

City of Winsted  
City Council Work Session  
Lewis Room  
December 20, 2011  
5:00 p.m.

Present: Mayor Steve Stotko  
Council Member Bonnie Quast  
Council Member Dave Mochinski  
Council Member George Schulenberg

Absent: Council Member Tom Ollig

Staff Present: Brad Martens, City Administrator  
Deb Boelter, City Clerk-Treasurer

### **I. Call to Order**

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

### **II. Winsted History Book**

Members of the City of Winsted's Quasquicentennial (125<sup>th</sup> Anniversary) Committee: Chris Schultz, Gary Lenz and Don C. Guggemos, Senior addressed the City Council.

Mr. Lenz presented printing options for the Winsted History Book - 125<sup>th</sup> Anniversary Edition.

Mr. Lenz and Mr. Schultz presented marketing and purchasing options.

Mr. Lenz and Mr. Schultz asked the City of Winsted to provide approximately \$3,000 funding for the upfront cost of printing the Winsted History Book. Proceeds from the sale of the book would then be forwarded to the City of Winsted to repay the \$3,000. Mr. Schultz stated that in the distant future the sale of the book would be done solely through the City of Winsted.

Mayor Stotko asked the Quasquicentennial Committee members if the City provides \$3,000 for the upfront cost of the printing of the Winsted History Book – 125<sup>th</sup> Anniversary Edition, will the \$5,000 remaining from the \$8,000 that the City has budgeted in 2012 for the Committee provide them with enough funding for other purchases and/or expenses that they may have. The Committee members stated yes.

Boelter stated that she will create a separate line item in the 2012 General Fund Revenues and Expenditures for the Winsted Quasquicentennial to assist in tracking the \$8,000 budget that the City is providing in 2012.

### **III. Final Levy - 2012**

Martens presented the amendments to the 2012 Budget and Final Levy to implement the zero percent (0%) increase to the Final Levy as directed by the City Council. Martens stated that the zero percent (0%) will reduce the City of Winsted's Tax Rate from 94.6% to 89.9%.

Council Member Mochinski asked if a cost comparison of the business's property taxes could be done with area communities to help the business owners understand that the City of Winsted's property taxes for commercial and industrial are similar to other communities.

Martens stated that the cost comparison would be done on the Tax Rate for other communities.

Council Member Quast discussed the formula used by the McLeod County Assessor's office to determine the valuations of the commercial and industrial properties.

Martens stated that the system used by the McLeod County Assessor's office for valuations is a good system and takes market conditions into consideration when determining the value of a

property. He continued by stating that the large increase is due to the discrepancies in the previous valuations and the current market values.

Boelter stated that as the McLeod County Auditor, Cindy Schultz, told business owners at the Winsted Area Chamber of Commerce meeting; it is unfortunate that the increase to commercial and industrial properties in McLeod County were not done incrementally over two (2) or three (3) years.

Council Member Schulenberg stated that the information he has read has indicated that the valuation system used by the McLeod County Assessor is a fair system; but, unfortunately it resulted in a large increase to property values and taxes for commercial and industrial properties in McLeod County.

Council Member Mochinski asked if surrounding Minnesota counties are going to the same valuation system as McLeod County. Martens stated that he is uncertain if they are.

#### **IV. 2012 Budget**

Martens presented the proposed 2012 Budget and asked the City Council for any feedback.

Martens stated that the 2012 General Fund Budget was reduced in certain areas to accommodate the direction from the City Council for a zero percent (0%) levy increase.

Martens continued by stating the proposed 2012 Budget does include a three percent (3%) increase to employee salaries and wages.

Council Member Quast stated that she believes that there should be a freeze on employee salaries and wages in 2012. Martens presented cost-of-living information that was previously given to the City Council to justify the proposed three percent (3%) increase to employee salaries and wages.

Mayor Stotko asked what the total savings would be if there was a freeze to employee salaries and wages in 2012. Martens stated that to the General Fund, it would be a savings of approximately \$7,200 annually and approximately \$1,900 from the Water and Sewer Funds.

Council Member Mochinski stated that he believes that the City Council should consider a freeze to employee salaries and wages.

Council Member Quast stated that she believes that there should also be a larger contribution from employees toward their health insurance premiums.

Council Member Schulenberg asked when the City last increased employee salaries and wages. Martens stated that there was approximately a three percent (3%) increase in 2011.

Council Member Quast stated that there has been an increase to employee salaries and wages every year. Boelter stated that the City Council has maintained increases each year to avoid a strain on future budgets by implementing large increases to insure that employees salaries and wages are comparable to similar positions in area cities and businesses.

