City of Winsted
City Council Meeting
Council Chambers
Tuesday, October 21, 2014
6:00 p.m.

Present:	Mayor Steve Stotko Council Member Bonita Quast Council Member Tom Ollig Council Member George Schulenberg Council Member Max Fasching
Staff Present:	Mr. Clay Wilfahrt, City Administrator Ms. Deborah R. Boelter, City Clerk-Treasurer Mr. Justin Heldt, Winsted Police Department Chief

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

a) The Pledge of Allegiance was taken.

b) Agenda Amendment

Council Member Ollig motioned to amend tonight's Agenda to include *Industrial Land Purchase* as item c) under New Business. Council Member Quast seconded the motion. Motion carried 5-0.

2) Consent Agenda

Mayor Stotko read the Consent Agenda.

a) Minutes – City Council – Work Session – October 7, 2014

Accepted the minutes of the October 7, 2014 City Council Work Session.

b) Minutes – City Council – Regular Meeting – October 7, 2014

Accepted the minutes of the October 7, 2014 City Council Regular Meeting.

c) Minutes – Economic Development Authority – October 7, 2014

Accepted the minutes of the October 7, 2014 Economic Development Authority Meeting.

d) Minutes – Park Commission Meeting – August 11, 2014

Accepted the minutes of the August 11, 2014 Park Commission Meeting.

e) Minutes – Downtown Vibrancy Commission Meeting – August 12, 2014

Accepted the minutes of the August 12, 2014 Downtown Vibrancy Commission Meeting.

f) Minutes – Planning Commission Meeting – September 8, 2014

Accepted the minutes of the September 8, 2014 Planning Commission Meeting.

g) Canvassing Board Members

Established a Canvassing Board with the following members: Council Member Tom Ollig, Council Member Bonnie Quast, Mr. Clay Wilfahrt, and Ms. Deb Boelter. The purpose of the Canvassing Board will be to review the November 4, 2014 General Election results.

h) Resolution R-14-30 – CR Electric Incorporated Contribution

Adopted Resolution R-14-30 to accept a contribution from CR Electric Incorporated in the amount of $250 to be dedicated to the Winsted Volunteer Fire Department's Capital Improvement Fund to be used for equipment purchases.

i) Ordinance O-14-05

Adopted Ordinance O-14-05 to change the zoning classification of certain properties located between 2nd Street South and 3rd Street South and south of McLeod Avenue and north of Lewis Avenue as recommended by the Winsted Planning Commission.

j) Ordinance O-14-06

Adopted Ordinance O-14-06 to change the zoning classification of certain properties in the City to bring the official Zoning Map for the City of Winsted into conformity with the McLeod County parcel data as recommended by the Winsted Planning Commission.

k) Vacation Banking – Mr. James Lammers

Authorized Mr. James Lammers, Winsted Police Officer, to bank up to ten (10) hours of vacation on his employment anniversary date of October 16, 2014, according to the City of Winsted Personnel Policy.

l) September, 2014 Building Permit Report

Approved the September, 2014 Building Permit Report.

m) TDS Telecommunications Service Agreement Amendments

Approved amendments to the telecommunications service agreement between the City of Winsted and TDS Telecom.

n) City of Winsted Personnel Policy

Adopted the amended City of Winsted Personnel Policy.

o) Claims

Approved the Claims List for October 21, 2014.

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

3) No Public Hearings.

4) No Old Business.

5) New Business

a) Revolving Loan Fund Policy Amendments

Mr. Wilfahrt stated that the City is in final stages of negotiation on a property purchase from the Entinger family to expand Winsted's Industrial Park. As part of that process, the City has discussed using $605,000 in money that is currently in the City's Revolving Loan Fund (RLF).

Mr. Wilfahrt stated that the RLF was established in the year 2005 as a result of two (2) Winsted businesses receiving a loan from the State of Minnesota. The City was used as a conduit for the money,

and one (1) requirement of the arrangement was that the money be paid back to the City, and that the City designate the money to an RLF Fund and adopt an RLF Policy.

Mr. Wilfahrt stated that the money the City received when the businesses paid back their obligations, has been kept in the RLF account. There has not been any use of the money for economic development purposes since the initial loans.

Mr. Wilfahrt stated that the money can be reused by the City for economic development purposes; however, there are some requirements with it. Additionally, until the money is expended, the City's ability to get future grants from the Minnesota Department of Employment and Economic Development (MN DEED) is unlikely.

Mr. Wilfahrt stated that additionally, any use of the money for something that would require labor could potentially trigger prevailing wage requirements.

Mr. Wilfahrt stated that if the City uses the money for the purchase of land, it can circumvent the labor requirements, become eligible for grants once again, and purchase the land without bonding or a loan.

