

City of Winsted
City Council Meeting
Council Chambers
September 21, 2010
6:00 p.m.

Present: Mayor Steve Stotko
Council Member Tom Ollig
Council Member Bonnie Quast
Council Member Tom Wiemiller

Absent: Council Member Dave Mochinski

Staff Present: Andrew Elbert, City Administrator
Deborah R. Boelter, City Clerk-Treasurer
Fran Eggert, City Attorney
Dan Pohl, Police Officer

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

a) The Pledge of Allegiance was taken.

2) Consent Agenda

Ollig motioned to adopt the Consent Agenda as presented. Quast seconded. Motion carried 4-0.

a) Minutes - City Council Work Session – September 7, 2010

Accepted the minutes of the City Council Work Session of September 7, 2010.

b) Minutes – City Council Regular Meeting – September 7, 2010

Accepted the minutes of the City Council Regular Meeting of September 7, 2010.

c) Salary Step Increase – Amanda Zeidler, Utility Billing and Payroll Clerk

Authorized a salary step increase for Amanda Zeidler, Utility Billing and Payroll Clerk, Effective September 9, 2010.

d) Waste Water Treatment Plant – Sludge Storage Tanks – Removal of Bio-Solids

Authorized Dan Wroge to remove and land apply bio-solids from the sludge storage tanks at the Waste Water Treatment Plant at a cost not to exceed \$8,000.

e) August, 2010 Financial Report

Approved the August, 2010 Financial Report.

f) August, 2010 Building Permit Report

Approved the August, 2010 Building Permit Report.

g) Claims

Approved the Claims List for September 21, 2010.

3) No Public Hearings.

4) Department Report

a) **City Engineer**

Jake Saulsbury, City Engineer from Bolton and Menk, Incorporated, reported on the following:

- **Winsted Municipal Airport Improvements**
2009 Construction Project for Taxiway Reconstruction and Drainage Improvements:
Minnesota Department of Transportation/Office of Aeronautics (MN DOT/OA) recommended final payment in the amount of \$31,616.00 to the Federal Aviation Administration (FAA) in June, 2010. The City received the final payment from the FAA in August, 2010. The grant is now closed.
- **Winsted Municipal Airport Master Plan & Airport Layout Plan (ALP)**
 1. A draft Master Plan and ALP have been completed based on Option 2 alignment, which shifts the runway to the north.
 2. MN DOT/OA is currently working on their final comments. Their overwhelming workload has prevented the comments from being completed sooner.
- **Winsted Municipal Airport Environmental Assessment (EA):**
 1. The EA will evaluate any environmental impacts for the runway shift, land acquisition, and trail realignment, and is required in order to move forward with the overall runway project.
 2. The EA project has been identified for FAA entitlement funding in 2011 with a five percent (5%) local match from the City of Winsted.
 3. The ALP will need to be reviewed and commented on prior to proceeding with the EA.
- **Westside Skydive Hangar**
 1. Marcus Watson, Bolton and Menk, Incorporated, conducted a site meeting at the Winsted Municipal Airport in August, 2010 with Mr. Joe Johnson to discuss commercial hangar options and proposed sites were reviewed.
 2. If there would be any building proposal, it would require approval by the Winsted Municipal Airport Commission and review by the MN DOT/OA and/or FAA.
- **Airport Capital Improvement Plan (ACIP) Update**
 1. A draft ACIP is going to be developed and forwarded to the City for review.
 2. The City must use or lend \$131,000 in FAA entitlement funding in Fiscal Year 2011 or the funds will be lost.
 3. Attended an ACIP Outreach meeting with representatives from the MN DOT/OA and FAA on September 21, 2010.
 4. ACIP updates are due to the MN DOT/OA no later than September 30, 2010.
- **Pavement Management Plan (PMP)**

The purpose of a PMP is to maintain serviceable street and utility infrastructure capable of meeting the needs of the citizens of Winsted in a reliable and cost effective manner. Saulsbury presented what has been completed since the last City Council update:

 1. An Assessment Policy was presented and approved.

2. Options for projects and completion years were established and discussed with City staff.
3. A draft plan was prepared and is being presented to the City Council for their approval.

