

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

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

Staff Present: Mr. Dan Tienter, City Administrator
Mr. Fran Eggert, City Attorney
Ms. Raquel Kirchoff, City Clerk-Treasurer
Mr. Justin Heldt, Winsted Police Department Chief
Mr. Tyler Bruns, Winsted Police Officer
Mr. Jake Saulsbury, City Engineer, Bolton & Menk

1) Mayor Stotko called the meeting to order at 6:05 p.m.

a) The Pledge of Allegiance was taken.

b) Special Presentation – Security Bank & Trust Company

Mayor Stotko provided background information regarding installing a lighted water fountain in Winsted Lake, stating that the fountain will enhance the asset of Winsted Lake and provide a centerpiece for the park. Mayor Stotko stated that the fountain will also help to aerate Winsted Lake.

Mayor Stotko stated that the cost to install the fountain will not be raised through taxes. The money will be raised through private donations. Mayor Stotko stated that the estimated cost to install and purchase the fountain is approximately \$20,000.

Mayor Stotko stated that the City will receive the first donation in the amount of \$5,000 from Security Bank and Trust Company of Winsted.

Mayor Stotko accepted the donation from Mr. Jeff Engen, the Branch President of Security Bank and Trust Company. The City Council Members thanked Mr. Engen for the donation.

2) Consent Agenda

Mayor Stotko read the Consent Agenda.

a) Minutes – Special City Council Work Session – October 24, 2016

Approved the minutes of the Special City Council Work Session on October 24, 2016.

b) Schedule Public Hearing – Fee Schedule Ordinance*

Scheduled a public hearing for January 3, 2017 at 6:00 p.m. in the City Council Chambers at Winsted City Hall to consider adopting amendments to the Fee Schedule Ordinance.

c) 2017 Property and Casualty Insurance Renewal Contract: Liability Insurance Coverage – Waiver Form

Authorized the Mayor to execute a Liability Coverage Waiver Form, allowing the City of Winsted to not waive the monetary limits on municipal tort liability established by Minnesota State Statutes 466.04 for the 2017 Property and Casualty insurance contract.

d) 2017 Property and Casualty Insurance Renewal Contract: No-Fault Sewer Back-Up Insurance Coverage*

Authorized the City Administrator not to purchase No-Fault Sewer Back-Up insurance coverage for the 2017 Property and Casualty insurance contract.

e) 2017 Property and Casualty Insurance Renewal Contract: Excess Liability Insurance*

Authorized the City Administrator to purchase \$1,000,000 in excess liability coverage for the 2017 Property and Casualty insurance contract.

f) Appointment – Economic Development Authority (EDA)*

Appointed Mr. Robert Hamilton to the City of Winsted Economic Development Authority (EDA) with a four (4) year term, expiring December 31, 2020.

g) Appointment – Economic Development Authority (EDA)*

Appointed Mr. Joe Swanson to the City of Winsted Economic Development Authority (EDA) with a two (2) year term, expiring December 31, 2018.

h) Grant Award – Winsted Volunteer Fire Department

Accepted a Turnout Gear Washer/Extractor Award from the Minnesota Department of Public Safety-State Fire Marshal, in the amount of \$8,175.51 with a local match requirement of \$908.39, for the purchase and installation of a gear washer/extractor for the Winsted Volunteer Fire Department and authorize the City-Clerk Treasurer to execute the grant.

i) Claims

Approved the claims list for December 6, 2016.

Council Member Fitzgerald 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 Hearing – 2017 Tax Levy

Mr. Tienter provided an overview of the Truth-in-Taxation Hearing process and the 2017 Budget Process.

Mr. Tienter reviewed the following information regarding the Recommended 2017 Budget, General Fund and Final Property Tax Levy.

General Fund Budget Assumptions and Considerations

- Conservative revenue and expenditure assumptions:
 - Reallocation of current resources based on need and actuals history;
 - Budget adjusted to better reflect actual expenditures;
 - Limited adjustments to external revenues.
- Supports current compliment of Full–Time Equivalent (FTE) Employees.
 - Includes budget assumptions for the current vacant position.
- The Recommended 2017 General Fund Budget is structurally balanced.
- The Recommended 2017 General Fund Budget does not include:
 - Approved property tax abatements beginning in 2017;
 - No change in Local Government Aid (LGA); and
 - No renewal of the Small Cities Assistance Program.