Mr. Wilfahrt stated that any eligible businesses will be a business that can locate in Industrial Zoned property and have a fifty percent plus (50% +) match in private funds to RLF funds.

Mr. Wilfahrt presented the proposed RLF Policy that lays out the requirements for the RLF funds. He continued by presenting the five (5) major requirements that the State of Minnesota has for businesses using these dollars:

1. **Job Creation Goal:**
   Businesses locating in the Winsted Industrial Park will be required to create a minimum of one (1) job per $35,000 in RLF benefit that they receive.
2. **Low to Moderate Income (LMI):**
   Fifty-one percent (51%) of all jobs created must be made available to persons of low to moderate income.
3. **Wage Goals:**
   All employees counted towards the Job Creation Goal will meet wage goals as set by the Minnesota Department of Employment and Economic Development. In the year 2014, this amount is $12.61per hour.
4. **Business Subsidy:**
   Each company receiving assistance in the amount of $75,000 or more from the Winsted RLF shall be subject to the provisions and requirements set forth by Minnesota Business Subsidy Law Statute 116J.993.
5. **Annual Reporting:**
   All applicants will be required to submit annual progress reports to the City of Winsted until job creation requirements are met. Additionally, all new hires will be required to complete a salary survey to prove LMI requirements are met and forgivable loan policy requirements are met.

Mr. Wilfahrt stated that the language in the proposed Policy has been sent to the Minnesota State Department of Employment and Economic Development and the City's Financial Consultant. Both approved of the language.

Mr. Wilfahrt stated that the Winsted Economic Development Authority (EDA) met on October 4th, 2014 to discuss the proposed RLF Policy and recommended approval of the Policy under the condition that City Staff add a provision that the requirements set must be met within two (2) years. That language has been added to the Policy.

Council Member Fasching asked when was the last time that a business used funding from the RLF. Mr. Wilfahrt stated that not since the year 2005.

Council Member Ollig motioned to adopt the amended Revolving Loan Fund Policy. Council Member Schulenberg seconded the motion. Motion carried 5-0.

b) Winsted Police Department Personnel Policy Amendments

Mr. Wilfahrt stated that the Winsted Police Department Personnel Policy Manual needs to be updated to allow the Police Department to utilize their new department issued weapons. There were a number of other changes needed.

Mr. Wilfahrt gave a brief overview of the amendments to the Winsted Police Departmentõs Personnel Policy:

- ✓ **Chapter 1: Definition of Terms**
  - Added definitions of social media and department issued weapons.
- ✓ **Chapter 2: Department Organization**
  - Added job description for an Investigator position.
- ✓ **Chapter 6: Uniforms, Equipment and Appearance**
  - Required that officers return helmets, safety glasses, duty handgun and holster, Taser and holster, and duty issued ammunition.
  - Listed department issued weapon, holster, and magazine pouches as Winsted Police Department issued equipment.
  - Made gold ñPòbuttons optional attire.
  - Required that vests must match uniform if worn. Black tactical vests may be worn in special situations.
  - Required certification for chemical agent use.
  - Required certification for Taser use.
  - Allow facial hair at the discretion of the Winsted Police Department Chief.
  - Required that tattoos must not be visible while on duty.
- ✓ **Chapter 9: Police Impounds**
  - Requires Officers to complete a form inventorying contents of vehicles that are towed.
- ✓ **Chapter 11: Firearms, Chemical Agents, Bomb Threats**
  - Outlines department issued weapons
    - ❖ Weapons must be issued and evaluated by the Winsted Police Department Chief.
    - ❖ Department will maintain a list of weapons.
    - ❖ Police Officer shall qualify with the new weapons prior to use.
    - ❖ Police Officers cannot use firearms off duty while having alcohol or drugs in their system.
    - ❖ Weapons must be in a department issued holster.
    - ❖ Part-time officers may use their primary agency duty weapon if they are qualified to use that weapon.
    - ❖ Police Officers may carry back-up weapons on duty if they are qualified in the weapon and it is approved by the Winsted Police Department Chief.
    - ❖ Shotguns and rifles used on duty are Department issued and approved by the Police Chief.
    - ❖ Maintenance of the guns may only be performed by a licensed armorer or gunsmith.
    - ❖ Retired Police Officers with ten (10) or more years of service who retire in good standing may carry a concealed handgun as long as they are not under the influence of drugs or alcohol, are not legally prohibited from carrying a handgun, have valid identification (ID) and have qualified with the weapon.
    - ❖ Any officer involved in a shooting must immediately turn over their weapon as evidence and will be placed on paid administrative leave until the investigation is complete.
    - ❖ Handguns carried while off duty must be approved by the Winsted Police Department Chief and Officers must qualify to use those weapons. When carrying an off duty weapon, Officers must carry their ID and badge. If encountering a potentially dangerous situation, the Officer must identify him and/or herself as an Officer.
    - ❖ One (1) Officer will be designated as a Weapons Officer and will inspect and test Department firearms and maintain appropriate records.
    - ❖ Vests and eye protection must be worn at all times at firing ranges.
- ✓ **Chapter 18: Property and Evidence**
  - Requires officers to complete Chain of Custody forms for all evidence.