➤ **Wastewater System Facility Plan**

Saulsbury stated that the primary goal in developing the Wastewater System Facility Plan is to develop a working plan for meeting the current and future wastewater conveyance and treatment needs for the City of Winsted. Saulsbury presented what has been completed recently:

1. The City is still awaiting final permit requirements and compliance deadlines from the Minnesota Pollution Control Agency (MPCA).
2. The components of the Wastewater System Facility Plan Project scored thirty-three (33) points and therefore is not fundable through the Public Facilities Authority. Forty-five (45) points was needed.
3. Saulsbury stated that they have not received any information on the City's applications that were submitted for the MPCA's Total Maximum Daily Load and Phosphorus Reduction grants. Determinations are expected to be made in October, 2010.
4. Saulsbury stated that the preliminary design work has been completed for the lift station improvements. Kingsley Lift Station improvements are recommended for next year.

Quast asked why the City only scored thirty-three (33) points. Saulsbury stated that he is uncertain what factors caused the City to only score thirty-three (33) points.

Ollig asked what happened to the leak in the sludge storage tank. Dan Wroge, People Service, Incorporated, stated that the contractor fixed the leak and there has not been any further issues.

➤ **McLeod County Road 116 & Third Street South Improvements**

1. Saulsbury stated that contracts for the project have been completed and the preconstruction meeting was conducted.
2. Coordination has occurred with Saint Mary's Care Center, the Howard Lake Waverly Winsted (HLWW) Elementary School, and some property owners.
3. The new gas main installation on Fourth Street North has been completed. The old line is scheduled to be removed.
4. Pavement milling and removals are underway. Pipe work is scheduled to start soon.
5. Project completion is anticipated to be at the end of October, 2010 with the exception of the north block. Due to the Saint Mary's Care Center expansion project some work will likely need to be completed next year.

➤ **Saint Mary's Care Center Site Expansion**

Two (2) engineering reviews have been completed by Bolton and Menk, Incorporated and coordination with the engineer for Saint Mary's Care Center is ongoing.

5) Old Business

a) Conditional Use Permit – Saint Mary's Care Center

Elbert stated that Saint Mary's Care Center, 551-4th Street North, has requested a Conditional Use Permit [CUP] to host a General Country Store located on an R-2, high density residential, zoned property. There is precedence for the establishment of a business within the confines of an R-2 zoned district. The thrift store operation run by

Adult Training and Habilitation Center was approved for a CUP at their facility in October, 2009 by the Planning Commission and City Council.

At the Wednesday, September 15, 2010 Planning Commission meeting, a CUP was approved by the Planning Commission for a General Country Store business setting. This is a variation from the original CUP proposal from Saint Mary's Care Center, which included a pharmacy. The new business plan will not allow for the sale of pharmaceutical items at the Saint Mary's Care Center location; therefore, the pharmacy currently located in the Winsted downtown district will not be relocating at the present time.

Elbert stated that the terms and conditions for issuing a CUP within the City of Winsted are:

1. That the conditional use will not be injurious to the use and enjoyment of the other property in the immediate vicinity for the purposes already permitted.
2. That the establishment of the conditional use will not impede the normal and orderly development and improvement of surrounding vacant property for predominant uses in the area.
3. That adequate utilities, access roads, drainage and necessary facilities have been or are being provided.
4. That adequate measures have been or will be taken to prevent or control offensive odor, fumes, dust, noise and vibration, so that none of these will constitute a nuisance and to control lighted signs and other lights in such a manner that no disturbance to neighboring properties will result.
5. That proper facilities are provided which would eliminate any traffic congestion or traffic hazard which may result from the proposed use.
6. The demonstrated need for the proposed use.
7. The proposed use is in compliance with any Land Use Plan adopted by the City.
8. That the conditional use shall not be issued wherein it would create a public nuisance or a health hazard.