Budget Assumption Changes, 2017P v. 2017R Budgets

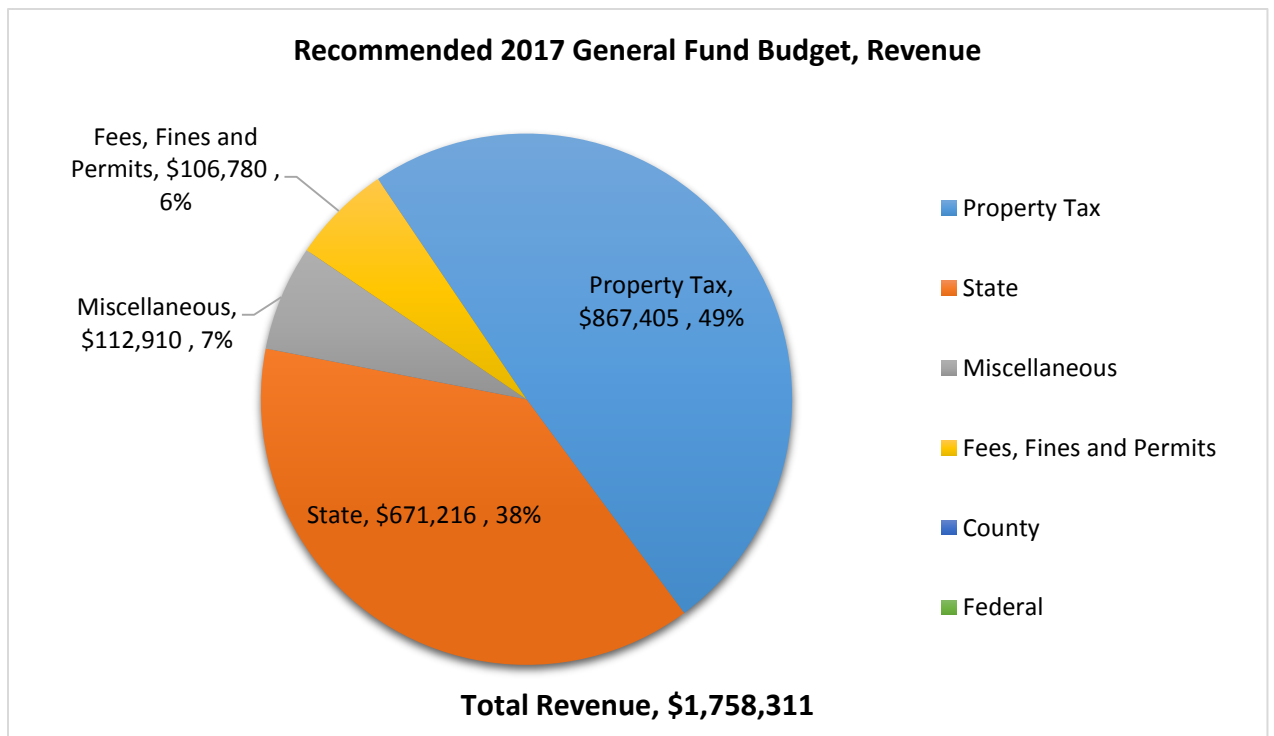
Expenditures	2017P	2017R	Change
Health Insurance	8.00%	5.40%	-2.60%
Dental Insurance	8.00%	0.00%	-8.00%
Compensation Plan	0.80%	0.80%	0.00%
Materials and Supplies	1.00%	1.00%	0.00%
Employee Wages	1 Step	1 Step	n/a
Revenues	2017P	2017R	Change
Local Government Aid	0.00%	0.00%	0.00%
Small Cities Assistance Program	0.00%	0.00%	0.00%
Fees, Fines and Permits	1.00%	1.00%	0.00%
Property Tax Levy	7.50%	4.99%	-2.51%

