

City of Winsted  
City Council Work Session  
Lewis Room  
Wednesday, November 5, 2014  
5:00 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. Dave Meyer, Public Works Department Maintenance Supervisor

**I. Call to Order**

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

**II. Grass Lake Road Utilities**

Mr. Wilfahrt stated that at the September 16, 2014 City Council Work Session, City staff and the City Council discussed information regarding connecting water and sewer to the property at 24182 Grass Lake Road. Mr. Wilfahrt referenced the memo that was given to the City Council at the September 16, 2014 Work Session.

Mr. Wilfahrt stated that staff has found documentation of two (2) cases of water and sewer connections that are similar in nature to the Grass Lake Road property. Mr. Wilfahrt presented a synopsis of these two (2) cases:

**Southview Acres - Outlot A:**

Mr. Wilfahrt stated that in the year 1995, the owners of Southview Acres vacant Outlot A requested that the City run water and sewer services to their lot which was about five hundred, sixty (560) feet away from where City water and sewer lines were at that time. The City elected to work with the property owner to install water and sewer lines; which the City would also use to help provide service to adjacent lots in the future. The City charged the cost of running water and sewer lines to Outlot A to the owner of the lot. The City covered the cost of expanding the water and sewer lines to service the adjacent lots. The total cost paid by the property owner was \$26,740. This amount was paid over a number of years as an assessment.

**Linden Avenue:**

Mr. Wilfahrt stated that three (3) properties south of the existing trailer court requested to be annexed and serviced with water and sewer lines in May of the year 1984. The property owners each owned a parcel with a residence on the property. The properties were approximately five hundred (500) feet away from the City's water and sewer lines at the time. The City agreed to run water and sewer services to the properties but passed the entire cost on to the property owners.

Mr. Wilfahrt stated that the above examples are the only documented examples that City staff has been able to find that are similar in nature to the request being made by the property owners of 24182 Grass Lake Road. He continued by stating that if this is the case, the City would be reversing precedent from the past possibly creating a liability.

Mr. Wilfahrt stated that there have been a number of other examples that have been brought to the attention of City staff; however, staff has not been able to find documentation of how the water and sewer service connections were handled. A number of those conversations were outlined in a document prepared by Ms. Tammy Vealetzek, property owner of 24182 Grass Lake Road. Mr. Wilfahrt presented Ms. Vealetzek's document to the City Council. Mr. Wilfahrt stated that in most of the cases there have been property owners who have stated that they did not pay

for their water and sewer service connection; however, no documentation has been produced from the property owner and/or through City staff's search of records.

Mr. Wilfahrt stated that City staff has reached out to a number of organizations to try to find information on the other examples including the City Attorney's office, the McLeod County Recorder, the McLeod County Assessor, the City's Engineer at the time of the other service connection projects, and the private engineers who handled the installation plans for the developers.

Mr. Wilfahrt stated that the property owners have a buyer willing to buy and build a house at 24182 Grass Lake Road if the water and sewer service connection situation is to be resolved.

Mr. Dave Meyer, Public Works Department Maintenance Supervisor, was in attendance at the Work Session. Mr. Meyer stated that there was an opportunity for the Vealetzek's property at 24182 Grass Lake Road to connect to the City's water and sewer service at the time that the Westgate Improvement Project was taking place in the year 2012; however, the proposal was not presented to the City Council for discussion and/or approval.

The City Council discussed the request from the Vealetzeks to have City water and sewer service connections to their property at 24182 Grass Lake Road and directed Mr. Wilfahrt to proceed with having an Agreement prepared that would have the City of Winsted pay for the costs of the street reparations and the property owners to pay for the remaining costs to connect to the City's water and sewer lines.

### **III. Delinquent Fees Waive Request – 181-1<sup>st</sup> Street North**

Mr. Wilfahrt presented a letter from Mr. Todd and Ms. Kelly Colonna, the owners of the old City Hall building, 181 . 1<sup>st</sup> Street North, requesting that the City waive the water and sewer fees that were imposed as a result of late payment. Staff does not have the authority to waive fees imposed by the City Council.