Elbert stated that at their Wednesday, September 15, 2010 meeting, the Planning Commission voted to recommend the granting of a CUP to Saint Mary's Care Center at 551-4th Street North to operate a general store business with non-pharmaceutical sales. The originally proposal for a pharmacy within the space has been put on hold for the present time.

Elbert recommended that the Mayor and City Council approve the CUP for Saint Mary's Care Center with the following conditions:

1. Saint Mary's Care Center complete necessary review and permit applications for signage placement.
2. No outdoor storage of goods or other business related equipment.
3. One (1) year review of the Conditional Use Permit.
4. The Conditional Use Permit includes the following approved terms and conditions as set forth by the members of the City of Winsted Planning Commission:
 - a. Regular public business hours from 8:00 a.m. to 7:00 p.m.
 - b. The commercial business would be one featuring a "Country Store" setting with retail products.
 - c. Products and materials must be non-prescription sales.
 - d. Giving store materials preferences to Winsted businesses.

Deb Keaveny, Keaveny Drug, addressed the City Council. She stated that *The Roadhouse Coffee Shop* has made a commitment to sell coffee and sandwiches at the Saint Mary's Care Center's Country Store. She stated that she continues to encourage other businesses in Winsted to participate in the Country Store.

Ollig stated that Saint Mary's Care Center, Keaveny Drug and the City of Winsted's Planning Commission should be commended for working together to come up with a solution. The City Council reiterated Ollig's compliment.

Quast stated that she has received feedback from residents stating that they are happy that the pharmacy is going to stay downtown. Keaveny stated that she has received the same feedback.

Ollig motioned to approve the Conditional Use Permit for Saint Mary's Care Center as recommended by the City of Winsted's Planning Commission. Wiemiller seconded. Motion carried 4-0.

b) City Pavement Management Plan

The City's engineer, Jake Saulsbury of Bolton and Menk, Incorporated, presented the proposed City of Winsted Pavement Management Plan.

Mayor Stotko asked if the pavement projects listed in the fifteen (15) year plan were changed to an eight (8) year plan would the City save money in engineering, legal and construction costs. Saulsbury stated that there would be a cost savings and it would also provide the City with the opportunity to entertain other grant and low interest loan opportunities. Saulsbury stated that it would also save on some bonding costs.

Ollig asked how sensitive does the City have to be to consider funding the street projects identified in the Pavement Management Plan (PMP), when there will be updates that will be needed to be done at the Wastewater Treatment Plant (WWTP) in the future. Saulsbury stated that it depends on the WWTP permit requirements that the City will receive in the future from the MPCA.

Mayor Stotko asked if possible updates to the underground street light wiring were considered in the PMP. Saulsbury stated that in some instances it may be covered in a street project if the wiring is located in the City's right-of-way. In other instances, it may be an additional expense. Saulsbury stated that it was not included in the cost estimates in the PMP so it may be an additional expense.

Ollig motioned to adopt the City of Winsted Pavement Management Plan as presented by the City's engineering firm Bolton and Menk, Incorporated. Quast seconded. Motion carried 4-0.

Ollig asked Saulsbury if he would be able to provide the City with the proposed assessment amounts for the affected property owners when they decide what street projects to complete. Saulsbury stated yes.

c) Kingsley Lift Station

Saulsbury stated that the City of Winsted's Wastewater System Facility Plan (WWSFP) reviewed the adequacy of the existing facilities, including the lift stations, based on capacity, age, and condition. The WWSFP used available information for the lift station and wastewater flows, supplemented with assumptions in formulating the general recommendations and project cost estimates. Detailed investigation and analysis of the lift stations were beyond the scope of the WWSFP. Based on a recommendation from Bolton and Menk, Incorporated, the City Council authorized a preliminary engineering report for Lift Stations Number One (1)-Kingsley, Two (2)-Westgate, Three (3)-Northgate and Four (4)-Littfin. This more detailed information will be utilized for the final design and plan preparation.

Kingsley Lift Station-Number One (1)

The existing lift station consists of a concrete wet well and a steel dry well and was constructed in 1966. The pumping equipment and valves are inside the dry well. The steel structure dry well has corrosion problems. The control panel was replaced in 1992. The gate valves and check valves were replaced in 1999 and 2003, respectively; however, the existing pumps are the original pumps and are in poor condition. A generator was added in 2006.