Five Year Budget Model

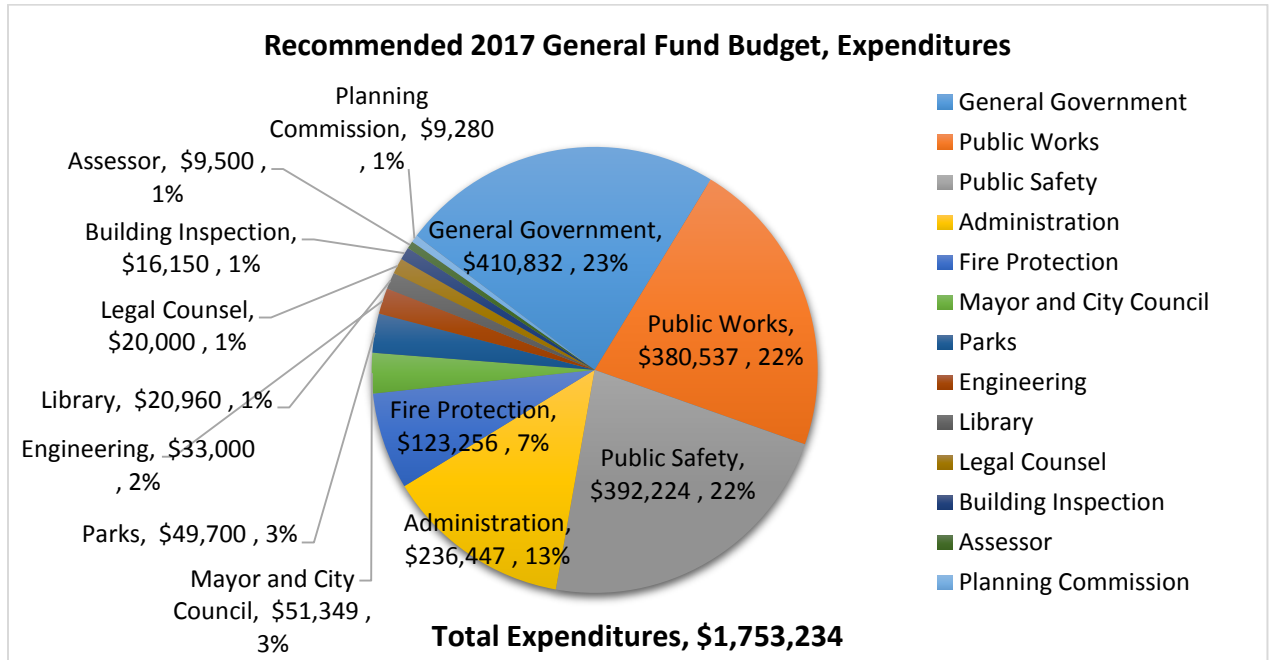
- Allows the City Council to better understand both the general condition of the City's budget, and to examine the impact of particular decisions on the financial position of the City.
- The model makes a variety of assumptions, including, but not limited to:

Recommended 2017 Budget Projection Assumptions, Selected	
Revenues	Expenditures
0.00% Local Government Aid	1.00% Materials and Supplies
1.00% Fees, Fines and Permit Revenue	3.00% Employee Wages
2.00% Fire Department Per Unit Fee	8.00% Employee Benefits
2.00% General Property Tax Levy	

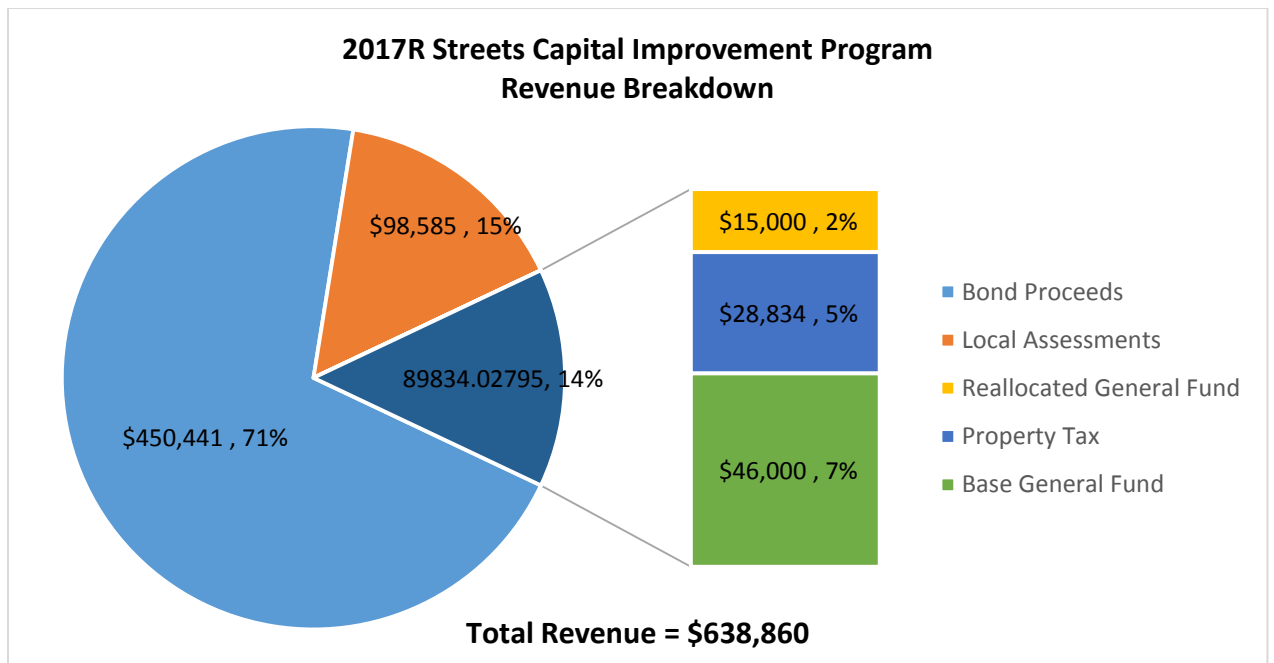
Recommended 2017 General Fund Revenue, by Source



