

City of Winsted
City Council Meeting
Council Chambers
Tuesday, July 19, 2016
6:00 p.m.

Present: Mayor Steve Stotko
Council Member Bonita Quast
Council Member George Schulenberg
Council Member Patty Fitzgerald

Absent: Council Member Tom Ollig

Staff Present: Mr. Dan Tienter, City Administrator
Ms. Raquel Kirchoff, City Clerk-Treasurer
Mr. Justin Heldt, Winsted Police Department Chief

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 – July 5, 2016

Approved the minutes of the City Council Work Session on July 5, 2016.

b) Minutes – City Council Regular Meeting – July 5, 2016

Approved the minutes of the City Council Regular Meeting on July 5, 2016.

c) Minutes – Planning Commission Meeting – June 13, 2016

Accepted the minutes of the Planning Commission Meeting on June 13, 2016.

d) Winsted Volunteer Fire Chief – Brian Langenfeld*

Appointed Mr. Brian Langenfeld as the Fire Chief of the Winsted Volunteer Fire Department effective July 19, 2016, for the term expiring December 31, 2017, and approved the payment of a prorated Fire Chief stipend.

e) Performance Review – City Administrator*

Scheduled a Special Closed City Council Meeting for Tuesday, August 16, 2016 at 4:00 p.m. in the Lewis Room at Winsted City Hall to conduct the annual Performance Review for Daniel Tienter, City Administrator.

f) Winsted Summer Festival – Fireworks Application

Approved the outdoor fireworks application from Flashing Thunder Fireworks Spectacular/Steven Dress to provide fireworks at the Winsted Summer Festival on Friday, August 12, 2016, with an alternate rain date of Saturday, August 13, 2016.

g) Road Closure Request – 1st Street South – Thursday, August 11, 2016*

Approved a request for road closure on 1st Street South, from Main Avenue to McLeod Avenue, from 5:30 p.m. to 8:00 p.m. on Thursday, August 11, 2016, for Winsted Night Out and a Winsted Arts Council Event, as approved by the Winsted Police Chief.

h) Resolution R-16-30 – Donation – Ridgeview Medical Center and Ambulance Service

Adopted Resolution R-16-30 to accept the donation of medical supplies from Ridgeview Medical Center and Ambulance Service to be used in three (3) Winsted Police Department Tactical Response Bags.

i) Security Bank & Trust Company – Pledged Securities

Approved the Pledged Securities that Security Bank & Trust Company has purchased for the City of Winsted for the month of June, 2016.

j) June, 2016 Building Permit Report

Approved the June, 2016 Building Permit Report

k) Claims

Approved the claims list for July 19, 2016.

l) Resolution R-16-33 – Point of Source Implementation Grant Application

Adopted Resolution R-16-33 to authorize the City of Winsted to submit a point source implementation grant application to the Minnesota Public Facilities Authority (PFA) and to authorize City officials to execute a grant agreement on behalf of the City of Winsted for the Wastewater Treatment Facility improvements.

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

3) No Public Hearings

4) No Old Business

5) New Business

a) 2016 Project Financing

Mr. Shannon Sweeney, David Drown Associates, presented project financing information for the 2016 Street and Utility Reconstruction Project for approximately \$1,240,000 and the refinance of the 2008B Capital Improvement Plan (CIP) Bonds for approximately \$370,000, for a total anticipated bond issue of \$1,675,000. Mr. Sweeney stated that the planned term for the financing would be 15 years.

Mr. Sweeney stated that the bonds are proposed to be issued via competitive sale and explained this process.

Mr. Sweeney explained the process of repayment for the bond issue as follows.

Property Taxes - the proposed schedule has a property tax contribution for the 2016 Improvement Project that averages approximately \$26,000 per year for 15-years. The levy for the 2008B CIP bonds will be reduced as a result of the refinancing by an estimated \$3,600 per year.

Water Revenues – A water fund contribution averaging approximately \$32,000 is proposed for funding a portion of the debt service. As the water utility produced a surplus of just over \$15,000 in 2015, it is anticipated that a rate increase of approximately 5% would be sufficient to fund the additional debt service required as a result of this bond issue.