Martens stated that he does recommend the three percent (3%) increase to employee salaries and wages in 2012 due to the cost-of-living and also because removing the increase would have less than one percent (1%) impact on the 2012 General Fund Budget and Levy.

Council Member Schulenberg asked the City Council how they feel about discontinuing their payment for attending Work Sessions. Council Member Quast stated that the City Council has not received a wage increase for many years.

Council Member Schulenberg asked what the savings would be to the City of Winsted if the City Council did not submit payment for Work Sessions. Martens stated that it would be approximately \$3,000.

Martens asked the City Council if they have a certain budgetary goal they are trying to reach or do they just want to reduce employees salaries and wages.

Council Member Mochinski asked Council Member Quast if she is stating that the salaries and wages of the City of Winsted employees is much higher than that of the employees working in the businesses located in the City of Winsted. Council Member Quast stated yes. Martens stated that the City of Winsted has a professional staff and the City asks for skilled education in the positions that employees work in. Council Member Quast stated that she agrees that the City of Winsted staff is exceptional.

Council Member Quast stated that she will be recommending that the aerators not be turned on in the summer of 2012 to save money.

Martens stated that City staff has identified approximately \$71,000 in cuts from the 2012 Preliminary Budget and Levy to obtain a zero percent (0%) increase to the 2012 Final Levy and the summer use of the aerators is one (1) of the cuts recommended.

Mayor Stotko asked Martens what will happen if there is a split decision at the Regular City Council meeting on the freezing of employee salaries and wages. Martens stated that the first (1<sup>st</sup>) item the City Council will need to address is the 2012 Final Levy. If the City Council decides to reduce the levy from what will be presented to them, they will need to vote to do that. Martens continued by stating that he would need to verify what a majority vote would be needed to approve the proposed 2012 Final Levy. Martens stated that if the vote is a tie, there will need to be a Special City Council meeting to approve the 2012 Final Levy before December 28, 2011.

Council Member Quast asked if the proposed 2012 Budget is passed as presented, with the three percent (3%) increase for employee salaries and wages, will the City be able to financially do everything it needs to do in 2012. Martens stated that he believes the City is in better condition financially than it was in 2011. Martens continued by stating that the City has taken steps to increase revenues for future projects and the City may need to take on additional debt service for some larger projects.

Council Member Schulenberg stated that if it is decided to vote on an employee salary and wage freeze at the Regular City Council meeting, he will not vote for it.

Mayor Stotko stated that if the City Council is going to make any changes to what is presented for the proposed 2012 Final Levy and Budget at the Regular City Council meeting, it should be presented to Martens ahead of time. Martens stated that the motion will be different than what has been presented to them. Martens continued by stating that if the City Council directs staff to reduce the 2012 Final Levy and Budget, it will be done.

## **V. Mayor's Task Force on Downtown Revitalization**

Martens presented Mayor Stotko's starting guidelines for the Task Force on Downtown Revitalization.

The City Council discussed what process they would like to take to begin the Task Force and possible Task Force members.

Council Member Quast stated that she believes that if the City Council is going to promote Winsted's downtown they need to install signage detailing the local businesses.

Mayor Stotko stated that he believes that the area of downtown needs to be identified. He continued by stating that the proposed Task Force has to identify what they want to do to revitalize the downtown and what steps they want to take to do that.

Council Member Mochinski asked Martens and Mayor Stotko what they would like the City Council to do.

Martens recommended that a small group composed of two (2) City Council members meet to outline the process.

Council Member Mochinski asked Mayor Stotko to assign the people to the Task Force that he knows want to be part of the downtown revitalization. Mayor Stotko stated that he believes that certain individuals and/or organizations should be represented on the Task Force.

Martens asked another City Council member to consider being on the Task Force. Mayor Stotko stated that Council Member Ollig should be asked if he would like to be on the Task Force. Council Member Schulenberg and Council Member Quast stated they would be interested on being on the Task Force.

**VI. Minnesota Pollution Control Agency – Waste Water Treatment Facility Permit - TABLED**

Martens tabled this item.

**VII. Grass Lake Road Maintenance**

Martens stated that he would like to have the City Council consider a shared maintenance of Grass Lake Road with Winsted Township.

Mayor Stotko asked what Winsted Township is agreeable to. Martens stated that he believes that they will agree to shared maintenance of Grass Lake Road.

Martens stated that he will prepare a draft agreement and present it to the City Council at a future meeting for consideration.

**VIII. Other**

No items were discussed.

**IX. Adjourn**

**Council Member Mochinski motioned to adjourn. Council Member Schulenberg seconded. Motion carried 4-0.**

The meeting was adjourned at 5:55 p.m.

*Steve Stotko*

Steve Stotko  
Mayor  
City of Winsted

ATTEST:

*Deborah R. Boelter*

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