

City of Winsted  
City Council Meeting  
Council Chambers  
Tuesday, December 3, 2013  
6:00 p.m.

Present: Mayor Steve Stotko  
Council Member Bonnie Quast  
Council Member Tom Ollig  
Council Member George Schulenberg

Absent: Council Member Max Fasching

Staff Present: Mr. Clay Wilfahrt, City Administrator  
Ms. Deborah R. Boelter, City Clerk-Treasurer  
Mr. Dan Pohl, Winsted Police Department Officer  
Mr. Ben Jarvi, Winsted Police Department

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

**a) The Pledge of Allegiance was taken.**

**2) Consent Agenda**

**Council Member Schulenberg motioned to adopt the Consent Agenda as presented. Council Member Quast seconded the motion. Motion carried 4-0.**

**a) Minutes – City Council – Work Session – November 6, 2013**

Accepted the minutes of the City Council Work Session of November 6, 2013.

**b) Minutes – City Council – Regular Meeting – November 6, 2013**

Accepted the minutes of the City Council Regular Meeting of November 6, 2013.

**c) Minutes – City Council – Work Session – November 19, 2013**

Accepted the minutes of the City Council Work Session of November 19, 2013.

**d) Minutes – City Council – Regular Meeting – November 19, 2013**

Accepted the minutes of the City Council Regular Meeting of November 19, 2013.

**e) 2014 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 2014 Property and Casualty insurance contract.

**f) 2014 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 2014 Property and Casualty insurance contract.

**g) 2014 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 2014 Property and Casualty insurance contract.

**h) Hotel Feasibility Study**

Approved a payment of \$7,000 to Hospitality Consulting Group to complete a Hotel Feasibility Study for the City of Winsted.

**i) Resolution R-13-26**

Adopted Resolution R-13-26 accepting a petition of owner to annex certain lands located in Section Ten (10), Township 117 North of Range Twenty-Seven (27) West.

**j) Claims**

Approved the Claims List for December 3, 2013.

**3) Public Hearings**

**a) Truth-In-Taxation Public Hearing – Year 2014 Tax Levy**

Mr. Wilfahrt presented the schedule for establishing the year 2014 Tax Levy:

- **May, 2013** The City Council outlined goals & priorities for the year 2014 budget and levy.
- **July 2, 2013** City staff prepared a draft budget which included the City Council's goals and priorities.
- **August 20, 2013** In the City Council Work Session, the City Council reviewed a draft year 2014 budget.
- **September 3, 2013** In the City Council Work Session, the City Council reviewed a revised year 2014 budget.
- **September 3, 2013** The City certified its Preliminary Levy to the McLeod County Auditor-Treasurer.
- **Mid-September, 2013** The City received updated property values and tax capacity information from the McLeod County Auditor-Treasurer.
- **October 15, 2013** In the City Council Work Session, the City Council reviewed the year 2014 budget with the updated data from the McLeod County Auditor-Treasurer.
- **November 19, 2013** In the City Council Work Session, the City Council reviewed the year 2014 Preliminary Budget, prior to the Truth-in-Taxation Public Hearing.
- **December 3, 2013** The Truth-in-Taxation Public Hearing
- **December 17, 2013** The City Council adopts the year 2014 Final Budget and Levy.