The WWSFP recommended construction of a new duplex submersible pumping station consisting of an eight (8) foot diameter concrete wet well and a separate valve manhole. It is now recommended to utilize the existing eight (8) foot diameter wet well for the pumping station. This eliminates the difficult and costly construction of a deep structure adjacent to the lake. A new valve manhole will still be required and a new control panel is proposed.

Conversion of the existing wet well to a pumping station will require bypass pumping to divert all flow from the wet well. It can then be cleaned and inspected to determine the rehabilitation work that is required. It is anticipated that chemical grouting outside of the wet well will be required to seal infiltration. Any corrosion of the concrete structure will be repaired and the entire interior will be coated for corrosion protection. The existing cover will be replaced with a new precast concrete cover with an aluminum access hatch.

The bypass pumping can be done by placing a temporary pump in the existing manhole in the Rosalie Avenue intersection. A new manhole is proposed on the existing sanitary sewer which flows north on Kingsley Street. A temporary second backup pump can be placed in this manhole. This manhole will be connected directly to the lift station to eliminate the almost 360 degree turn the flow is currently required to make at the existing manhole.

The new valve manhole is proposed in Kingsley Street, due to space restrictions. This requires a new connection to the existing force main. Research on the existing force main size was inconclusive. The original construction plans show a twelve (12) inch diameter force main. The existing force main leaving the station is eight (8) inches in diameter; however, repair work on the force main by the City park indicated six (6) inches. The force main size entering the treatment plant is ten (10) inches. Excavation at several locations is recommended to confirm the force main size prior to final design.

Pumping tests were completed on the existing pumps with the following results:

Pump 1 – 270 gallons per minute (gpm)

Pump 2 – 287 gpm

Pump 1 and Pump 2 combined – 308 gpm

The pump motors are two (2) speed and the above capacities were at the low speed. Due to concerns for damage to the pumps, no tests were done at the high speed. The combined capacity of both pumps is significantly less than the sum of the individual capacities, due to the increased friction loss in the force main.

The preliminary capacity of the new pumps proposed is 500 gpm for an individual pump and 640 gpm for two pumps combined. These are twenty (20) horsepower pumps. The capacity is based on an average force main size of eight (8) inches. Any existing six (6) inch force main should ultimately be replaced. If a twelve (12) inch force main is assumed to exist, the same pumps would have 830 gpm capacity for an individual pump and 1240 gpm for two (2) pumps combined.

The existing generator can be protected during construction and left in place. The existing dry well would be abandoned by removing the pumping equipment, cutting off the top portion and filling it with grout or sand. These proposed improvements will not change any aesthetics or views of the lake from the current configuration.

Westgate Lift Station-Number Two (2)

Saulsbury stated that the Westgate station, constructed in 1974, is a duplex submersible pump station with a six (6) foot diameter concrete wet well. A new control panel was installed in 2007. Pumping tests were completed with the following results:

Pump 1 – 300 gpm

Pump 2 – 144 gpm

Pump 1 and Pump 2 combined – 317 gpm

Improvements proposed for this station consist of the following:

1. Replacement of existing 9.4 horsepower (hp) pumps with ten (10) hp pumps that have a capacity of 550 gpm.
2. Replacement of gate and check valves.
3. Addition of a separate valve manhole. The existing check valves are inside the wet well which makes maintenance difficult and dangerous. The gate valves are buried and have valve boxes for operation. Current Minnesota Pollution Control Agency (MPCA) standards require that the shut-off valves and check valves be located in a separate valve manhole or that valves are easily accessible for maintenance.
4. Installation of a new manhole on the existing eight (8) inch sanitary sewer flowing northeasterly on Westgate Drive. This is proposed to reduce the sharp angle that the flow currently needs to make in the existing manhole. This angle likely causes the deposition of solids in the manhole.
5. Addition of a short concrete block retaining wall and re-grading around the lift station to cover the exposed edge of the concrete cover.