Sanitary Sewer Revenues – A sanitary sewer fund contribution averaging approximately \$40,000 is proposed for funding a portion of the debt service. A rate increase of approximately 7.5% would be sufficient to fund the additional debt service required as a result of this bond issue. As the City has recently implemented sanitary sewer rate increases for the proposed renovation of the wastewater treatment facilities, Mr. Sweeney stated that he would recommend waiting to determine if the renovation project will be approved by the Minnesota Pollution Control Agency (MPCA) prior to making rate modifications for this project.

Special Assessments – The Kingsley Street Area Improvements project financing has been structured assuming that \$85,000 in special assessments will be certified for collection in the fall of 2016. Said special assessments are anticipated to have a term of 15-years and carry an interest rate of 5%.

Mr. Sweeney stated that debt service payments for the bonds will likely average \$135,000 per year based on current interest rates. Mr. Sweeney stated that bids for the bond will be presented to the City Council at its August 16, 2016 City Council Meeting for award.

Council Member Fitzgerald motioned to adopt Resolution R-16-31, authorizing David Drown Associates, Incorporated, to initiate the competitive sale process for the issuance of \$1,675,000 of General Obligation Bonds. Council Member Schulenberg seconded. Motion carried 4-0.

b) Downtown Vibrancy Commission Transition

Mr. Tienter stated that a resolution is proposed to start the process of transitioning the Downtown Vibrancy Commission into a reactivated Economic Development Authority (EDA). Mr. Tienter stated that the City Council initiated this idea as part of the 2016 City Council Goal Setting Retreat.

Generally, a revitalized EDA would permit the City to access the full range of economic development powers authorized under State law while providing another forum for public engagement concerning City economic development activities. Additionally, a more proactive EDA could better develop an economic development vision for the entire community, which would ultimately relax the focus on the downtown area.

Mr. Tienter stated that the Downtown Vibrancy Commission Members expressed enthusiasm for this transition.

Mr. Tienter stated that the reasons for the transition from the Downtown Vibrancy Commission to a reactivated EDA are the wide variety of powers that an EDA has; for example, issuing levies, hiring staff, engaging studies, entering limited partnerships, selling bonds, reselling bonds on the secondary market, buying land, and entering leases. Mr. Tienter stated that these powers of the EDA are limited in the proposed resolution to require all decisions of the EDA must be approved or ratified by the City Council.

Mr. Tienter stated that City staff recommend the adoption of Resolution No R-16-32 to schedule a public hearing on August 16, 2016 to consider modification to the existing EDA enabling resolution. At this Public Hearing, an EDA enabling resolution would be considered which includes the modification of membership of the EDA from its current five City Council Members and two at-large Commissioners to two and five, respectively.

Council Member Schulenberg asked how the five at-large Commissioners would be appointed to the EDA. Mr. Tienter stated that the enabling resolution provides a mechanism to appoint the Commissioners. An application period would be opened for the current Downtown Vibrancy Commission Members and the two current members of the EDA. Interviews may need to be conducted dependent upon how many people apply.

Council Member Quast motioned to adopt Resolution R-16-32 to schedule a public hearing to consider the question of modifying the enabling resolution of the Economic Development Authority. Council Member Schulenberg seconded. Motion carried 4-0.

c) New Home Construction Program Guidelines

Mr. Tienter presented information regarding New Home Construction Program Guidelines. Mr. Tienter stated that the program provides two benefits:

1. Delay the Sewer and Water Connection (WAC/SAC) fees, which are \$3,300 and \$2,500, respectively until the home is sold to its first owner; and
2. Waive the Building Permit fees, which vary depending upon the type and value of the structure. Mr. Tienter stated that this fee waiver will be limited to \$2,000 per new home, for up to five homes.

Mr. Tienter stated that given this limit, the potential cost of the program totals \$10,000. Mr. Tienter stated that the City must still provide payment to Metro West Inspection under the terms of the contract for building inspection services authorized by the Council. At present, the City pays Metro West 75% of all Building Permit fees and 100% of all plan review fees.