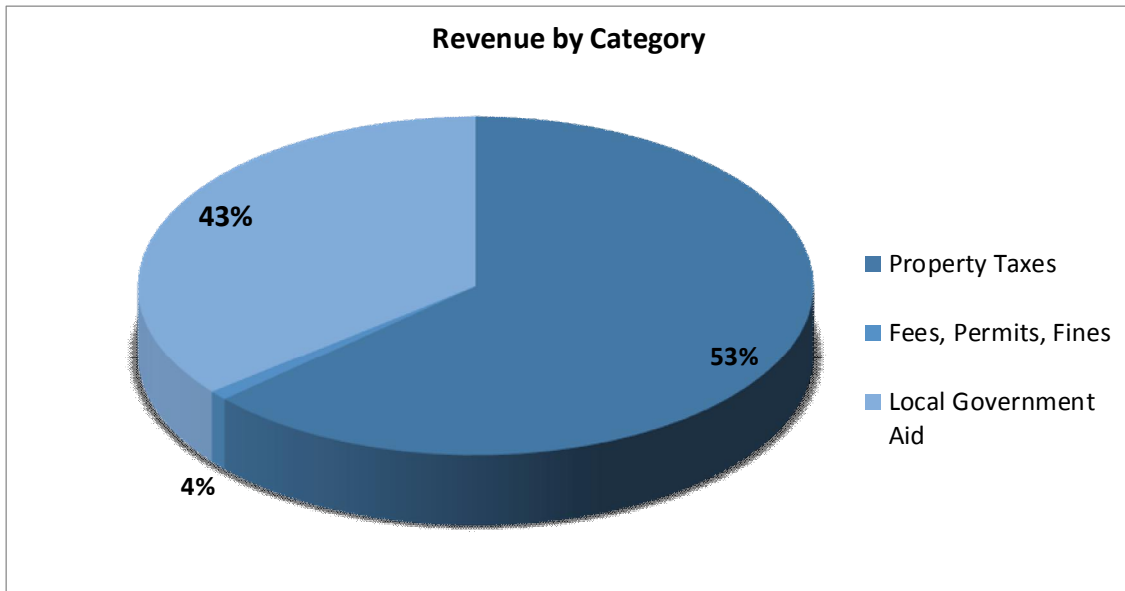
Mr. Wilfahrt presented the following definitions:

- **Revenue:** The money received by the City from taxes, fees, charges for services, permits, fines, and etcetera.
- **Expenditure:** The money spent towards the operation of City Government; which includes 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: Council, Commissions, Administration, Public Works, Police, Fire, Parks, Library, Building Inspections, Legal, Engineering. The Revenues minus the Expenditures equals the General Levy. (Revenues - Expenditures = General Levy).
- **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.  
(General Levy + Debt Levy = Property Tax Levy).

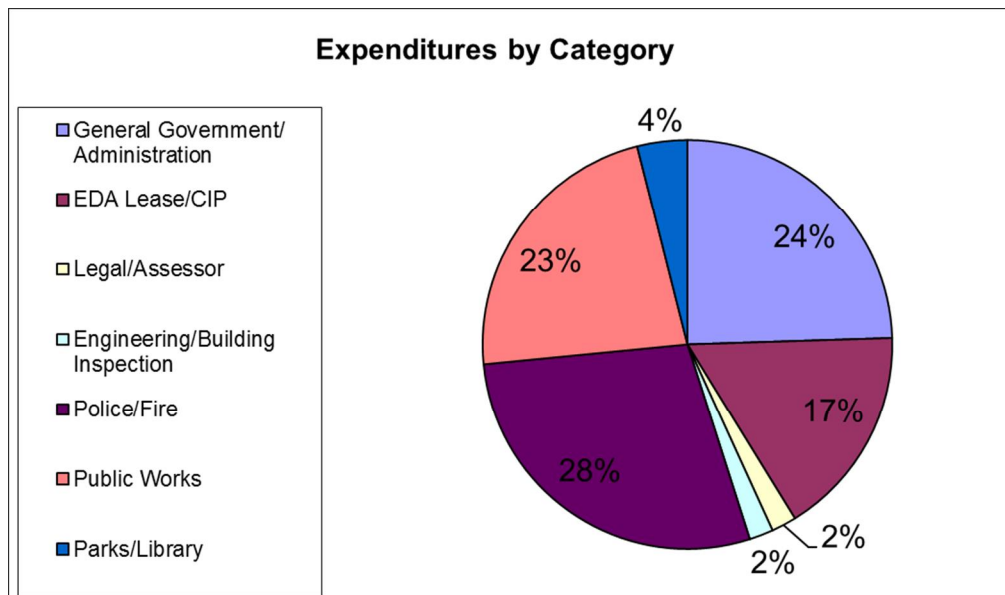
Mr. Wilfahrt presented the year 2014 General Fund Revenues:



<b>GENERAL FUND REVENUE</b>	<b><u>Budgeted</u> 2012</b>	<b><u>Budgeted</u> 2013</b>	<b><u>Budgeted</u> 2014</b>
41900 General Government	\$1,480,917	\$1,510,554	\$1,584,968
42000 Public Safety	\$42,450	\$43,150	\$42,650
43000 Public Works	\$15,000	\$18,500	\$18,500
45200 Parks	\$5,500	\$5,400	\$5,400
<b>TOTAL REVENUE</b>	<b>\$1,543,867</b>	<b>\$1,571,895</b>	<b>\$1,651,518</b>

Mr. Wilfahrt stated that the General Government revenues includes an \$80,673 increase to the City of Winsted's Local Government Aid (LGA).

Mr. Wilfahrt presented the year 2014 General Fund Expenditures:



<b>GENERAL FUND EXPENDITURES</b>	<b><u>Budgeted</u> 2012</b>	<b><u>Budgeted</u> 2013</b>	<b><u>Budgeted</u> 2014</b>
41000 Mayor/Council	\$56,965	\$52,900	\$54,450
41300 Administration	\$213,075	\$209,130	\$216,290
41500 Assessor	\$12,100	\$12,050	\$12,050
41600 Legal Counsel	\$23,400	\$22,000	\$20,000
41700 Engineering	\$16,000	\$12,000	\$15,000
41900 General Government	\$355,893	\$389,688	\$386,838
41910 Planning Commission	\$11,280	\$11,277	\$11,255
42000 Public Safety	\$334,540	\$343,750	\$360,725
42200 Fire Protection	\$99,990	\$99,990	\$99,990
42400 Building Inspection	\$12,850	\$21,250	\$15,650
43000 Public Works	\$357,475	\$350,269	\$366,545
43300 Street Improvement Project	\$8,000	\$0	\$0
45200 Parks	\$43,000	\$43,600	\$45,500
45500 Libraries	\$9,900	\$9,700	\$18,700
<b>TOTAL EXPENDITURES</b>	<b>\$1,546,467</b>	<b>\$1,577,604</b>	<b>\$1,622,993</b>

Mr. Wilfahrt presented the following changes to the General Fund expenditures from the year 2013 Budget to the year 2014 Budget:

- ✓ In Administration, there is an increase for elections, employer paid insurance. There is a decrease in salaries due to the lower salary for the new City Administrator.
- ✓ In General Government, there is a decrease in gas utilities, the Janitorial Contract and the Economic Development Authority (EDA) Lease payment.
- ✓ In Public Safety, there is an increase in on-call wages, radar purchase and to property and liability insurance due to the new formula initiated by the League of Minnesota Cities Insurance Trust (LMCIT) and a transfer to a new Fund established for future replacement of radios and/or tasers.
- ✓ In Building Inspection costs there is a decrease due to lower Rental Housing Permits inspections.
- ✓ In Public Works, there is an increase in street seal coating, gas and/or oil, street crack filling, purchase of shade trees and tree removal services.
- ✓ There is an increase in the Winsted Public Library lease due to the expansion of the Library.

Mr. Wilfahrt stated that in the year 2013 the City paid approximately \$11,635 in sales tax on goods and services. Due to new legislation approved by the Minnesota State Legislature, the City will be exempt from sales tax for certain purchases in the year 2014. Since we are uncertain how much the City will save in sales tax on goods and services, staff did not include a savings in the year 2014 Budget.