- Specifies that the Winsted Police Department Chief and one (1) Officer have access to the evidence room and that it is their responsibility to maintain the room.

✓ **Chapter 19: Emergency Commitment**
- States that if an Officer believes that someone may be an imminent danger of harming themselves or others, they should complete a form for a seventy-two (72) hour welfare hold and accompany person to a medical or treatment facility.
- A form should be completed to accompany a person who is chemically dependent and unable to care for themselves to a detox facility.

✓ **Chapter 24: Supervision of Part-Time Police Officers**
- Requires part-time Officers to work a minimum of six (6) shifts per year to remain on the part-time list.

✓ **Chapter 28: Social Media Policy**
- Police Officers cannot use social media to tarnish the Winsted Police Department's reputation.
- Officers are not authorized to use City equipment for personal social networking.
- Officers are prohibited from posting information relating to investigations, action of the Department, logos or other Department symbols, or other related Department items.

✓ **Chapter 30: In-Squad Camera and Digital Media**
- Provides guidelines for the use of in-squad cameras.
- Makes use of cameras and saving and storing of files consistent. This is important to ensure that discrepancies in use do not cause problems with investigations.

Mr. Wilfahrt complimented Winsted Police Department Chief, Mr. Justin Heldt, for the large amount of time he spent reviewing the Winsted Police Department's Personnel Policy and adding the aforementioned amendments. He continued by stating that it will assist the Department in their day-to-day operations.

Council Member Schulenberg asked Mr. Heldt if the Winsted Police Department's Officers have been qualified in the new Department issued firearms.

Mr. Heldt stated that they have not. He continued by stating that with the approval of the aforementioned Personnel Policy amendments, the training to qualify will take place the second (2nd) or third (3rd) week of November, 2014.

Council Member Ollig asked Mr. Heldt what prompted him to review the Winsted Police Department's Personnel Policy.

Mr. Heldt stated that the purchase of the Department issued firearms is what prompted him to review the Police Department's Personnel Policy. He continued by stating that with the increased use of social media, he felt it was important to safeguard the Police Department by adding rules and regulations regarding the use of social media. There was also nothing listed in the Policy regarding in-squad cameras and since their use is vital to the Police Department, he stated that he wanted to add something to the Policy regarding their use.

Council Member Ollig asked Mr. Heldt for an update on newly hired Winsted Police Department Officer, Mr. Tyler Bruns, and also on the hiring process for the fourth (4th) Police Officer.

Mr. Heldt stated that Mr. Bruns is in the final stages of the Field Training Officer (F.T.O.) program. He continued by stating that Mr. Bruns is doing a great job.

Mr. Heldt stated that the final interviews for the fourth (4th) Police Officer are being conducted on Friday, October 24, 2014.

Mr. Heldt thanked the City Council members who were on the initial interviewing panel.

Mayor Stotko thanked Mr. Heldt for the exceptional job he did on updating and amending the Winsted Police Department's Personnel Policy.

Council Member Quast motioned to adopt the amended Winsted Police Department Personnel Policy manual. Council Member Fasching seconded the motion. Motion carried 5-0.

c) Industrial Land Purchase

Mr. Wilfahrt stated that for the past eight (8) weeks, City Staff has been following up on negotiations with the Entingers on fifty-two (52) acres of land to purchase for an industrial park.

Mr. Wilfahrt stated that negotiations with the Entinger family has led the City Council to a final offer of $18,222 per acre for the forty (40) acres west of the Waste Water Treatment Facility and $17,000 per acre for the land south of Millerbernd Manufacturing. Millerbernd Manufacturing indicated that they would like to purchase approximately 9.7 acres of the land south of them for $17,000 per acre.

Mr. Wilfahrt presented the four (4) documents needed to complete the land purchase; one (1) contract for deed, and three (3) purchase agreements. The contract for deed is for the City to purchase the forty (40) acres of land from the Entingers. Two (2) of the purchase agreements are for the Entinger property and one (1) is for Millerbernd Manufacturingôs purchase of the City property:

1. **Contract for Deed:**
   This Agreement states that the City is buying the forty (40) acres of land west of the Waste Water Treatment Facility for $18,222 per acre.

   The only modifications to the Agreement initially drafted by the City Attorney were that the City will lease the land out to Holy Trinity Catholic Church for Winstock Country Music Festival in the year 2015 and that the property is sold as-is. City Staff and the City Attorney agreed with both modifications.