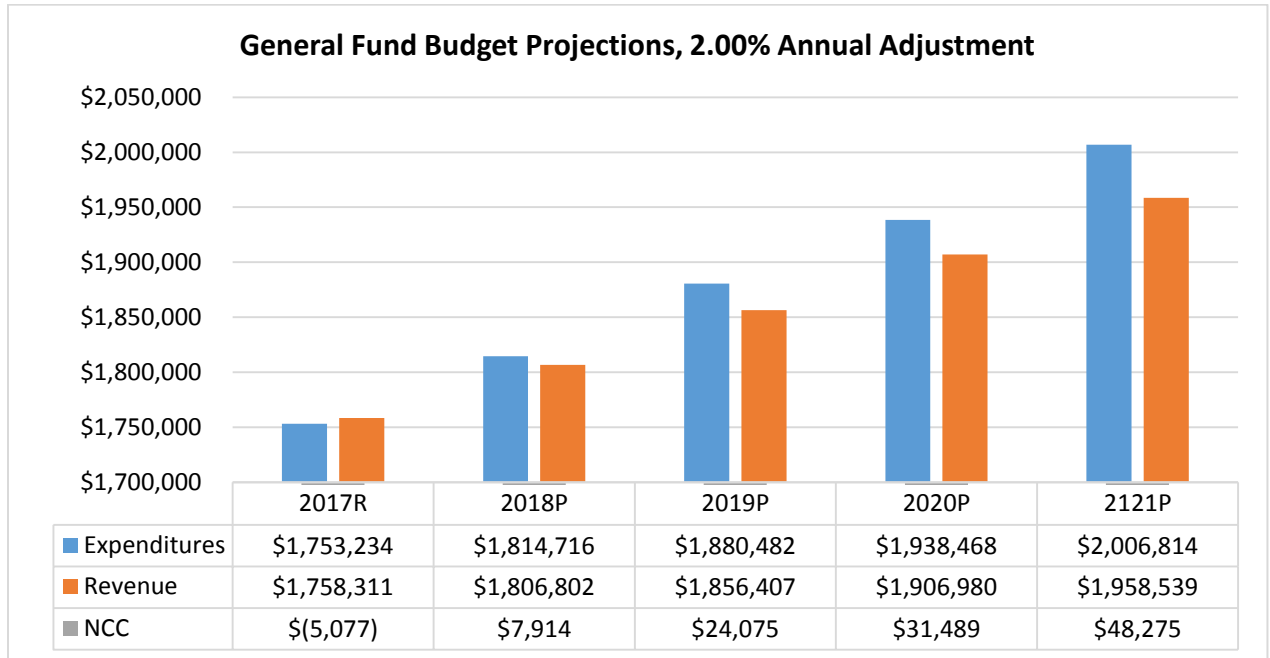
Recommended 2017 General Fund Expenditures, by Department



