

City of Winsted
City Council Work Session
Lewis Room
Tuesday, November 20, 2012
5:00 p.m.

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

I. Call to Order

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

II. 2013 Water Budget

Mr. Martens presented the proposed 2013 Water Budget.

Mr. Martens stated that the proposed 2013 Water Budget includes a proposed two percent (2%) increase in water rates. In the past, the City Council has approved an annual five percent (5%) increase.

Mr. Martens recommended a smaller increase in water rates in the year 2013 to allow for a larger increase in sewer rates due to the condition of the Sewer Fund.

Mr. Martens stated that the average homeowner uses approximately 40,000 gallons of water per year and a two percent (2%) increase would result in about a \$0.35 per month increase. He continued by stating that the largest user of water in the City of Winsted would have about a \$14 per month increase.

Proposed Water Rates:

	Approved in Year 2012	Proposed in Year 2013
Water Minimum (per Month)	\$5.53	\$5.64
Water Rate per 1,000 Gallons	\$3.06	\$3.12
Minnesota State Test Fee (per Month)	\$0.60	\$0.60
Repair/Maintenance Fee (per Month)	\$2.00 per connection	\$2.00 per connection

III. 2013 Sewer Budget

Mr. Martens presented the proposed 2013 Sewer Budget.

Mr. Martens stated that the proposed 2013 Sewer Budget includes a proposed eight percent (8%) increase in sewer rates. In the past the City Council has approved an annual five percent (5%) increase.

Mr. Martens recommended a larger increase in sewer rates in the year 2013 to help increase the Sewer Fund which has not been performing as needed to fund future purchases and/or improvements.

Mr. Martens stated that the average homeowner uses approximately 40,000 gallons of water per year and since the sewer charges are based on water usage, an eight percent (8%) increase would result in about a \$2.40 per month increase to their sewer rate. He continued by stating that the largest user of water in the City of Winsted would have about \$130 per month increase to their sewer rate.

Proposed Sewer Rates:

	Approved in Year 2012	Proposed in Year 2013
Sewer Minimum (per Month)	\$5.72	\$6.18
Sewer Rates per 1,000 Gallons	\$7.23	\$7.81

Council Member Ollig asked who the largest user of water is in the City of Winsted. Mr. Martens stated that the largest user is Saint Mary's Care Center.

The City Council discussed the proposed increase to water and sewer rates in the year 2013.

Council Member Mochinski asked for an update on the Leachate Project. Mr. Martens stated that he met with Mr. Greg Stang, People Service, Incorporated, about Waste Management depositing leachate at the City of Winsted's Wastewater Treatment Plant (WWTP), and he is less favorable about the Project. He continued by stating the Mr. Stang has some concerns about the increased ammonia levels, phosphorus levels and the strain on the ultraviolet treatment equipment at the WWTP.

Mr. Martens stated that he and Mr. Stang are going to be meeting with representatives from Waste Management to discuss the depositing of leachate at the City's WWTP. He continued by stating that he is uncertain about the future of the Project. He and Mr. Stang are working towards a resolution with Waste Management and the possibility of them depositing leachate at the WWTP. Mr. Martens stated the he has not budgeted any revenue from the depositing of leachate at the WWTP in the proposed 2013 Sewer Budget; so, any additional revenue from leachate would be a bonus.

Council Member Mochinski asked if there were any other opportunities for additional revenue for the Sewer Fund. Mr. Martens stated there are no other opportunities at this time.

Council Member Mochinski stated that if there are no other options for additional revenue in the Sewer Fund, the City will have to evaluate the Sewer Fund's expenditures to help keep cost down.

Council Member Mochinski asked what year the City will have to update the WWTP. Mr. Martens stated approximately the year 2018. Mr. Martens stated that he plans to attend a work with the City of Winsted's Minnesota State Legislators during the upcoming Legislative Session to address the required updates to the City's WWTP. He continued by stating that there are only a few cities in the State of Minnesota that have their WWTP discharging into a lake and are required to make the mandatory updates to discharge into a creek instead of a lake. Mr. Martens stated that he would like to obtain special legislation to help fund the updates to the WWTP.

The City Council directed Mr. Martens to increase the year 2013 water and sewer rates as he has proposed.