2. **City Purchase Agreement 12.61 Acres South of Millerbernd Manufacturing**
   The City will pay $17,000 per acre for this land. The approval of the Agreement is contingent on a number of items including City Council review, title work, and environmental assessments. There was only one (1) modification to this Agreement which will also allow the City to modify the property prior to closing. Millerbernd Manufacturing has indicated a desire to modify the property this fall, 2015.

3. **City Purchase Agreement Forty (40) Acres West of Waste Water Treatment Facility**
   The City will pay $18,222 per acre for this land. The approval of the Agreement is also contingent on a number of items including City Council review, title work, and environmental assessments. There were a few modifications to this Agreement. The Entingers requested that the City allow Holy Trinity Catholic Church to rent the land for Winstock Country Music Festival for the year 2015. This modification was included. City staff also requested that the City have the ability to haul material via truck through the property prior to closing which was included.

4. **Millerbernd Purchase Agreement Nine (9) to Ten (10) Acres**
   Millerbernd Manufacturing would like to buy the land that the City doesnôt need for the Luce Line Trail or for future Winsted Municipal Airport runway protection zones. A survey will have to be completed to determine the exact amount, but it is expected to be approximately 9.7 acres. Millerbernd Manufacturing will buy the land for $17,000 per acre which is the same price the City is paying for the land.

   There are a number of contingencies the City is placing on the purchase including City Council approval, Minnesota State job and wage goals, Minnesota State reporting requirements, and entering into a business subsidy agreement with the City.

   Millerbernd Manufacturing requested that they be able to modify the property prior to closing.

The City Council would use $605,399.59 for this purchase from the Revolving Loan Fund which was originally acquired when two (2) Winsted businesses paid back Minnesota investment Fund loan dollars to the City. The dollars are still under state regulations and need to be used for very specific economic development purposes. This project fits that scope of the Revolving Loan Fund (RLF) Policy. The remaining $337,885.61 will come from the Cityôs General Fund reserve. The City will be reimbursed approximately $164,900 from Millerbernd Manufacturing upon closing of that sale which leaves $172,985.61 that will come from the Cityôs General Fund reserve for this purchase.

Council Member Fasching asked how many months of General Fund reserve were available after the Cityôs year 2013 audit. Mr. Wilfahrt stated that there were thirteen (13) months of reserve which is well over the amount needed to fund the purchase of the industrial land; as well as, fund other projects that were designated to be paid from the General Fund reserve.

Council Member Fasching stated that with the simultaneous purchase closing with Millerbernd Manufacturing, the City will be taking $337,885.61 from the General Fund reserve; however, the reserve will be reimbursed $164,900 by Millerbernd Manufacturingôs purchase of the nine (9) to ten (10) acres of land. Mr. Wilfahrt stated that Council Member Fasching was correct.

Council Member Ollig stated that the City will also gain $16,000 from Winstock Country Music Festival for the lease of the land in the year 2015.

Council Member Quast motioned to adopt Resolution R-14-31 approving purchase of real estate. Council Member Schulenberg seconded the motion. Motion carried 5-0.

Mayor Stotko thanked Mr. Wilfahrt for all the work he did behind the scenes to make the purchase of the industrial land possible. He continued by stating that the addition of more industrial land is important for the City of Winsted.

6) No Organization Reports.

7) Department Report

a) Waste Management

Mr. Mike Donnelly, Waste Management, reported on the following:

- Trash tonnage collected in the City of Winsted.
- Plans for expansion at Waste Managementôs Winsted Facility.
- Winsted Community Events and Activities that Waste Management participated in during the year 2014:
  - Winstock Country Music Festival.
  - Winsted Volunteer Fire Departmentôs Spaghetti Dinner Fundraiser.
  - St. Maryôs Care Centerôs Walk of Hope.
  - St. Maryôs Care Centerôs Beer Festival.
  - City-Wide Clean Up Day.
- McLeod County Material Recycling Facility.
- McLeod Countyôs move to single-sort recycling.

Council Member Ollig asked how many employees are located in Waste Managementôs Winsted Facility have. Mr. Donnelly stated that the Winsted Facility has forty-six (46) employees.

Council Member Fasching asked what Minnesota cities are serviced from the Winsted Facility. Mr. Donnelly stated that the cities serviced by Waste Management from the Winsted Facility include Orono, Minnestrista, Brownton, Glencoe, Corcoran, Rockford and etcetera.

Council Member Schulenberg complimented Waste Management for addressing resident concerns regarding the noise of early morning garbage pick-up in the City of Winsted. Council Member Schulenberg stated that he discussed the issue with employees at the Winsted Facility and as a result of their conversation, the drivers have started their pick-up times later in the morning.

8) No Open Forum.

9) No Announcements.

10) Adjournment

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

The meeting was adjourned at 6:30 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

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