

City of Winsted
City Council Meeting
Council Chambers
Tuesday, December 2, 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
Mr. Tyler Bruns, Winsted Police Department Officer

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

a) The Pledge of Allegiance was taken.

2) Consent Agenda

Mayor Stotko read the Consent Agenda.

a) Minutes – City Council – Work Session – November 18, 2014

Accepted the minutes of the November 18, 2014 City Council Work Session.

b) Minutes – City Council – Regular Meeting – November 18, 2014

Accepted the minutes of the November 18, 2014 City Council Regular Meeting.

c) Year 2015 Property and Casualty Insurance Renewal Contract: Liability Insurance Coverage – Waiver Form

Authorized the City of Winsted to not waive the monetary limits on municipal tort liability established by Minnesota State Statutes 466.04 for the 2015 Property and Casualty insurance contract.

d) Year 2015 Property and Casualty Insurance Renewal Contract: No-Fault Sewer Back-Up Insurance Coverage

Authorized the City of Winsted not to purchase No-Fault Sewer Back-Up insurance coverage for the year 2015 Property and Casualty insurance contract.

e) Year 2015 Property and Casualty Insurance Renewal Contract: Excess Liability Insurance

Authorized the City of Winsted to purchase \$1,000,000 in excess liability coverage for the year 2015 Property and Casualty insurance contract.

f) Parade Permit – Winsted Winter Festival

Approved a lighted parade sponsored by the Winsted Winter Festival on designated streets in the City of Winsted, as approved by the Winsted Police Department, on Saturday, December 6, 2014.

g) Schedule Public Hearing – Fee Schedule Ordinance

Scheduled a Public Hearing for January 6, 2015 at 6:00 p.m. to consider adopting amendments to the Fee Schedule Ordinance.

h) Temporary Part-Time Administrative Assistant

Approved the hiring of Ms. Leigha Felder as a temporary Part-Time Administrative Assistant, at \$10 per hour.

i) Resolution R-14-33 - Winsted Volunteer Fire Department Relief Association – Gambling Contribution

Adopted Resolution R-14-33 to accept a contribution from gambling proceeds from the Winsted Volunteer Fire Department Relief Association in an amount not to exceed \$9,000.00 to be dedicated toward twenty (20) pairs of firemen boots for the Winsted Volunteer Fire Department.

j) Preferred One –Small Group Employer Application

Approved a PreferredOne Insurance Company (PIC) Small Group Employer Application with Preferred One Insurance.

k) Delta Dental – Insurance

Approved the renewal of dental insurance with Delta Dental for full time employees of the City of Winsted.

l) Public Works Part-Time Snow Plow Operator

Appointed Mr. Nicholas Schlechter as a Part-Time Snow Plow Operator at \$14 per hour.

m) Public Works Part-Time Snow Plow Operator

Appointed Mr. Mathew Schlechter as a Part-Time Snow Plow Operator at \$14 per hour.

n) Claims

Approved the Claims List for December 2, 2014.

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

3) Public Hearings

a) Truth-in-Taxation – Year 2015 Tax Levy

Mr. Wilfahrt presented the year 2015 General Fund Budget and Levy.

Mr. Wilfahrt presented the process for the preparation of the year 2015 Budget and Levy:

- **July, 2014** Staff prepared a draft General Fund Budget for the year 2015.
- **August 5, 2014** The City Council reviewed the draft General Fund Budget for the year 2015 at their Work Session.
- **August 19, 2014** The City Council reviewed the revised year 2015 General Fund Budget and Preliminary Levy at their Work Session.
- **September, 2014** The City certifies the year 2015 Preliminary Levy to the McLeod County Auditor.
- **Mid-September, 2014** The City received updated property values and tax capacity information from McLeod County.
- **October 7, 2014** The City Council reviewed the year 2015 General Fund Budget and Preliminary Levy with the updated data from McLeod County at their Work Session.

- **November 18, 2014** The City Council reviewed the year 2015 General Fund Budget and the Final Levy at their Work Session, prior to the Truth-in-Taxation hearing.
- **December 2, 2014** The City Council will conduct the annual Truth-in-Taxation hearing at their Regular City Council meeting.
- **December 16, 2014** The City Council adopts the year 2015 Budget and Final Levy.

Mr. Wilfahrt 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.
- **Debt Levy:** The property tax dollars needed to pay for the debt of the City.

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

Mr. Wilfahrt presented the proposed General Fund Revenue and Expenditure Budgets for the year 2015.

Mr. Wilfahrt reminded the City Council that as they consider the proposed year 2015 General Fund Budget and Preliminary Levy, once the Preliminary Levy is certified to the McLeod County Auditor, the Levy can only be decreased and not increased before the Final Levy is adopted in December of the year 2014.