IV. 2013 General Fund Budget Update

Mr. Martens stated that on October 16, 2012, the City Council discussed the year 2013 General Fund Budget with updated Tax Rate information supplied by McLeod County which showed an initial Tax Rate of 88.2020% which is a .345% decrease from the year 2012.

Mr. Martens stated that at the October 16, 2012 Work Session, the City Council further discussed the year 2013 General Fund Budget and directed staff to do the following:

- Decrease the City's contribution towards the employee's health insurance.
- Begin the process to decrease City Council compensation for meeting attendance.
- Attempt to find other ways to decrease the Tax Rate of the City of Winsted.

Mr. Martens presented a list compiled by staff showing possible budget amendments for the City Council to review.

Mr. Martens also presented a chart showing the amount of additional revenue or decreased expenditures the City must have in order to reduce the Tax Rate by different percentages. Mr. Martens continued by stating that the aforementioned changes implemented above result in a

reduction of \$14,137, meaning that a Tax Rate reduction of 1.1% is currently possible without any additional budget amendments.

The City Council discussed and directed Mr. Martens to present the year 2013 General Fund Budget with the aforementioned changes that were implemented and resulted in a reduction of \$14,137, and the possibility of a 1.1% reduction in the City's overall Tax Rate.

V. Mayor and City Council Salary Ordinance

Mr. Martens stated that on October 16, 2012, the City Council directed staff to begin the process to decrease City Council compensation for meeting attendance by amending the Mayor and City Council Salary Ordinance to not compensate the Council for Work Session attendance.

Mr. Martens stated that the current Ordinance reads as follows:

Salaries. Commencing with the month of January, 1999, the base salary of the Mayor of the City of Winsted is fixed at \$225.00 per month, and the base salary of each Council Member is fixed at \$195.00 per month, in addition to which the Mayor and Council members shall be paid the sum of \$25.00 for each special meeting attended in excess of two regular meetings each month.

Mr. Martens asked the City Council what the meaning of a meeting is as it relates to Work Sessions and attendance at other meetings such as business visits.

The City Council discussed what the definition of a meeting is. They agreed that the Work Sessions held on the same day as the Regular City Council meetings is not considered a "special meeting" and they should not be paid an additional \$25.00 per meeting for attending them.

Mr. Martens gave some examples of what area cities pay for their City Council salaries.

Mr. Martens stated that Council Member Schulenberg has asked not to be paid for the "special meetings" he has attended. He asked if a line should be added to the Ordinance stating, "*City Council members may choose not to be paid for special meetings if they wish.*"

VI. Other

a) 171 McLeod Avenue West – Abatement of House

Mr. Martens gave an update on the abatement of the house at 171 McLeod Avenue West. He continued by stating that the property owner continues to ask for an extension to remove personal belongings from the house.

The City Council discussed and directed Mr. Martens to continue with the abatement process immediately.

b) Luce Line State Trail – McLeod County Board of Commissioners Meeting

Mr. Martens stated that this morning, November 20, 2012, the McLeod County Board of Commissioners voted four (4) to one (1) in favor of funding \$500,000 towards the improvements to the Luce Line State Trail, contingent on the City of Hutchinson, Minnesota and City of Winsted, Minnesota passing their own Resolutions of Support. He continued by stating that he will be presenting a Resolution of Support to the City Council at their December 4, 2012 Regular City Council meeting.

c) Public Works Department Maintenance Supervisor – Interview

Council Member Schulenberg complimented Mr. Dave Meyer on the admirable job he did in his interview for the Public Works Department Maintenance Supervisor position.

d) Reuben Roos – Property for Industrial Park

Mayor Stotko stated that in the past, City staff and Council Members have approached

either Mr. Rueben Roos and/or a representative for his estate regarding the sale of his property east and north of the existing Industrial Park. He asked if any of the City staff or Council Members have told Mr. Roos that they would name the Industrial Park after his name.

Mayor Stotko recommended that in any future discussions the City has with Mr. Roos and/or the representative of his estate, that the City suggests that the property be named after Mr. Roos.

The City Council discussed and directed Mr. Martens to prepare a letter to the representative of Mr. Roos' estate and inquire about the sale of his property, and state in the letter that any future development of the property would be named in honor of Mr. Roos.

VII. Adjourn

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

The meeting was adjourned at 5:35 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

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