Mr. Wilfahrt presented the City's General Fund History:

	<b>Approved Year 2010</b>	<b>Approved Year 2011</b>	<b>Approved Year 2012</b>	<b>Approved Year 2013</b>	<b>Preliminary Year 2014</b>
<b>Revenues</b>	\$1,389,876	\$1,557,681	\$1,543,867	\$1,577,604	<b>\$1,651,518</b>
<b>Expenditures</b>	\$1,395,465	\$1,356,422	\$1,546,467	<i>Projected</i> \$1,575,078	<b>\$1,622,518</b>
	<b>Final Year 2010</b>	<b>Final Year 2011</b>	<b>Final Year 2012</b>	<b>Final Year 2013</b>	<b>Preliminary Year 2014</b>
<b>General Levy</b>	\$732,724	\$747,379	\$744,379	\$777,182	<b>\$777,182</b>

Mr. Wilfahrt presented the City of Winsted's year 2014 Debt Levy:

<b>Debt</b>	<b>Levy Amount</b>
<b>Year 2006 Bond for the Public Works Facility</b>	<b>\$55,000</b> Will be paid off in the year 2027
<b>Year 2007 Bond for the New City Hall</b>	<b>\$156,000</b> Will be paid off in the year 2036
<b>Year 2008 Equipment Certificate for the New City Hall</b>	<b>\$29,250</b> Will be paid off in the year 2017
<b>Year 2008 Bond for the New City Hall</b>	<b>\$40,000</b> Will be paid off in the year 2027
<b>Year 2012 Bond for the Westgate Improvement Project</b>	<b>\$46,500</b> Will be paid off in the year 2027
<b>Total</b>	<b>\$326,750</b>

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

<b>Levy</b>	<b>Final Year 2010</b>	<b>Final Year 2011</b>	<b>Final Year 2012</b>	<b>Final Year 2013</b>	<b>Preliminary Year 2014</b>
<b>General</b>	\$732,724	\$747,379	\$744,379	\$777,182	<b>\$776,682</b>
<b>Debt</b>	\$356,250	\$370,250	\$373,250	\$326,250	<b>\$326,750</b>
<b>Total</b>	\$1,088,974	\$1,117,629	\$1,117,629	\$1,103,432	<b>\$1,103,432</b>

Mr. Wilfahrt stated that since the year 2011, the City of Winsted's total Property Tax Levy has decreased approximately 1.2% or approximately \$14,000.

Mr. Wilfahrt presented the year 2014 Preliminary Property Tax Levy:

Levy	Final Year 2013	Preliminary Year 2014	Change
General	\$777,182	\$776,682	-\$500
Debt	\$326,250	\$326,750	+\$500
Total	\$1,103,432	\$1,103,432	\$0 (Zero Percent (0%) Increase)

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

	Final Year 2011	Final Year 2012	Final Year 2013	Proposed Year 2014
Tax Levy	\$1,117,629	\$1,117,629	\$1,103,432	\$1,103,432
Taxable Market Value	\$135,891,300 -8% from Year 2010	\$104,889,300 -22% from Year 2011	\$101,460,400 -3% from Year 2012	\$105,195,600 +4% from Year 2013
Local Tax Capacity	\$1,504,889	\$1,223,149	\$1,230,607	\$1,333,800
Tax Rate	72.346%	88.546%	87.243%	85.5480%

Mr. Wilfahrt stated that the City's taxable market value and tax capacity increased from the year 2013 to the year 2014 due to a Winsted business State of Minnesota Job Opportunity Building Zone (JOBZ) government subsidy expiring. With the aforementioned increase, as well as the City being able to keep their Property Tax Levy at a zero percent (0%) increase; the tax rate decreased 1.7%.

Mr. Wilfahrt presented the tax rate effects on City of Winsted Residential properties:

Property Value	Year 2013 Tax Rate 87.243%	Proposed Year 2014 Tax Rate 85.548%	Change from Year 2013
\$76,000	\$397.81	\$390.10	-\$7.72
\$150,000	\$1,101.49	\$1,080.13	-\$21.36
\$250,000	\$2,052.41	\$2,012.60	-\$39.81
\$350,000	\$3,003.32	\$2,945.08	-\$58.25

Mr. Wilfahrt presented the tax rate effects on City of Winsted Commercial properties:

Property Value	Year 2013 Tax Rate 87.243%	Proposed Year 2014 Tax Rate 85.548%	Change from Year 2013
\$100,000	\$1,308.65	\$1,283.22	-\$25.43
\$250,000	\$3,707.83	\$3,635.79	-\$72.04
\$500,000	\$8,069.98	\$7,913.19	-\$156.79
\$1,000,000	\$16,794.28	\$16,467.99	-\$326.29
\$2,500,000	\$42,967.18	\$42,132.39	-\$834.79
\$5,000,000	\$86,588.68	\$84,906.39	-\$1,682.29

Mayor Stotko asked for public comment. No public comment was received.