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

| | Approved Year 2011 | Approved Year 2012 | Approved Year 2013 | Approved Year 2014 | Preliminary Year 2015 |
|---------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|
| Revenues | \$1,557,681 | \$1,543,867 | \$1,577,604 | \$1,651,518 | \$1,662,903 |
| Expenditures | \$1,356,422 | \$1,546,467 | \$1,575,078 | \$1,622,993 | \$1,662,903 |
| | | | | | |
| | Final Year 2011 | Final Year 2012 | Final Year 2013 | Final Year 2014 | Preliminary Year 2015 |
| General Levy | \$747,379 | \$744,379 | \$777,182 | \$776,682 | \$799,904 |

Mr. Wilfahrt presented the City of Winsted's year 2015 Debt Levy:

| Debt | Levy Amount |
|--------------------------------------------------------------|-------------------------------------------------------|
| Year 2006 Bond for the Public Works Facility | \$50,000 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 | \$47,500 Will be paid off in the year 2027 |
| Total | \$322,750 |

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

| Levy | Final Year 2011 | Final Year 2012 | Final Year 2013 | Final Year 2014 | Preliminary Year 2015 |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| General | \$747,379 | \$744,379 | \$777,182 | \$776,682 | \$799,904 |
| Debt | \$370,250 | \$373,250 | \$326,250 | \$326,750 | \$322,750 |
| Total | \$1,117,629 | \$1,117,629 | \$1,103,432 | \$1,103,432 | \$1,122,654 |

Mr. Wilfahrt presented the year 2015 Preliminary Property Tax Levy:

| Levy | Final Year 2014 | Preliminary Year 2015 | Change |
|--------------|--------------------|-----------------------|-----------------------------|
| General | \$776,682 | \$799,904 | \$23,222 |
| Debt | \$326,750 | \$322,750 | -\$4,000 |
| Total | \$1,103,432 | \$1,122,654 | \$19,222 (1.7% Increase) |

Mr. Wilfahrt presented the City of Winsted's Tax Rate History:

| | Final Year 2012 | Final Year 2013 | Final Year 2014 | Proposed Year 2015 |
|--------------------|-----------------|-----------------|-----------------|-----------------------------------------------------------|
| Tax Levy | \$1,117,629 | \$1,103,432 | \$1,103,432 | \$1,122,654 |
| Local Tax Capacity | \$1,223,149 | \$1,230,607 | \$1,333,800 | \$1,264,532 5.2% decrease from Year 2014 |
| Tax Rate | 88.546% | 87.243% | 85.5480% | 88.780% |

Mr. Wilfahrt presented the Tax Rate effects on Residential and Commercial properties:

| Residential Property Taxes | | | |
|-----------------------------------|---------------------------------------|------------------------------------------------|-------------------------------------|
| Property Value | Year 2014 Tax Rate 85.548% | Proposed Year 2015 Tax Rate 88.780% | Annual Change from Year 2014 |
| \$76,000 | \$ 390.61 | \$ 404.84 | \$ 14.23 |
| \$150,000 | \$ 1,081.54 | \$ 1,120.94 | \$ 39.39 |
| \$250,000 | \$ 2,015.24 | \$ 2,088.64 | \$ 73.40 |
| \$350,000 | \$ 2,948.93 | \$ 3,056.34 | \$ 107.41 |
| Commercial Property Taxes | | | |
| Property Value | Year 2014 Tax Rate 85.548% | Proposed Year 2015 Tax Rate 88.780% | Change From Year 2014 |
| \$100,000 | \$ 1,283.22 | \$ 1,331.70 | \$ 46.80 |
| \$250,000 | \$ 3,635.79 | \$ 3,773.15 | \$ 132.60 |
| \$500,000 | \$ 7,913.19 | \$ 8,212.15 | \$ 288.60 |
| \$1,000,000 | \$ 16,467.99 | \$ 17,090.15 | \$ 600.60 |
| \$2,500,000 | \$ 42,132.39 | \$ 43,724.15 | \$ 1,536.60 |
| \$5,000,000 | \$ 84,906.39 | \$ 88,114.15 | \$ 3,096.60 |

Council Member Ollig asked Mr. Wilfahrt what year some of the new businesses and/or business additions will be added to the City of Winsted's property tax roll. Mr. Wilfahrt stated that the new businesses and/or business additions will be added to the City of Winsted's property tax roll in the year 2015. Mr. Wilfahrt continued by stating that the Winsted businesses that were part of the State of Minnesota's Job Opportunity Building Zones (JOBZ) program will be on the City's property tax roll in the year 2016. Mr. Wilfahrt stated that the City's net tax capacity will increase approximately three to five percent (3% to 5%) in the year 2016 with the Winsted businesses that will be done with the JOBZ program at the end of the year 2015.