Recommended 2017 Streets Capital Improvement Program



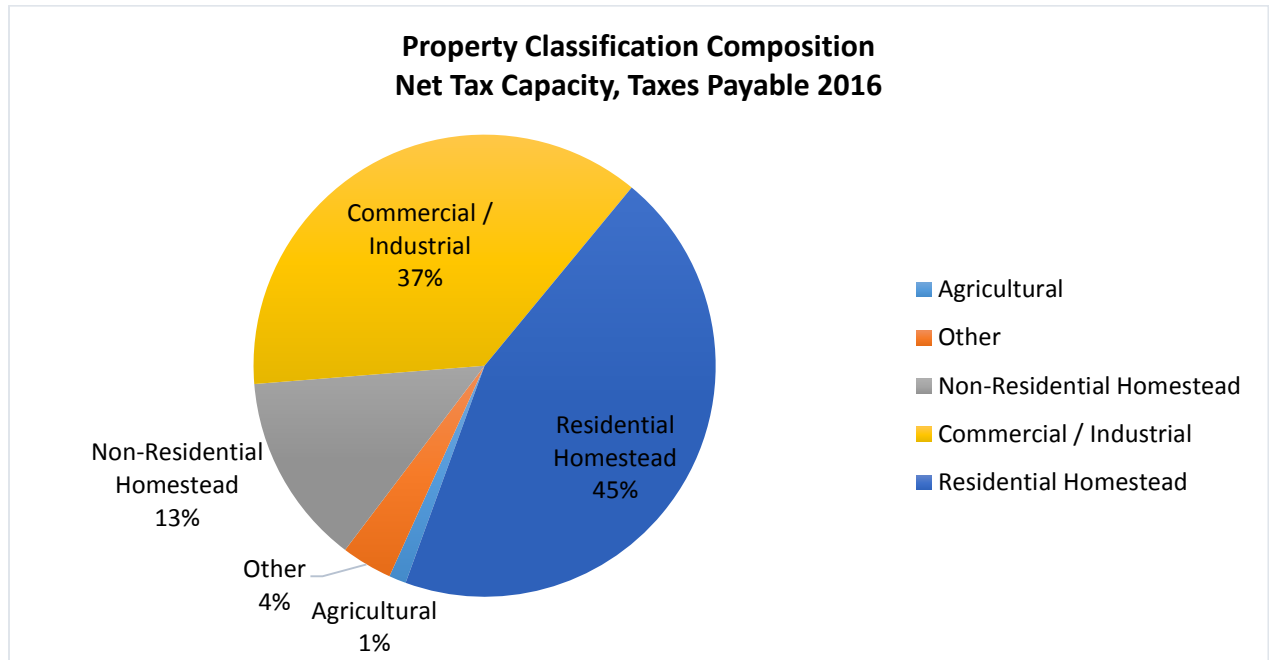
Recommended 2017 General Fund Budget Projection



Property Tax Trends and Other Considerations

- Market values continue to increase throughout Minnesota in all property categories.
 - Total market value statewide increased 5.7% in 2016 compared to 8.5% in 2015.
 - Property tax rates continue to decline as a result.
- In 2016, certified property tax levies increased 4.5% compared to the previous year.
 - City staff expect this upward trend to continue as Preliminary 2017 Property Tax Levies for municipalities increased 6.2% statewide.
 - No property tax levy limits in place.
- Local Government Aid (LGA) remains flat due to impasse between the Minnesota State Legislature and Governor on a tax bill.
- No renewal of the Small Cities Assistance Program.

Property Tax Classifications



General Fund Budget and Property Tax Levy

General Budget and Levy History and Detail							
	Final 2016	Prelim. 2017	Change 2016F v. 2017P (%)	Change 2016F v. 2017P (\$)	Final 2017	Change 2016F v. 2017F (%)	Change 2016F v. 2017F (\$)
Expenditures	\$ 1,702,567	\$ 1,773,833	4.19%	\$ 71,266	\$ 1,753,234	2.98%	\$ 50,667
Revenue	\$ 1,726,135	\$ 1,786,814	3.52%	\$ 60,679	\$ 1,758,311	1.86%	\$ 32,176
Total (NCC)	\$ (23,568)	\$ (12,981)	-44.92%	\$ 10,587	\$ (5,077)	-78.46%	\$ 18,491
General Levy	\$ 833,404	\$ 896,408	7.56%	\$ 63,004	\$ 867,405	4.08%	\$ 34,001
Debt Levy	\$ 322,750	\$ 346,450	7.34%	\$ 23,700	\$ 346,450	7.34%	\$ 23,700
Total	\$ 1,156,154	\$1,242,858	7.50%	\$ 86,704	\$ 1,213,855	4.99%	\$ 57,701

- The Recommended 2017 General Property Tax Levy would increase 4.08% and the Recommended 2017 Debt Service Levy would increase 7.34% resulting in a Recommended 2017 Property Tax Levy increase of 4.99%.
- In total, the Recommended 2017 Budget decreases \$20,599 (-1.16%) and \$28,502 (-1.60%) in expenditures and revenues, respectively.
- The Recommended 2017 Property Tax Levy decreases 2.33% from the Recommended Preliminary 2017 Property Tax Levy.