These improvements are the same as proposed in the WWSFP, except for the addition of items four (4) and five (5). The existing control panel will be reused. The control panel and transformer will need to be protected during construction. The valve manhole construction will require relocation of the existing electrical service to the control panel. The alternative is to place the valve manhole in the street. Short term bypass pumping will be required during the valve manhole construction.

Northgate Lift Station-Number Three (3)

Saulsbury stated that this station, constructed in 1975, is a duplex submersible pump station with a six (6) foot diameter concrete wet well. The station is located in an easement northeast of Northgate Drive. A new control panel was installed in 2007.

Pumping tests were attempted on this station. It was found that the existing fifteen (15) inch sewer flowing into the station from the northeast entered about two (2) feet above the floor. The pumps can only pump down to a 1.5 foot depth which leaves only 0.5 foot of storage. This storage volume is inadequate and the current station operation allows flow to back up in the fifteen (15) inch sewage to provide additional storage. With storage occurring in the pipe, it was not possible to calculate the sewage volume being stored and pumped during a test; therefore, the pump capacities could not be calculated. The use of the fifteen (15) inch sewer for storage and the current low flow in the sewer will result in solids being deposited in the sewer. The solids deposition will cause the sewage to progressively back up farther upstream in the pipe. Cleaning will be required to clear the solids. This will be difficult, given the low pipe level in the wet well.

The improvements proposed in the WWSFP for the Northgate station were the same as the Westgate station, except for larger replacement pumps, which in turn required replacement of the control panel; however, given the inadequate storage volume in the existing wet well, it is now recommended to construct a new lift station. This would consist of an eight (8) foot wet well with two (2) 20 hp pumps that each have a capacity of 500 gpm. The existing pumps are 9.4 hp. The upgraded pumps will each have capacity for 138% of the future peak flow projected in the WWSFP.

This plan also shows the existing easements. The proposed lift station is about fifty-six (56) feet northeast of the existing station. This location allows for construction within existing easements and also allows the existing station to remain operational during the majority of the construction. The new station location will require some reconstruction of existing sanitary sewer and eight (8) inch storm sewer, extension of force main and the extension of the bituminous access driveway.

The new station will have additional depth to provide a minimum of four (4) feet of storage below the fifteen (15) inch sewer, which is a typical design criteria. The station will have a separate valve manhole. An eight (8) inch force main is proposed. This will connect to the existing six (6) inch force main. As discussed in the WWSFP, this six (6) inch force main will need to be upgraded to at least eight (8) inch, as the lift station

service area develops and the flow approaches the projected 2030 peak flow. This force main reconstruction would be best done in conjunction with reconstruction of streets over the force main and is not included in this proposal. A soil boring is recommended at the location of the proposed station.

A new on-site generator is proposed with the WWTP improvements. This makes the existing trailer-mounted generator used at the WWTP available for lift stations which do not have an on-site generator, including Stations Number Two (2) and Number Three (3).

Littfin Lift Station-Number Four (4)

Saulsbury stated that this station, constructed in 1986, is a three (3)-pump submersible pump station with an eight (8) foot by twelve (12) foot concrete wet well structure and a separate valve manhole. The control panel was replaced in 2009 and one (1) of the pumps (Number three (3)) was also replaced in 2009. Pumping tests were completed on this well with the following results:

Pump 1 (1986 Flygt) – 499 gpm

Pump 2 (1986 Flygt) – 619 gpm

Pump 3 (2009 KSB) – 731 gpm

Improvements proposed for this station consist of the following:

1. Replacement of the two (2) older Flygt twenty (20) hp pumps with 800 gpm, thirty (30) hp pumps. The pump capacity of three (3)-pump stations is typically sized so that the peak flow is pumped by two (2) pumps; with the third (3rd) pump acting as backup. The proposed pump upgrades will have capacity in excess of the 2030 peak flow projected in the WWSFP.
2. Replacement of gate valves and check valves.
3. Upgrade of the existing control panel to accommodate the two (2) higher horsepower pumps.
4. Addition of a generator. This station is the City's largest capacity station. It receives flow from Lift Station Numbers Two (2), Three (3), Four (4) and Six (6), in addition to the flow from its own service area. At current flows, the station has capacity to store flow for two (2) to three (3) hours in the event of a power failure. This will be reduced as the flow rates increase; therefore, an emergency power generator is recommended for this station.