**Council Member Quast motioned to close the Public Hearing. Council Member Ollig seconded the motion. Motion carried 4-0.**

- 4) **No Old Business.**
- 5) **No New Business.**
- 6) **Department Report**

**a) Winsted Volunteer Fire Department**

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

- **Department Membership**  
Mr. Engel stated that the Winsted Volunteer Fire Department (WVFD) currently has twenty-five (25) members on the Department. One (1) is a probationary member. A full roster would include thirty (30) members.
- **Year-To-Date Emergency Calls**  
Mr. Engel stated that the WVFD has responded to 224 emergency calls in the year 2013.
- **Vehicle Repairs**  
Mr. Engel gave an overview of the vehicle repairs that have been completed on the WVFD vehicles.
- **Activities**  
Mr. Engel stated that the WVFD has participated in the following activities:
  - Fire Prevention Week. The WVFD visited both Holy Trinity School and the Howard Lake Waverly Winsted (HLWW) Elementary School located in Winsted.
  - Will be participating in the December 7, 2013 Winter Festival Parade.
  - WVFD Officer interviews.
- **Training**
  - Mr. Engel stated that the WVFD continues to participate in the State of Minnesota's training reimbursement program.
  - The year 2014 training schedule is being established.
- **Miscellaneous Items**  
Mr. Engel reported on the following miscellaneous items:
  - Working with the City Administrator, Mr. Clay Wilfahrt, to develop a Position Description for the proposed Third (3<sup>rd</sup>) Captain position. The Third (3<sup>rd</sup>) Captain would replace the Ladder Captain position.
  - Working with Mr. Wilfahrt and the Minnesota State Fire Marshall to donate the WVFD's used extrication equipment to another Fire Department.

Council Member Ollig asked Mr. Engel if there were any former WVFD Officers that did not apply for an Officer position in the year 2014. Mr. Engel stated that Mr. Tim Kosek did not apply for an Officer position. Mr. Engel stated that Mr. Troy Scherping had not applied in the past for an Officer position and did for the year 2014.

The City Council thanked Mr. Engel for his report.

## 7) Open Forum

Mayor Stotko stated that the, *Open Forum provides residents with the opportunity to address an issue that is not on the agenda with the City Council. The City Council will not take official action on items discussed during Open Forum, except to refer items to staff for future report or follow through. If you wish to address the City Council please state your name, address and topic that you wish to discuss. Speakers will be limited to five (5) minutes to discuss an issue and the Mayor will limit discussion on any one (1) topic to ten (10) minutes.*"

### a) December 3, 2013 Regular City Council Meeting Agenda – City of Winsted Website

Mr. Aaron Kubasch, 179 Westgate Drive, addressed the City Council regarding the December 3, 2013 Regular City Council meeting agenda not being on the City's website.

Ms. Boelter stated that the agenda was forwarded to the Herald Journal on Wednesday, November 27, 2013 to put on the City of Winsted website.

Mr. Wilfahrt stated that he will investigate why the December 3, 2013 agenda was not on the City's website.

### b) Winsted Municipal Airport – Mr. Brian Zubert

Mr. Brian Zubert, Winsted Municipal Airport, Hangar Number Eighteen (#18), addressed the City Council regarding the following issues at the Winsted Municipal Airport:

- Have been denied access to the runway due a large hole off the taxiway.
- The condition of the runway.

Mr. Zubert asked Mr. Wilfahrt if the City is going to adopt any policies regulating operations at the Winsted Municipal Airport. Mr. Wilfahrt stated that yes; the City is currently taking steps to establish a Policy regulating operations at the Airport.

Mr. Zubert continued to address the City Council regarding the following issues at the Winsted Municipal Airport:

- Westside Skydivers.
- Improvements to the Airport's runway.