Recommended 2017 Debt Service Property Tax Levy

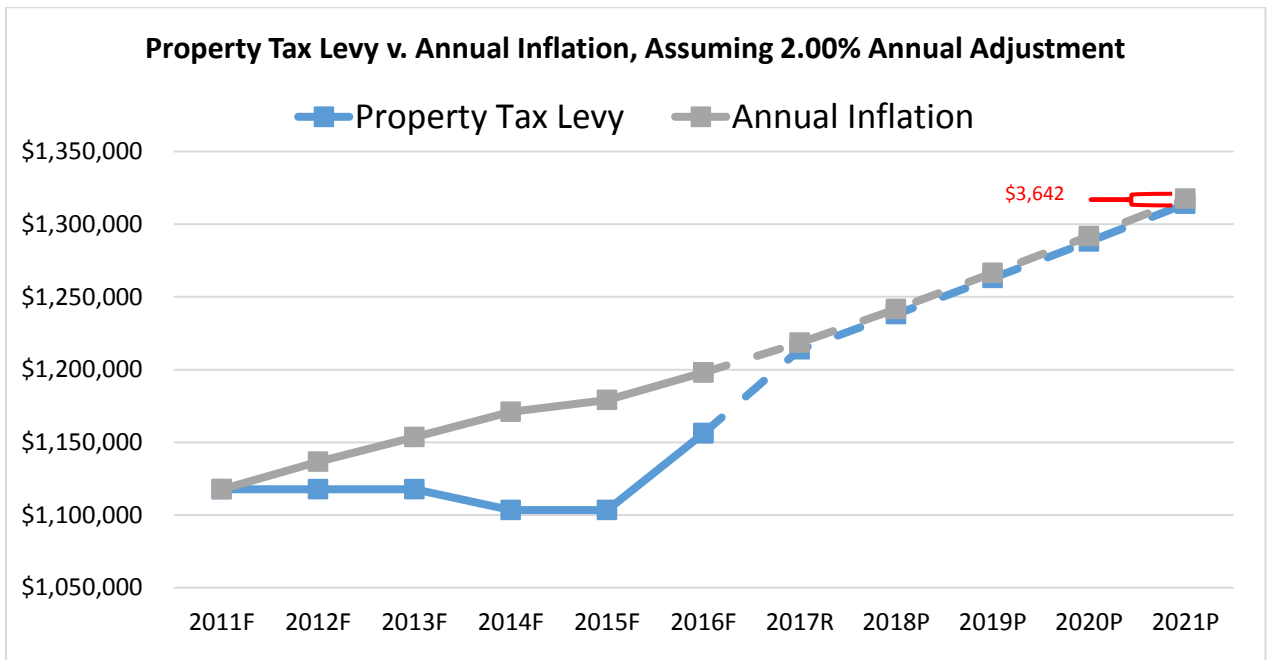
		Debt Service Levy				
Year	Debt Issue	2017R	2018P	2019P	2020P	2021P
2008	Equipment Certificate	\$ 29,250	\$ -	\$ -	\$ -	\$ -
2008	City Hall	\$ 38,600	\$ 38,500	\$ 38,000	\$ 37,500	\$ 37,000
2012	Westgate Project	\$ 48,000	\$ 48,500	\$ 49,000	\$ 49,500	\$ 50,000
2012	Refunding	\$ 210,100	\$ 206,000	\$ 206,000	\$ 206,000	\$ 206,000
2016	Kingsley Street	\$ 20,500	\$ 27,000	\$ 27,000	\$ 26,000	\$ 26,000
Total		\$ 346,450	\$ 320,000	\$ 320,000	\$ 319,000	\$ 319,000

Tax Rate Effects – Commercial/Industrial

Estimated Property Tax Changes, Assuming No Change in Value				
Property Value	2016F Property Tax	2017R Property Tax	Change (\$)	Change (%)
\$ 150,000	\$ 1,785	\$ 1,650	\$ (135)	-7.58%
\$ 290,000	\$ 4,006	\$ 3,703	\$ (304)	-7.58%
\$ 500,000	\$ 7,338	\$ 6,782	\$ (557)	-7.58%
\$1,000,000	\$ 15,272	\$ 14,114	\$ (1,158)	-7.58%
\$2,500,000	\$ 39,072	\$ 36,109	\$ (2,963)	-7.58%
\$5,000,000	\$ 78,740	\$ 72,768	\$ (5,972)	-7.58%