Mr. Tienter stated that the New Home Construction Program must be authorized annually by the City Council. The City Council will consider authorizing the program through December 31, 2016 during tonight's meeting and reconsider the authorization in following years.

Mr. Tienter stated that given the cost pressure on the Sewer and Water Funds from the pending Wastewater Treatment Facility Improvements and recommended Water Tower Recoating Project,

respectively, City staff determined the City was not in a position to forego any WAC/SAC fee revenue.

Mr. Tienter stated that the City will advertise the program through fliers at City Hall, through the public access channel, and through communication to real estate professionals in the Winsted area that the City has been in contact with through the process of creating this program.

Council Member Schulenberg motioned to approve the New Home Construction Program Guidelines and authorize the City Administrator to begin accepting applications on July 25, 2016. Council Member Quast seconded. Motion carried 4-0.

d) 2016 City Council Priorities Second (2nd) Quarter Update

Mr. Tienter presented a second quarter update on the 2016 City Council Priorities.

6) Department Report

a) Public Works

Mr. Dave Meyer, Public Works Department Maintenance Supervisor, reported on the following activities that have occurred since January 5, 2016:

- Christmas decorations were taken down
- Plowed snow
- Read water meters monthly
- Repaired a few water main breaks during the winter
- Replaced worn out flags with new ones
- Worked on organizing City Hall storage room for new fence
- Opened and closed warming house for skating rink
- Mr. Meyer and Mr. Jamason Stotko attended water school to keep water licenses current
- Swept streets on March 5, 2016 to remove winter sand
- Upgraded the missions at the well house (the dialer system)
- Rolled airport runway several times in the Spring of 2016
- Opened all parks (turning on water, cleaning, etcetera)
- Patched pot holes
- Flushed fire hydrants
- Hauled gravel to Grass Lake Road
- Sprayed all parks for weeds
- Street crack filling and seal coating has been completed
- Install summer banners
- Prepared and sent monthly water reports and tests to the State of Minnesota
- Clean park bathrooms weekly
- Tree branch clean up after storms
- Purchased two new pick-up trucks that were received on June 24, 2016
- Check and change park garbage cans
- Re-cemented Hainlin Park volleyball polls into ground
- Answering calls on mosquito spraying
- Electrical work at Well house 2 and Well house 4 is completed

Council Member Schulenberg thanked the Public Works Department for helping the Winsted Little League with setting picnic tables for their events.

Council Member Fitzgerald asked how often the city was sprayed for mosquitos. Mr. Meyer stated that the city was sprayed bi-weekly, a total of eight times in the summer.

Council Member Quast asked if mosquitos were sprayed for when it was raining. Mr. Meyer stated the company that sprays told him that spraying begins at dusk; and if it is raining during that time but stops before 11:00 p.m., the city will be sprayed. If it continues to rain past 11:00 p.m., the application of spray is rescheduled.

Council Member Quast thanked the Public Works Department for removing the long grass in the Zion Avenue area and for cleaning/providing maintenance around the Welcome to Winsted sign near Zion Avenue.

Mr. Tienter stated that the Public Works Department provided maintenance to the Northgate entrance median that looks great.

7) No Open Forum

8) Announcements

a) Open City Council Offices

Mayor Stotko announced that there are a number of city offices open; one two year term for Mayor, one two year term for City Council Member, and two, four year term for City Council Member.

b) Winsted Volunteer Fire Department Parking Lot

Council Member Schulenberg asked if R&R Excavating was asked to consider repairing the parking lot at the Winsted Volunteer Fire Station while they were in Winsted working on the Kingsley Street Area Improvements project.

Mr. Tienter stated that R&R Excavating stated they cannot complete the project at this time due to their busy schedule.

Mayor Stotko asked Mr. Meyer to look into patching areas in the parking lot.

Mr. Tienter stated that the Winsted Volunteer Fire Department Capital Improvement Plan includes work for the parking lot in 2017.

9) Adjournment

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

The meeting was adjourned at 6:42 p.m.

Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff
City Clerk-Treasurer
City of Winsted