Mr. Wilfahrt stated that before proceeding with improvements to the Airport's runway, the City has to wait until a decision is made on the Luce Line State Trail connection proposed to run near the Winsted Municipal Airport. There may be an issue with State of Minnesota funding.

Mr. Zubert asked for a timeframe of when the improvements to the runway would be completed. Mr. Wilfahrt stated that it will likely be in the year 2015.

Mr. Zubert continued to address the City Council regarding the following issue at the Winsted Municipal Airport:

- Documentation of the Winsted Municipal Airport's Fund balance. Mr. Zubert asked for a financial statement to be posted at the Airport's Arrival and Departure Building.

Mr. Wilfahrt, Council Member Ollig and Mayor Stotko directed Mr. Zubert and/or any other interested individuals to contact City Hall for a copy of the Airport's financial statement.

Mr. Zubert asked when the hole between the taxiway and runway was going to be filled in. Mr. Wilfahrt stated that the hole was repaired by the Winsted Public Works Department approximately two (2) weeks ago.



Mayor Stotko stated that staff has discussed the issue of the hole between the runway and taxiway with the City Engineer, and a more permanent repair to the hole will likely be included in the proposed runway improvement plan.

Mayor Stotko stated that it may appear that these issues are not being addressed; but, they are. Unfortunately, not in a faster timeframe; however, staff is working with the City Engineer and also exploring financing options for the proposed runway improvements.

Mr. Zubert stated that Winsted Municipal Airport is a good Airport; however, the condition of the runway is poor and needs to be improved.

Mr. Zubert shared his concerns with the airplanes from Westside Skydivers parking in front of the fuel pump and making it difficult for the other pilots to access the fuel pump.

Mayor Stotko stated that there are two (2) items that need to be addressed at the Winsted Municipal Airport:

1. The rehabilitation of the Turf runway.
2. The establishment of policies regulating operations at the Airport.

Mayor Stotko stated that Mr. Wilfahrt is working on establishing the aforementioned policies. He continued by stating that he would like to have the policies developed and approved by the City Council in the year 2014.

Mr. Wilfahrt stated that he has contacted the University of Minnesota and they have a technical group that assists airports in establishing policies. He continued by stating that Mr. Glenn Weibel gave him a contact from the Minnesota Department of Transportation/Office of Aeronautics (MN DOT/OA) and he had contacted them as well.

Council Member Ollig stated that the City Council wants the same things done at the Airport as Mr. Zubert does; however, it is not going to happen overnight and it will take some time.

## 8) Announcements

### a) Winsted Area Chamber of Commerce – Winter Festival

Council Member Ollig stated that the Winsted Area Chamber of Commerce Winter Festival will begin on Friday, December 6, 2013 with Open Houses during business hours at the following locations:

- ✓ Security Bank and Trust Company, 110 . 1<sup>st</sup> Street North
- ✓ Keaveny Drug, 150 Main Avenue West
- ✓ Crazy Coffee House and Floral Shop, 215 . 6<sup>th</sup> Street North

The Winsted Area Community Choir will be performing at St. John Lutheran Church, 410 . 1<sup>st</sup> Street North, on Friday evening.

Council Member Ollig continued by stating that there will be activities and an antique snowmobile show taking place at the Blue Note Ballroom, 320 . Third (3<sup>rd</sup>) Street South, on Saturday, December 7, 2013 from 10:00 a.m. to 2:00 p.m. The Winter Festival Parade starts at 6:30 p.m. and travels through the downtown area.

Council Member Ollig stated there will be a *Giving Tree* located at Flagship Insurance Services, 131 . 6<sup>th</sup> Street North. Individuals can take a request off the tree to purchase a gift for a needy child.

## 9) Adjournment

**Council Member Quast motioned to adjourn the meeting. Council Member Ollig seconded the motion. Motion carried 4-0.**

The meeting was adjourned at 6:35 p.m.

*Steve Stotko*

Steve Stotko  
Mayor  
City of Winsted

ATTEST:

*Deborah R. Boelter*

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