Five Year Property Tax Projection, Commercial/Industrial					
Valuation	2017R	2018P	2019P	2020P	2021P
\$ 616,611	\$ 8,492	\$ 8,449	\$ 8,592	\$ 8,732	\$ 8,880

Annual Property Tax Levy v. Inflation, 4.99% 2017R Change



2017 Property Tax Levy Discussion

- The Final 2017 Property Tax Levy responds to cost pressures, but:
 - Remains below the trend line of inflation;
 - Remains competitive with surrounding communities;
 - Responds to inaction at the Minnesota State Legislature (e.g., LGA, Small Cities Assistance Account); and
 - Provides for predictable and stable property tax levy change in the future.
- The Final Property Tax Levy may be certified at a lower amount than the Preliminary Property Tax Levy, but not greater than it.

Mayor Stotko opened the Public Hearing at 6:28 p.m.

No public comments were received.

Council Member Quast motioned to close the Public Hearing. Council Member Fitzpatrick seconded the motion. Motion carried 5-0. The Public Hearing closed at 6:29 p.m.

4) No Old Business

5) New Business

a) Northgate Circle Drainage

Mr. Tienter stated that the City has been reviewing an issue raised by Mr. Ron Mills, 621 Northgate Circle, regarding drainage issues in Northgate Circle. Mr. Tienter stated that the City Council reviewed a total replacement to the underlying storm sewer system at a previous City Council Work Session and decided not to move forward with that option. Mr. Tienter stated that the City Council directed the City Engineer to consider other drainage alternatives that could help to improve the situation.

Mr. Jake Saulsbury, Bolton and Menk, Incorporated, stated that an alternative could be to grade a swale along the southeasterly property line of the property at 621 Northgate Circle and towards the northeast manhole. Mr. Saulsbury stated that the manhole would then be required to be converted to a catch basin. The existing pipework would be left in place as is. If ponding did occur during rain, the water would then wash along the property line to the east, into that lower area.

Mr. Saulsbury stated that the estimated cost for this option would be \$2,000 - \$6,000.

Mr. Saulsbury stated that all of the work needed for this option could be contained within the drainage and utility easement areas. He continued by stating that there is a private garden that sits in an easement area near the manhole that may be impacted, or may have to be relocated, if this alternative was completed.

Mr. Tienter stated that as discussed in previous meetings, typically the City would consider this a private issue and would not pay for the underlying work.

Mr. Tienter stated that the City's past practice has been to provide the homeowner with the City Engineer's professional expertise so the homeowner knows what types of adjustments, grading or improvements to make to their property. The cost of those improvements are the responsibility of the homeowner.

Mr. Tienter stated that in this situation, there is some public infrastructure with the manhole needing to be converted to some type of inlet. Since there is public infrastructure, City staff recommends for the City to pay for that portion of the project. The grading itself, and the improvements happening on the property, would be the responsibility of the homeowner.

Council Member Ollig stated that when certain amounts of rain are received, it takes a while for the catch basin to catch up in the area near 621 Northgate Circle, with all of the water that is flowing in that area. Some of the water spills over onto Mr. Mill's yard.

Mr. Fran Eggert, City Attorney, asked Mr. Saulsbury if that still happen if the swale was placed.

Mr. Saulsbury stated that the water would still come out of the catch basin but the swale would then carry it to the east/northeast.

Mr. Mills asked where the swale would start. Mr. Saulsbury stated at the driveway by the fire hydrant.

Mr. Mills stated that the water goes 25 feet up the curb around the cul-de-sac. He continued by stating that he believes this option will not work because a swale will push more water over to his neighbor's garage.

Council Member Ollig stated that when Northgate was built, all the drainage and the diameter of the drainage was built according to specifications at that time. Council Member Ollig estimated this to be 40 years ago.

Council Member Ollig stated that when it rains a certain amount and water ponding occurs, some of Mr. Mills' wood chips on his property are washed away. There is not any water in Mr. Mills' basement, or any damage to his home. Council Member Ollig stated that if Mr. Mills had rocks or something similar there, it would not float away.

Council Member Ollig stated that he cannot in good conscience see the City of Winsted spend \$40,000 to fix this problem for wood chips. He continued by stating that when the street is completely rebuilt, the City will upgrade the diameter of the pipes to resolve the drainage issues; however, a street improvement project will not occur in this area for many years into the future.

Mr. Mills stated that the City's engineer designed the system wrong 40 years ago and that the lines are too small to begin with.