Mayor Stotko opened the Truth-in-Taxation Public Hearing.

Mayor Stotko asked for public comment. There was no public comment received.

Council Member Fasching stated that the City Council has committed a lot of time and methodology to establish the year 2015 General Fund Budget and Levy. He continued by stating that the City Council and City staff are good stewards of tax payer dollars. To continue providing quality services to the residents of Winsted, the City Council did approve a 1.7% increase from the year 2014 to the year 2015 General Fund Budget and Levy.

Council Member Schulenberg stated that the City Council did work very diligently on the year 2015 General Fund Budget and Levy and the City will continue to provide the residents with quality services.

Council Member Fasching reminded residents that when they receive their statement informing them of the amount of money they will pay for property taxes in the year 2015; the City's portion is one-third (1/3) of the total amount. McLeod County and the Howard Lake Waverly Winsted (HLWW) School District each receive one third (1/3) as well.

Council Member Ollig motioned to close the Truth-in-Taxation Public Hearing. Council Member Fasching seconded the motion. Motion carried 5-0.

- 4) **No Old Business.**
- 5) **No New Business.**
- 6) **No Organization Reports.**

7) Department Report

a) Winsted Volunteer Fire Department

Mr. Chad Engel, Winsted Volunteer Fire Department Chief, reported on the following:

- **Winsted Volunteer Fire Department (WVFD) Membership**
 - Currently have twenty-three (23) members.
 - One (1) member is a probationary member.
 - A full roster includes thirty (30) members.
 - Do not have any new applications for membership.
 - Continue to advertise for new members.
 - Two (2) of the firefighters are on a medical leave.
- **Year-To-Date Emergency Calls**
 - WVFD has responded to two hundred, fifteen (215) emergency calls year-to-date in the year 2014.
 - The majority of the emergency calls are medical emergencies.
- **Purchases**
 - The WVFD Relief Association will be donating some of their charitable gambling proceeds to the WVFD to purchase new boots for the firefighters.
 - Will be researching the purchase of new gloves as well.
- **Vehicle Repairs**
 - Gave a brief overview of repairs that have been completed to the WVFD's vehicles.
- **Fire Station**
 - Working with the City Administrator, Mr. Clay Wilfahrt, on repairs and/or improvements to the roof.
 - Evaluating different options for improvements to the parking lot.
 - Door locking system repairs.
- **125th Anniversary Celebration on September 20, 2014**
 - Conducted a five (5) kilometer Fun Run and/or Walk.
 - Kids Fun Run.
 - Firefighter Bean Bag tournament.
 - Automobile extrication demonstration.
 - Minnesota State Fire Chief's Association Kitchen Grease Fire Trailer demonstration.
 - Meeker and McLeod County Fire Chief's Association Fun House.
 - Winsted Lions Club assisted with food service.
 - Hosted a dance with the band *Diamondback* that was free to the public.
 - Had good weather for the entire day of festivities.
 - Had a large amount of participants attend the various events and/or activities.
- **Training**
 - Continue to submit reimbursement requests from the State of Minnesota for WVFD training expenses.
 - Gave a brief overview of the type of training opportunities provided to the WVFD firefighters.

Council Member Quast asked Mr. Engel what the minimum age requirement is to become a WVFD firefighter. Mr. Engel stated eighteen (18) years of age.

Council Member Schulenberg asked Mr. Engel if other area fire departments are experiencing issues with finding volunteer firefighters. Mr. Engel stated that not having a full membership roster is not unique to the City of Winsted. Other fire departments also have limited rosters.

Mr. Engel stated that several area communities have issues with not having enough of their firefighters available in their cities during the day. He continued by stating that Winsted is fortunate; because, several of the WVFD firefighters work in Winsted and their employers are accommodating in letting them respond to emergency calls.

Mayor Stotko stated that the Winsted City Council members rotate attendance at the WVFD's monthly meeting. Mayor Stotko stated that he attended the Monday, December 1, 2014 WVFD's monthly meeting and he thanked the firefighters for all they do to make the WVFD a great organization. He continued by thanking the wives, husbands, girlfriends, boyfriends, children, parents and/or others who support the firefighters and their service to the Winsted Community.

Mr. Engel thanked the City Council for their continued support over the year 2014.

- 8) **No Open Forum.**
- 9) **No Announcements.**
- 10) **Adjournment**

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

The meeting was adjourned at 6:15 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

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