Mr. Wilfahrt stated that the Colonnas base their request on the following points:

- They state that the City has used their parking lot located behind the Old City Hall in the past and that they have helped improve the downtown area by making improvements to the Old City Hall. Staff recognizes that the Colonnas have improved the building that they are in, and that they may have helped the City out with parking; however, this argument would set a precedent that would allow anyone who has improved their building or house, and are delinquent on their water and sewer bill, to have the City Council waive fees imposed due to late payment.
- Additionally, the Colonnas state that they should have received a telephone call notifying them that their bill was late since they no longer live in the old City Hall. Staff has reviewed this claim, and the Colonnas were sent a bill and a reminder to their out-of-state residence that they provided. The City has been sending bills to this same address throughout the duration of the Colonnas' ownership of the building. There are about one hundred, twenty (120) late bills each month, and if City staff were to contact one (1) building owner, it would have an obligation to contact everyone who had a late bill. It would take a tremendous amount of time to contact everyone with a late bill. Additionally, there are few, if any utility service companies, who contact customers by telephone prior to charging any late fees.
- Mr. Colonna also argues that the fees are not appropriate for the amount of time it takes to process a late bill. The City imposes a \$50 late fee, a \$100 disconnect fee and a \$100 reconnect fee. The City bases these numbers on the fact that there is a great deal of staff time and/or work that is required to process a bill that is delinquent enough for the water to be shut off.
  - ✓ Staff sends a reminder notice out when a bill is late, which takes staff time and costs money in paper and postage. For reminder notices, staff enters all of the payments (cash, check and/or credit card), runs the penalty calculation and applies the late fees to the delinquent accounts. Staff prints the Reminder Notices, separates them, stuffs them in envelopes, stamps, seals and mails them. Receipt batches are done periodically as payments come in for the Notices.

- ✓ If the bill still is not paid after the customer receives the Reminder Notice, staff prepares a Disconnect Notice. For Disconnect Notices, staff works with people who need payment agreements; which is approximately five (5) to eight (8) per month. Then staff runs a report for delinquency, determines who has a payment agreement, and/or water that is already disconnected, and narrows down the list to the accounts that will be posted for shut-off. Notices are printed and filled out by hand with the name, address and amount due, and copies are made for City records. The Public Works Department staff then drive to each delinquent property and manually post the Notices.
- ✓ After the Disconnect Notices have been delivered, the posting fee is added to each individual account. Staff usually incurs a great deal of telephone and personal contact with the account holders after they are posted; because, they are upset, confused, and/or need to work out payment agreements. Often it is the case that those who have had their water shut off will contact the City Clerk-Treasurer and/or City Administrator. In the Colonna case, the City Administrator has spent five (5) to six (6) hours of time discussing and researching the issue.
- ✓ The day the postings are due, staff enters more receipt batches, looks at the Notices to see who has paid or not, then creates a work order for each property that needs to have water turned off. Then the Public Works Department staff shuts water off. This may be quick, or take a while, depending where the stand pipe is located, and how easy it is to turn water off. Again, there is usually a lot of staff telephone and/or personal contact with people who are upset, and need to make a payment and/or a payment agreement. If payment is received, then the Public Works Department staff again visits the property and turns the water on. Occasionally, they are contacted after hours, so the employee on-call has to turn the water back on at a property.

Mr. Wilfahrt stated that considering all of the staff time and/or work that goes into late bills, he believes that the cost of the fees is justified.

Mr. Wilfahrt stated that in consideration of the aforementioned information, staff does not believe that the Colonna request is justified.

The City Council discussed and stated that they did not want to waive the fee.

#### **IV. Frozen Water Line Policy**

Mr. Wilfahrt stated that the winter months of the years 2013 and 2014 brought record cold temperatures and inclement weather. This weather caused a number of issues including a number of frozen water lines in several areas of the City. Staff and the City Council worked to address these issues by meeting with property owners, talking to other communities, and holding special meetings to discuss the issue. After working through all of those steps, staff received specific direction on how to handle frozen water line situations. In order to avoid the delays that accompany following the steps above, staff developed a *Frozen Water Line Policy*.

Mr. Wilfahrt stated that the proposed *Policy* will allow staff to act immediately when a water and/or sewer line is frozen. It covers the precedents and direction set by the City Council during the issues encountered during the winter months of the years 2013 and 2014 including:

- ❖ The property owner will be responsible for the water lateral line from their stand pipe to their building.
- ❖ The City will be responsible for the water lateral line from the property owner's stand pipe to the water main.
- ❖ Property owners are responsible for the sewer lateral line from their building to the sewer main.
- ❖ Property owners will be responsible for determining that the lateral line is frozen and will do so by hiring a licensed professional plumber to determine that the line is frozen beyond the stand pipe.
- ❖ City staff can act immediately to fix a frozen water line first (1<sup>st</sup>) through thawing and then excavation. Typically unbudgeted expenditures over \$1,000 would require City Council approval; however, frozen water lines will be considered an emergency and therefore exempt from this requirement.

Mr. Meyer was available to answer questions from the City Council.

The City Council discussed and directed Mr. Wilfahrt to present the proposed *Frozen Water Line Policy* at a future Regular City Council meeting for approval.