Lift Station Number Four (4) has a ten (10) inch force main which discharges to the WWTP. This has inadequate capacity for the 2030 peak flow projected in the WWSFP and a second (2nd), parallel ten (10) inch force main was recommended. The existing force main has adequate capacity for current flows and the construction of the second (2nd) force main is not included in this proposal.

Supervisory Control and Data Acquisition (SCADA) System

The electrical controls upgrade proposed for the WWTP improvements includes the addition of a SCADA system for the lift stations, as well as the WWTP. This will allow remote monitoring of the lift stations at a central location such as the WWTP. This will require additions to the lift station control panels to allow sending information such as pump run data, pump failure, power failure and high level alarms to the central location by radio signals. The costs for the SCADA system additions to each lift station were included with the WWTP improvement costs and are; therefore, not included with the four (4) individual lift station improvements.

Lift Station Improvement Costs

Saulsbury stated that the estimated costs for the improvements described above for Lift Station Numbers One (1), Two (2), Three (3) and Four (4) are summarized in the following table. The previous cost estimates from the WWSFP along with the revised estimates from the preliminary engineering work are included. The revised estimates are based on current equipment costs and quotes on recent contractor bids received on similar projects. The total estimated project costs include construction costs along with a twenty percent (20%) allowance for engineering, legal, administrative, and miscellaneous costs.

Lift Station Improvement Costs			
Station Number	Estimated Project Cost from WWSFP	Revised Estimated Total Project Cost	Total Estimated Project Cost Increase
1	\$355,240	\$193,970	-\$161,270
2	\$46,230	\$94,330	\$48,100
3	\$73,140	\$299,820	\$226,680
4	\$129,030	\$129,030	\$0
Total	\$603,640	\$717,150	\$113,510

Improvement Schedule

Saulsbury stated that the previous recommendation was to complete the Wastewater Treatment Plant (WWTP) upgrade and the improvements to all of the lift stations as one (1) project; however, the relatively low scoring by the MPCA on the WWTP upgrade and the fact that the new discharge permit requirements have not yet been issued, indicate a 2011 project is unlikely. It is recommended to proceed at this time with only the proposed Kingsley Street Lift Station improvements contained herein. The other lift stations will be monitored and possible improvements to those stations will come before the Council when additional concerns arise or when the WWTP upgrade project moves forward. The recommendation to proceed with the Kingsley Station now is based on the following items:

1. Low storage time and potential overflow risk.
2. Old pumps with low pumping capacities.
3. Existing wet well is a significant contributor to inflow and infiltration.
4. Design has been modified to reduce the construction duration, the restoration limits, and the impact to Winsted Lake.
5. Design modifications have lowered the estimated project cost from \$355,000 to approximately \$200,000, not including potential force main work.
6. Overall poor condition and poor reliability of the existing lift station.

The recommended schedule to allow completion of the Kingsley Lift Station reconstruction is to complete the plans and specification this winter, 2010/2011 to allow for a spring, 2011 bid opening and a late spring/early summer, 2011 construction start. Final design will require exploratory excavations to confirm the size of the existing force main at a few locations. We recommend soliciting quotes prior to proceeding to final design to make this determination. This should be done this fall before the ground freezes. If it is determined that force main installation work is also needed, the estimated project cost will increase. If approved, those findings will be shared with the City Council prior to proceeding to final design for the lift station project.

Mayor Stotko asked Saulsbury if there would be any grants available for funding the upgrades to the lift stations. Saulsbury stated no.

Wiemiller asked Saulsbury if he will be presenting the City Council with drawings showing the final aesthetics of the completed Kingsley Lift Station. Saulsbury stated yes and the new lift station will be very similar aesthetically to the existing Kingsley Lift Station.

