for the purchase of three (3) new rifles.

Mr. Justin Heidt, Chief of Police, stated the funds would come from the Police Department's forfeiture fund which has an approximate balance of \$20,000. The Police Department would like to purchase three (3) Cold LE Commando .223/5.56 Model LE6933 rifles and equipment in an amount not to exceed \$7,000. These rifles would be assigned to each squad car in the Police Department fleet and mounted therein. The officers would also have a shotgun in the vehicle as well. These rifles are the same make/model that surrounding law enforcement agencies have recently put into commission. Training will be given to the officers on the new rifles and the squad car will be kept locked when the officer is out of the vehicle.

The City Council briefly discussed the purchase of the three new rifles. The City Council directed Staff to place this item on the Consent Agenda.

#### **V. Other**

##### **a) Regular City Council Meeting – Procedure to Close Meeting**

Boelter gave an overview of the process to close the Regular City Council meeting. She distributed wording for the motion needed to be made to close the Regular City Council meeting.

##### **b) Contact Property Owner – 621 Northgate Circle**

Council Member Ollig noted Mr. Mills had approached the City Council at a previous meeting about a drainage problem on his property. The City at that time had indicated that the Public Works Maintenance Supervisor would run a camera through the drain and pipes in the area to see if there was any clogging occurring. Ollig asked whether Mr. Mills has been contacted by Mr. Meyer yet.

Mr. Tienter stated to his knowledge it has not been done and that Mr. Meyer needed to speak to the vendor who performed the televising about re-televising some pipe segments. The Mills property was to be added to that work.

Council Member Ollig requested Mr. Tienter contact Mr. Mills to inform about the status of the project.

##### **c) Winsted Baseball Association**

Council Member Ollig gave an overview of the Baseball Association meeting. The biggest problem with the field is the drainage and that the cost of the improvements has been capped at \$150,000. To accomplish all the improvements would cost \$250,000.

Council Member Quast asked what would be accomplished with the \$150,000.

Council Member Ollig stated that has not been determined at this point. The Baseball Association will contribute \$7,000 per year for seven years and the City will contribute \$13,500 a year for seven years, which amounts to approximately \$140,000.

**d) Winsted Football Field Fence**

Council Member Quast reported she was contacted by a business owner who asked if the fence could be open to the football field to allow for more use.

Council Member Ollig indicated it is always open on the north side.

Council Member Quast commented it is difficult to tell that, which was the reason for the complaint.

**e) Winsted Farmer's Elevator Property**

Mr. Tienter noted at a previous meeting the City Council discussed the elevator property and that the quote received for 121 Baker is slightly higher than the motion authorized. Staff added a small amount of contingency to the quote to accommodate any additional work that may be necessary.

**f) Federal Emergency Management Agency – Floodplain Letter**

Mr. Tienter stated the final draft of the FEMA letter is ready and will be sent out later this week. A copy of the letter will be distributed to the Council.

**g) TDS Franchise Agreement**

Mr. Tienter reported he has a meeting scheduled with TDS meeting for tomorrow to discuss the Franchise Agreement. It is anticipated this item will be on the October 6 work session agenda.

**h) City Council Work Session Process**

Mr. Tienter stated after speaking with Staff regarding the process for the work sessions, he was made aware that past city administrators brought items to the Work Session and then those items will be placed on the next City Council meeting following the work session. Mr. Tienter stated Staff is going to go back to that practice rather than having the work session item on the Council agenda for that evening. Mr. Tienter noted the items will also be tracked internally to make sure they are handled in a timely manner.

**VI. Adjourn**

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

The meeting was adjourned at 5:57 p.m.

*Steve Stotka*

Steve Stotka  
Mayor  
City of Winsted

ATTEST:

*Deborah R. Boelter*

Deborah R. Boelter, CMC  
City Clerk-Treasurer  
City of Winsted