## **V. Lewis Room Projector**

Mr. Wilfahrt stated that Winsted City Hall's Lewis Room is used for a number of meetings including weekly department head meetings, administration staff meetings, Police Department meetings, engineering meetings, the Downtown Vibrancy Commission, City Council Work Sessions, and various meetings with staff and residents. The room is used approximately four (4) to five (5) times per week for meetings.

Mr. Wilfahrt stated that City staff, the City Council and/or City's Commissions often have important discussions, convey information, and make decisions in the Lewis Room. One (1) deficiency of the Room is that it does not have any capability for computer screen projection. Staff obtained a quote to install a projector and retractable projector screen in the Lewis Room.

Mr. Wilfahrt stated that the cost for a ninety-four inch (94") projector screen with a high-definition projector installed would cost \$3,560. The screen would retract into the ceiling above the north wall of the Room. The cost of electrical installation would be additional, and staff is working to obtain a quote for that work. The cost of the Project would be paid from the City's Capital Equipment Fund which has a balance of \$252,951.

The City Council discussed and directed Mr. Wilfahrt to proceed with the purchase of a projector and projector screen for the Lewis Room. The City Council agreed that the expense for the two (2) items should be paid from the City's Cable Fund.

## **VI. Audio/Video (AV) Equipment Upgrade**

Mr. Wilfahrt stated that the City's Cable Channel operates off of equipment in the lower level of City Hall. There are a number of digital video disc (DVD) players and videocassette recorders (VCRs) that are used to display recorded content including City Council Meetings, City Commission Meetings, and three (3) church services. Much of the equipment is outdated and/or not working consistently. All of the content is preloaded and run automatically by the equipment; however, there are a limited number of DVD players, and since VCRs are outdated, they are no longer used.

Mr. Wilfahrt stated that currently staff has a few choices:

1. The first (1<sup>st</sup>) would be to limit the recorded content that is on the channel to three (3) items, which would likely eliminate two (2) of three (3) church services, or eliminate City Council and City Commission Meetings.
2. The second (2<sup>nd</sup>) would be that the City staff could spend time each day changing out the DVDs. This would require a schedule be created and staff spending roughly thirty (30) to forty-five (45) minutes each day changing out DVDs. The DVDs could not be changed on the weekend. Staff estimates operating this way would take one hundred, fifty (150) hours annually.
3. The third (3<sup>rd</sup>) option would be to upgrade the equipment. Staff obtained the attached quote for eight (8) DVD players and the programming equipment to connect the DVD players to the Cable Channel. All of the equipment in the quote is used; but, it would be guaranteed for one (1) year. The total cost of the equipment would be \$3,230. The money would come from the Capital Equipment Fund which has a balance of \$252,951.

The City Council discussed and directed Mr. Wilfahrt to proceed with the purchase of the proposed Audio/Video (AV) equipment. The City Council agreed that the expense for the AV equipment should be paid from the City's Cable Fund.

## **VII. Other**

### **a) Agreement – Old City Hall – Right of Refusal**

Mr. Wilfahrt stated that the City has an Agreement with the Colonnas for a first (1<sup>st</sup>) Right of Refusal on the old City Hall building, 181 . 1<sup>st</sup> Street North. This means that the City would be able to make a purchase offer to buy the old City Hall building that matches the offer that has been made by another buyer. The City has sixty (60) days to match the offer.

Mr. Wilfahrt stated that the Colonnas have requested that the City waive their Right of Refusal. Staff sees no reason for the City to match the offer that has been submitted to the Colonnas and has put a waiver on the Consent Agenda for tonight's Regular City Council meeting.

The City Council discussed and were in agreement to waive the Right of Refusal for the old City Hall building.

**b) November 4, 2014 General Election - Voting Results**

Ms. Boelter gave a brief overview of the voting results for the November 4, 2014 General Election:

- ✓ There were 1,246 registered voters at the beginning of the Election Day.
- ✓ Six hundred, eight (608) registered voters voted at the General Election.
- ✓ There were fifty-eight (58) people who registered as new voters the day of the Election.
- ✓ There were a total of six hundred, sixty-six (666) people that voted in person the day of the General Election. The McLeod County Auditor's office administered the absentee voting and the City will receive those statistics at a later date.

**c) Proposed Hotel – Update**

Mayor Stotko asked for an update on the proposed Cobblestone Hotel.

Mr. Wilfahrt gave an update.

**d) Winsted Volunteer Fire Department – November 3, 2014 Monthly Meeting**

Council Member Ollig stated that he attended the Winsted Volunteer Fire Department's November 3, 2014 monthly meeting and gave a brief overview of items that were discussed.

**VIII. Adjourn**

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

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

*Steve Stotko*

Steve Stotko  
Mayor  
City of Winsted

ATTEST:

*Deborah R. Boelter*

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