Wiemiller stated that it would be ideal if the wiring could be installed underground. Saulsbury stated that the wiring options would have to be evaluated to determine if the wiring could be installed underground. Mayor Stotko and Wiemiller stated that anything the City can do to make the Kingsley Lift Station more aesthetically would be a good idea and appreciated by the residents.

Wroge asked Saulsbury if the control box could be relocated behind the generator. Saulsbury stated that it would depend on the water level whether it can be lowered.

Wiemiller motioned to direct the City of Winsted’s engineering firm Bolton and Menk, Incorporated to proceed with the final design of the Kingsley Lift Station Project and to solicit quotes to determine the existing force main sizes. Ollig seconded. Motion carried 4-0.

Mayor Stotko asked Saulsbury if the City of Lester Prairie, Minnesota could rectify their well issues if they would connect to the City of Winsted’s well system. Saulsbury stated that the quality of the water would be the same because both cities do not have a water treatment plant. Saulsbury also stated that it would be cost prohibitive to connect from the City of Lester Prairie to the City of Winsted.

6) New Business

a) New Telephone System – Voice Over Internet Protocol Project

Elbert presented a proposal from TDS telecom for purchase of TDS’ managed internet protocol [IP] product to replace the City’s existing telephone system. The product has been demonstrated and evaluated by the City’s Administrative staff over the past few months as a potential cost-savings mechanism for the City of Winsted’s business operations.

Elbert stated that in moving to the managed internet protocol [IP] product, the City would see a savings within its total telephone bill payment. The breakdown in potential cost savings is as follows:

City of Winsted’s Estimated Monthly Billing Voice and Data Plan	\$872.20	Savings For Current Estimated Monthly Billing Voice and Data Plan
<u>Option One (1):</u> TDS Managed IP [1.5 mbps] Solution	\$834.10	\$38.10
<u>Option Two (2):</u> TDS Managed IP [1.5 mbps] Solution after (36) month equipment lease	\$774.40	\$97.80

Elbert stated the last monthly bill from TDS through September 3, 2010 was for an amount total of \$1,083.15. The cost for transfer of the system would be a \$100.00 installation fee. Under Option One (1), the City would be leasing the telephone equipment from TDS telecom for a thirty-six (36) month period. Additionally, a fax to e-mail option could be included in the plan with a sub-cost of \$2.50 per month of the agreement.

More significant savings could be achieved with a one (1) time capital investment of \$2,139.00 to purchase the voice over IP system. The costs could be paid from the City’s Cable Fund which currently has a fund balance of \$63,853.00. The City’s savings would thus be at the Option Two (2) level right away. It should be noted that City Administrative staff plans to move the Cable Fund balance dollars either into the overall General Fund or Capital Equipment Plan Fund as part of its 2009 audit report recommendations.

Elbert stated that the City staff would like feedback on this subject matter from the Mayor and City Council of Winsted. If agreed upon by the Mayor and City Council, City staff would recommend in proceeding forward with an agreement between the City of Winsted and TDS Telecom for the installation of a managed IP product. City staff would also recommend review of the company’s service and maintenance agreement as well as business reference points where the system has been implemented with a report given back to the Mayor and City Council. It is the decision of the Mayor and City Council on

whether to make the capital investment of the telephones themselves for a purchase price of \$2,139.00.

Quast motioned to enter into an agreement with TDS Telecom for the installation of a managed Internet Protocol telephone system for the City of Winsted, Option 2. Wiemiller seconded. Motion carried 3-1. Ollig abstained.

7) No Open Forum.

8) Announcements

Mayor Stotko announced and invited residents to a Political Forum being sponsored by the Winsted Area Chamber of Commerce. It will be held on Tuesday, October 12, 2010 in the Council Chambers at City Hall, 201-1st Street North, from 7:00 p.m. to 8:30 p.m. City of Winsted Mayor and City Council candidates will be in attendance; as well as, State Senate candidates and McLeod County Sheriff candidates.

9) Adjournment

Quast motioned to adjourn. Wiemiller seconded. Motion carried 4-0.

Respectfully submitted,

Deborah R. Boelter
City Clerk-Treasurer