

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

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

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

2) **Consent Agenda**

Council Member Schulenberg motioned to adopt the Consent Agenda as presented. Council Member Mochinski seconded the motion. Motion carried 5-0.

a) **Minutes – City Council – Work Session – August 21, 2012**

Accepted the minutes of the City Council Work Session of August 21, 2012.

b) **Minutes – City Council – Regular Meeting – August 21, 2012**

Accepted the minutes of the City Council Regular Meeting of August 21, 2012.

c) **Minutes – City Council – Special Meeting – August 27, 2012**

Accepted the minutes of the City Council Special Meeting of August 27, 2012.

d) **Salary Step Increase – John Schlechter**

Authorized a salary step increase for John Schlechter, Public Works, effective August 20, 2012.

e) **Solid Waste Hauler License Application – West Central Sanitation, Incorporated**

Approved a Solid Waste Hauler License for West Central Sanitation, Incorporated expiring December 31, 2012.

f) **Claims**

Approved the Claims List for September 4, 2012.

3) **No Public Hearings.**

4) **No Old Business.**

5) **New Business**

a) **Resolution R-12-24 – 2013 Preliminary Levy**

Mr. Martens presented the 2013 Preliminary Levy.

Mr. Martens presented the process for the preparation of the year 2013 Budget and Levy:

➤ **May, 2012**

The City Council outlines their goals and priorities for the year 2013 Preliminary Budget and Levy.

- **July, 2012** Staff prepares a draft budget for the year 2013 which includes the directives from the City Council regarding their goals and priorities.
- **August 7, 2012** The City Council reviews the draft budget for the year 2013 at their Work Session and provides staff with directives to revise the budget.
- **August 21, 2012** The City Council reviews the revised year 2013 Budget at their Work Session.
- **September 4, 2012** The City certifies the year 2013 Preliminary Levy to the McLeod County Auditor.
- **Mid September, 2012** The City will receive updated property values and tax capacity information from McLeod County.
- **October 16, 2012** The City Council will review the year 2013 Preliminary Budget with updated data from McLeod County at their Work Session.
- **November 20, 2012** The City Council will review the year 2013 Final Budget at their Work Session, prior to the Truth-in-Taxation hearing.
- **December 4, 2012** The City Council will conduct the annual Truth-in-Taxation hearing at their Regular City Council meeting.
- **December 18, 2012** The City Council adopts the year 2013 Final Budget and Levy.

Mr. Martens presented the following definitions:

- **Revenue:** The money received by the City from taxes, fees, charges for services, permits, fines, liquor licensing, etcetera.
- **Expenditure:** The money spent towards the operation of City Government for services, supplies, repairs, improvements, salaries, utilities, and etcetera.
- **General Levy:** The property tax dollars needed to fund the operations of the City otherwise known as the General Fund which includes: the City Council, Commissions, Administration, Public Works, Police, Fire, Parks, Public Library, Building Inspections, Legal Services, and Engineering.
Mr. Martens stated that Revenue *minus* Expenditures *equals* the General Levy.
- **Debt Levy:** The property tax dollars needed to pay for the debt of the City.

Mr. Martens stated that the General Levy *plus* the Debt Levy *equals* the Property Tax Levy.

Mr. Martens presented the proposed General Fund Revenue and Expenditure Budget for the year 2013.

Mr. Martens presented the City of Winsted's General Fund history:

	Approved Year 2009	Approved Year 2010	Approved Year 2011	Approved Year 2012	Preliminary Year 2013
Revenues	\$1,547,338	\$1,389,876	\$1,557,681	\$1,543,867	\$1,589,163
Expenditures	\$1,546,778	\$1,395,465	\$1,356,422	\$1,546,467	\$1,575,078
	Final Year 2009	Final Year 2010	Final Year 2011	Final Year 2012	Preliminary Year 2013
General Levy	\$725,093	\$732,724	\$747,379	\$744,379	\$791,379

Mr. Martens presented the City of Winsted's year 2013 Debt Levy:

Debt	Levy Amount
Year 2006 Bond for the Public Works Facility	\$55,000 Will be paid off in the year 2027
Year 2007 Bond for the New City Hall	\$156,000 Will be paid off in the year 2036
Year 2008 Equipment Certificate for the New City Hall	\$29,250 Will be paid off in the year 2017
Year 2008 Bond for the New City Hall	\$40,000 Will be paid off in the year 2027
Year 2012 Bond for the Westgate Improvement Project	\$46,000 Will be paid off in the year 2027
Total	\$326,250

Mr. Martens presented the City of Winsted's Property Tax Levy history:

Levy	Final Year 2009	Final Year 2010	Final Year 2011	Final Year 2012	Preliminary Year 2013
General	\$725,093	\$732,724	\$747,379	\$744,379	\$791,379
Debt	\$357,050	\$356,250	\$370,250	\$373,250	\$326,250
Total	\$1,082,143	\$1,088,974	1,117,629	\$1,117,629	\$1,117,629

Mr. Martens presented the year 2013 Preliminary Property Tax Levy:

Levy	Final Year 2012	Preliminary Year 2013	Change
General	\$ 744,379	\$ 791,379	+\$47,000
Debt	\$373,250	\$326,250	-\$47,000
Total	\$1,117,629	\$1,117,629	\$0 (Zero Percent (0%) Increase)

Mr. Martens presented a chart showing that if the City would increase the General Levy as shown in the years 2013 and 2014; the additional money could be allocated to fund future increases to the debt levy scheduled in the years 2015, 2016 and 2017:

	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
Debt Levy	\$373,250	\$326,250	\$326,750	\$378,250	\$419,750	\$420,250
+/- Year 2012	\$0	-\$47,000	-\$46,500	+\$5,000	+\$46,500	+\$47,000

Mr. Martens stated that the proposed year 2013 Preliminary Budget and Levy does not include wage increases for staff and maintains their existing insurance benefits. He continued by stating that it also maintains funding for the Brush Site employee in spite of the \$4,250 of funding that the City will no longer receive from McLeod County Solid Waste.

Mr. Martens presented two (2) outstanding budget requests that the City of Winsted has received in the year 2013:

1. Pioneerland Library System has requested \$6,000.
2. Southwest Initiative Foundation has requested \$1,250.

Mr. Martens presented the following items in regards to the year 2013 Preliminary Budget and Levy:

- **State of Minnesota – Local Government Aid (LGA)**
The proposed year 2013 Budget does not reflect possible future cuts in LGA.
- **Capital Improvement Plan (CIP)**
The proposed year 2013 Budget does not fully fund the City's CIP.
- **Year 2013 Fire Protection Costs**
The year 2013 fire protection costs may change slightly after the Winsted Volunteer Fire Department (WVFD) Board reviews the WVFD's proposed year 2013 Budget and makes a recommendation on the per unit cost to the Winsted City Council.
- **Levy Adjustments**
Once the year 2013 Preliminary Budget and Levy are approved by the City Council, the levy can be decreased but not increased.
- **Tax Rate**
Draft data from McLeod County shows the overall tax rate for the City slightly decreasing by not increasing the Property Tax Levy.
- **Property Tax Levy History**
The City of Winsted has had a 3.3% increase in overall property tax levy for the past five (5) years from 2009 through 2013.

Council Member Ollig stated that he is going to approve the 2013 Preliminary Levy as presented; however, it is his intention to decrease the levy by a certain percentage. That percentage will be dependent on the overall tax rate once the information is received from the McLeod County Auditor's office.

Council Member Quast stated that she would also like to see a decrease to the 2013 Preliminary Levy.

Council Member Mochinski motioned to adopt Resolution R-12-24 certifying the 2013 Preliminary Levy in the amount of \$1,117,629. Council Member Ollig seconded the motion. Motion carried 5-0.

b) Residential Solid Waste Removal Service Contract

Mr. Martens stated that at the August 7, 2012 Regular City Council meeting, the City Council directed him to advertise a Request for Proposals (RFP) for the City's residential solid waste removal contract. The RFP was advertised in the Herald Journal on Monday, August 13, 2012 and was due no later than 1:00 pm on Friday, August 24, 2012. Mr. Martens continued by stating

that each contractor was asked to submit an all-inclusive price for service based upon refuse container size. The RFP required that each contractor not deviate from the contract unless it provides service above and beyond that detailed in the contract.

Mr. Martens stated that the City of Winsted received three (3) responses to the RFP:

1. Elite Waste Disposal
2. Waste Management
3. Randy's Environmental Services

Mr. Martens stated that after reviewing the RFPs, selecting any of the three (3) aforementioned companies responding would decrease the waste removal costs for Winsted residents. He continued by stating that per the Solid Waste Ordinance, the contract will be awarded "based upon the amount of the proposal submitted, considerations of overall cost, general safety, as well as the number and level of services offered."

Mr. Martens gave a brief overview of the RFP from each hauler:

➤ **Elite Waste Disposal (Elite)**

1. Limits the City's annual clean up to two (2) bulky items per household.
2. Garbage pick up would be on Thursdays.
3. The contract is subject to an annual increase of two percent (2%).
4. Noted that Elite is a family owned and operated hauler.

➤ **Waste Management (WM)**

1. The residents would be billed by Waste Management quarterly.
2. Waste Management offers a discounted "Senior Rate" for residents sixty-two (62) years of age or older and have a thirty-two (32) gallon cart for trash.
3. Noted that the driver who services Winsted is a Winsted resident who has worked in the City for over twenty-five (25) years.

➤ **Randy's Environmental Services (Randy's)**

1. They offer a discount for quarterly billing.
2. There is a discount for entering into a ten (10) year contract.
3. They offer an additional discount for quarterly billing and approving a ten (10) year contract.
4. They offer document destruction services to the City facilities at no charge.
5. Noted that it is a family owned and operated trash hauler.
6. Optional subscription based Blue Bag Organics program for residents which is fee based.

Mr. Martens presented the following comparisons based on 715 residential customers (Cust.):

Rates as Submitted Without Discounts				
	32 Gallon-72 Cust.	64 Gallon-620 Cust.	96 Gallon-23 Cust.	Monthly Total Cost for all customers
Elite	\$9.60	\$10.70	\$11.80	\$7,596.60
WM	\$10.92	\$11.64	\$15.09	\$8,350.11
Randy's	\$9.80	\$11.80	\$13.80	\$8,339.00
Current	\$11.49	\$12.27	\$17.97	\$8,847.99

Rates as Submitted With Randy's Quarterly Billing Discount				
	32 Gallon-72 Cust.	64 Gallon-620 Cust.	96 Gallon-23 Cust.	Monthly Total Cost for all customers
Elite	\$9.60	\$10.70	\$11.80	\$7,596.60
WM	\$10.92	\$11.64	\$15.09	\$8,350.11
Randy's	\$9.40	\$11.40	\$13.40	\$8,053.00
Current	\$11.49	\$12.27	\$17.97	\$8,847.99

Mr. Martens presented the City Council with the following options:

1. Approve a Residential Solid Waste Removal Service Contract from October 1, 2012 to September 30, 2015 with Elite Waste Disposal, Waste Management, or Randy's Environmental Services.
2. Table the item to the September 18, 2012 meeting.
3. Reject all proposals and begin a new RFP process.

Council Member Ollig asked the City Council to consider the multi-million dollar investment that Waste Management has made in the Winsted Community.

Council Member Quast reiterated Council Member Ollig's positive comments regarding Waste Management and stated that she could not say anymore due to a conflict of interest.

A representative from each of the three (3) companies addressed the City Council presenting information about their company and about items in their RFP.

Council Member Ollig thanked all the companies for submitting a RFP.

Council Member Ollig motioned to approve a Residential Solid Waste Removal Service Contract from October 1, 2012 to September 30, 2015 with Waste Management. Council Member Schulenberg seconded the motion. Motion carried 4-0. Council Member Quast abstained.

c) Board of Water and Soil Resources Grant

Mr. Martens stated that the Winsted Lake Watershed Association (WLWA) is interested in applying for grant funds to improve Winsted Lake.

Mr. Martens stated that the Minnesota Board of Water and Soil Resources has issued a Request for Proposals (RFP) and are offering grants. He continued by giving a brief overview of the grants:

- There is \$1.4 million dollars available for projects, with a maximum of \$150,000 per project.
- Grant funding requires a twenty-five percent (25%) local match in cash or in-kind services.
- Projects must have a lifespan of at least ten (10) years and have specific outcomes they will achieve.
- Past projects include rain gardens, holding ponds and pervious pavement.
- Ineligible projects include aquatic invasive species, benches, educational events and in lake treatments.
- A local government unit must apply for the funds.

Mr. Martens stated that he met with members of the WLWA and they proposed the following four (4) projects to apply for grant funding:

1. Create a holding pond on the county ditch coming into the lake from the north.
2. Installation of holding and/or runoff areas for the storm sewers from the new Lakefront Promenade.
3. Stabilize the eroding lake bank along Kingsley Street.
4. Mitigate the street runoff on Lake Avenue.

Mr. Martens stated that the application deadline for the grants is September 14, 2012 at 4:30 p.m. Although it is not known what project would be applied for or even if a project would be applied for, he requested that the City Council authorize staff to apply for grant funds so the deadline could be met.

Mr. Martens stated that funding for the local match would need to be approved by the City Council at a future meeting and the City does have the option to decline a grant if awarded.

Council Member Mochinski stated that this grant is an excellent opportunity for Winsted Lake.

Council Member Mochinski motioned to authorize City staff to apply for a Board of Water and Soil Resource Grant to improve Winsted Lake. Council Member Quast seconded the motion. Motion carried 5-0.

c) Credit Card Use Policy

Mr. Martens stated that the City of Winsted's Credit Card Use Policy currently limits the holding of a City credit card to the following positions: City Administrator, City Clerk-Treasurer, Utility Billing and Payroll Clerk and Administrative Assistant. The Winsted Volunteer Fire Department (WVFD)

Chief has requested that his position also be added to the list due to the consistent need for him to purchase items for the Fire Department. Mr. Martens continued by stating that the proposed amended Credit Card Use Policy includes the WVFD Chief as an approved credit card holder.

Mr. Martens recommended that the Credit Card Use Policy be amended to include the WVFD Chief.

Council Member Ollig motioned to approve the City's Credit Card Use Policy as amended. Council Member Schulenberg seconded the motion. Motion carried 5-0.

d) Resolution R-12-25 – Support of Repealing MN Statute 473.848

Mr. Martens stated that McLeod County has requested that the City of Winsted pass a resolution supporting the repealing of Minnesota State Statute 473.848 which restricts disposal of unprocessed mixed municipal solid waste generated in the metropolitan area. Minnesota State Statute 473.848 was enacted in the year 1985; however, it was never implemented by the Minnesota Pollution Control Agency. He continued by stating that enforcement of the aforementioned Statute is now scheduled to be implemented in February of 2013.

Mr. Martens gave a summary of Minnesota State Statute 473.848:

- Enforcement of Minnesota State Statute 473.848 would require waste from the metropolitan area to be hauled to landfills in the metropolitan area.
- McLeod County receives a substantial amount of money from fees derived from accepting waste from the metropolitan area in the Spruce Ridge Landfill that it uses to fund all McLeod County recycling programs.
- Enforcement of Minnesota State Statute 473.848 would significantly affect the cost of recycling in McLeod County.

Council Member Quast motioned to approve Resolution R-12-25 supporting the repeal of Minnesota State Statute 473.848 due to adverse effects on funding for solid waste programs in McLeod County. Council Member Schulenberg seconded the motion. Motion carried 5-0.

6) Department Report

a) City Clerk-Treasurer

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

- **2012 Primary and General Elections**
 - The Primary Election was held on Tuesday, August 14, 2012.
 - ❖ The entire day ran smoothly.
 - ❖ Vern Christenson served as the Head Election Judge for the morning shift.
 - ❖ Karla Otterness served as the Head Election Judge for the afternoon and evening shift.
 - ❖ We had 184 residents vote at the polling place and ten (10) Absentee Ballots for a total of 194 voters. For comparison purposes, in the year 2010 Primary Election we had 156 residents vote at the polling place and seven (7) Absentee Ballots for a total of 163 voters.
 - The General Election will be held on Tuesday, November 6, 2012.
 - ❖ Incumbent Mayor Stotko has filed for the Mayor's position.
 - ❖ Incumbents Council Member Ollig and Council Member Quast have filed for the two (2) council member positions that will be open. Residents Mike Thonvold, Dirk Anderson, Joel Hirsch and Brian Currey have also filed for the two (2) council member positions that will be open.
 - Staff budgeted for the purchase of new voting booths in the year, 2012. They were used during the August 14, 2012 Primary Election. They were easy for Ms. Kirchoff and Ms. Boelter to set-up and a much nicer replacement for the old voting booths.
 - Voting was conducted at St. Mary's Care Center during the Primary Election and will be offered to residents of St. Mary's Care Center and the Lindenwood Apartments during the General Election.

- **Winsted Summer Festival and 125th Anniversary**
 - Ms. Kirchoff, Ms. Zeidler and Ms. Boelter worked closely with members of both the Winsted Summer Festival and the 125th Anniversary Committees to prepare for this year's celebration. The City still continues to display and sell souvenirs for the 125th Anniversary.
- **Blight**
 - Ms. Kirchoff and Ms. Boelter continue to address blighting properties within the City of Winsted.
 - The majority of blight issues in the year 2012 have been tall grass and/or weeds.
 - Both the City's Public Works Department and Police Department have been instrumental in keeping Ms. Kirchoff and Ms. Boelter informed of blighting properties. They have taken pictures, posted notices and/or assisted with re-inspection of the properties cited.
- **Minnesota Clerks and Finance Officers Association (MCFOA) – Advanced Academy**
 - Ms. Boelter has received a scholarship \$150 to assist with expenses related to the MCFOA's Advanced Academy. The registration fee is \$230 and the scholarship reduces the registration fee to \$80.
 - This two (2) day training will be held in Ottertail, Minnesota on Thursday, September 13, 2012 and Friday, September 14, 2012.
 - The Advanced Academy offers classes to help City Clerks receive their advanced certification through the International Institute of Municipal Clerks (IIMC).
- **Decertification of Tax Increment Financing District Number Six (TIF District #6)**
 - Ms. Boelter is currently working with the Minnesota State Auditor's Office; Shannon Sweeney, David Drown and Associates; and Paul Harvego, Conway, Deuth and Schmiesing to provide the necessary information and/or documents to close TIF District #6.

7) **No Organization Report.**

8) **No Open Forum.**

9) **No Announcements.**

10) **Adjournment**

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

The meeting was adjourned at 6:45 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

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