Council Member Ollig asked Mr. Saulsbury if the lines that were installed were according to whatever the standards and practices were at that time. Mr. Saulsbury stated that this was before his time, but yes. He continued by stating that 12 inch storm sewer was very common in that timeframe.

Council Member Ollig stated that there is an option to help the drainage issue by installing a swale and for the City to lower the grade where the manhole is so it flows a little better through the swale.

Council Member Ollig stated that in the past, when there has been drainage problems on people's yards, the burden of payment is on the property owner, not the City. He continued by stating that in Mr. Mills' case, he would be willing to have the City spend the money to lower the manhole and complete the work related to that, as long as Mr. Mills would spend the money to install the swale.

Mr. Mills stated that he would not install the swale. Mr. Mills stated that he feels like he is being treated differently than others within the city. Council Member Ollig stated that he was not being treated differently.

Mr. Mills stated that this has been an ongoing issue. He stated that all he asks for is a reimbursement of his costs. Council Member Ollig asked what that amount was. Mr. Mills stated approximately \$2,000 in material only. Council Member Ollig stated that there would not be a reimbursement if Mr. Mills would put rock or grass on his property instead of woodchips.

Council Member Quast stated that the City has gone above and beyond to provide Mr. Mills with options from the City Engineer, and has communicated to him that the street improvement project will not occur for many years. Council Member Quast stated that the Winsted Baseball Association is experiencing a similar issue with Campbell Field and the drainage issue there cannot be repaired long term until the Main Avenue Street Improvement Project is completed many years in the future. She continued by stating that there are other areas of the city that have issues with pipe that was installed in the 1950's.

Mr. Mills stated that he is not installing the swale. He continued by stating that the easement is City property. Mr. Eggert stated that Mr. Mills owns the property to the property line and it is subject to an easement for the ability to install utilities and control drainage.

Mr. Mills stated that he is not installing the swale because all it will do is push the water over his property or into his neighbor's garage.

Mr. Saulsbury stated that the water would be pushed toward the manhole; toward the catch basin to the east.

Mr. Mills stated that he disagreed. Mr. Mills stated that he would not install the swale.

Mayor Stotko thanked Mr. Mills for his time.

6) Department Report

a) Winsted Lions

Ms. Jeanne Finsrud, Winsted Lions President, provided an organization report regarding the Winsted Lions to include the following information.

- The Winsted Lions organization was officially chartered in April, 2010.
- There are currently 34 members.

- The Winsted Lions meet on the fourth Monday of the month.
- Most popular areas that the Lions are associated with include: working with the blind, those with hearing loss, and the leader dog program
- Winsted Lions service events include:
 - Bringing a group of seniors to The Pantry for breakfast each month.
 - Helping with the monthly St. John's Lutheran Church Community Meal.
 - Participating in the Peace Poster and Essay contest at Holy Trinity and Winsted Elementary Schools.
 - Distributing dictionaries to Howard Lake-Waverly-Winsted and Holy Trinity Elementary schools.
 - Hosting an Easter Bingo and food fundraiser event.
 - Fund raise through Music in the Park events and at Unhinged Pizza in Glencoe, Minnesota.
 - Hosted Peace Officers of McLeod County Appreciation Night, held at the McLeod County Fairgrounds.
 - Husked and cooked a trailer full of corn at the McLeod County Fair.
 - Sold tickets to amusement rides for two days at the Minnesota State Fair.
 - Participated in the Winsted Summer Festival and Winsted Winter Festival parades throwing candy and stuffed animal toys.
 - Provided bags of school supplies for children of Armed Forces Service members.
 - Donated and installed a bench in front of the Winsted Post Office, and donated and placed bike racks in front of Glenn's SuperValu, the Winsted Post Office and the Winsted Library.
 - Collecting eyeglasses and hearing aids.
 - Creating Welcome Boxes for the St. Cloud, Minnesota Veteran's Association and placing a Lending Library book house, filled with children's books, in several locations.

Ms. Finsrud invited Winsted community members to join the Winsted Lions organization. Ms. Finsrud thanked the Winsted Lions members for their commitment to service.

Council Member Ollig stated that the Winsted Lions cook the bratwursts for St. Mary's Walk of Hope, which is a fundraiser for St. Mary's Care Center.

Council Member Schulenberg stated that the Winsted Lions recently donated \$1,000 to the Winsted Volunteer Fire Department.

The City Council Members thanked the Winsted Lions for their service.

7) No Open Forum

8) No Announcements

9) Adjournment

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

The meeting was adjourned at 6:58 p.m.

Steve Stotka

Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff

Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted