

City of Winsted
City Council Meeting
Council Chambers
Tuesday, September 20, 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
Ms. Raquel Kirchoff, City Clerk-Treasurer
Mr. Justin Heldt, Winsted Police Department Chief

Also Present: Mr. Jake Saulsbury, Bolton and Menk, Incorporated
Mr. David Drown, David Drown Associates

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 Regular Meeting – August 16, 2016

Approved the minutes of the City Council Regular Meeting on August 16, 2016.

b) Minutes – City Council Regular Meeting – September 6, 2016

Approved the minutes of the City Council Regular Meeting on September 6, 2016.

c) Minutes – Planning Commission Meeting – August 8, 2016

Accepted the minutes of the Planning Commission Meeting on August 8, 2016.

d) Officer Appointment – Winsted Volunteer Fire Department - Captain Three (3)*

Appointed Mr. Ryan Chatterton as Captain Three (3) of the Winsted Volunteer Fire Department with a prorated stipend, effective September 20, 2016 to fill the vacant Captain Three (3) position and complete the remaining term, expiring December 31, 2017.

e) Ordinance O-16-05 – Zoning Ordinance Amendment

Adopted Ordinance O-16-05, amending the City Code Chapter 15, Section 2, Winsted Subdivision Ordinance, Section 1502.006, Public Land Dedication, in relation to park land dedication requirements.

f) Ordinance O-16-06 – Zoning Map Amendment

Adopted Ordinance O-16-06, amending the official zoning map of the City of Winsted, Minnesota, as referenced in Chapter 15, Section 1501.004, Letter B of the Winsted City Code, by zoning property I-1 Industrial District.

g) Winsted Municipal Airport Land Lease Agreement Termination, Hangar Number Twenty-Five (25)

Terminated the Land Lease Agreement between the City of Winsted and Michael and Sonja Schulz for hangar number twenty-five (25) at the Winsted Municipal Airport.

h) Winsted Municipal Airport Land Lease Agreement, Hangar Number Twenty-Five (25)

Authorized the Mayor to execute a Land Lease Agreement between the City of Winsted and KSH, LLC for hangar number twenty-five (25) at the Winsted Municipal Airport based upon successful submission of all required documents and fees to the City of Winsted.

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 August, 2016.

j) August, 2016 Building Permit Report

Accepted the August 2016 Building Permit Report

k) Claims

Approved the claims list for September 20, 2016.

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

3) No Public Hearings

4) No Old Business

5) New Business

a) Wastewater Treatment Facility Improvements

Mr. Tienter stated that based on discussion from City Council Work Sessions regarding Wastewater Treatment Facility (WWTF) project options, it is recommended that the City move forward with a project that is concerned first with deferred maintenance at the facility. A second phase of the project may be completed once the pending appeal is resolved.

Mr. Jake Saulsbury, Bolton & Menk, Incorporated, stated that there have been numerous discussions to decide the next steps for the WWTF. He stated that the direction from the City Council was to ensure the grant funds are in place, proceed with as much of the project as possible, and make the construction contract contingent upon a certain timeframe.

Mr. Saulsbury stated that after speaking with the contractor, Di-Mar Construction, they do not want to complete items that are currently being held up by the appeal, the tertiary treatment building, lift station and effluent forcemain, if they cannot start these items this winter. An eight (8) month timeframe puts these items to May 20, 2017, so it is hoped that the appeal process will be completed by that date.

Mr. Saulsbury stated that the other contingency was regarding the grant funds. He stated that through the Point Source Implementation Grant (PSIG), the City is eligible to receive 50% of grant dollars for all items related to phosphorus removal, which are all items of the project that are connected to the appeal. Mr. Saulsbury stated that proceeding with these project items is contingent upon the grant dollars being available. Mr. Saulsbury stated that the Public Facilities Authority (PFA) was contacted about the PSIG and they assured the City that the grant dollars are there.

Mr. Saulsbury stated that the recommendation is to proceed with the full project and authorize a construction contract with the mentioned contingencies.

Mayor Stotko asked for clarification on the how the project can be awarded and started if it is contingent on the grant funds. Mr. Saulsbury explained the grant and the options the City would have if the grant dollars were not available to the City in the future.

Mayor Stotko asked when the work would be started, once the contract is approved. Mr. Saulsbury stated that he estimated that work would begin in October or November. He continued by stating that pipe and pump replacement parts of the project can be completed during the winter.

Mr. Tienter stated that in event that the appeal would move forward and the Court of Appeals did decide to overturn the regulations that were put into place, the City would anticipate an extension from the Pollution Control Agency (PCA) on its permit because the PCA would have to re-figure standards to be included in the City's permit.

Council Member Fitzgerald motioned to authorize the City Administrator to execute a construction contract and approve a Notice of Award with Di-Mar Construction in the amount of \$6,819,606.15 (\$6,550,000 base bid plus \$229,100.90 for Alternate A plus \$70,505.25 for Alternate B and a \$30,000 deduct for selecting Instrumentation and Control as the controls supplier). Council Member Ollig seconded the motion. Motion carried 5-0.

b) Resolution R-16-43 – 2016 Wastewater Treatment Project Financing

Mr. Tienter presented the project financing information for the 2016 Wastewater Treatment Plant Project. City staff is recommending the Council authorize a resolution to initiate the sale of bonds to support the project. These would be general obligation bonds similar to the Kingsley Street project bonds. Our understanding of the project costs for the Phase I Project include the following:

Project Cost:

The total project costs have been estimated as follows:

Construction & Engineering	\$4,780,000.00
Underwriter's Discount	48,650.00
Finance & Legal	30,000.00
Bond Rating & Program Fee	9,575.00
TOTAL PROJECT COST:	\$4,868,225.00

The funding sources to be utilized to finance project costs are summarized below:

G.O. Waste Disposal Bonds - 2016B	\$4,865,000.00
Construction Fund Earnings	3,225.00
TOTAL FUNDING SOURCES:	\$4,868,225.00

Payment and Revenue Requirements:

Mr. Tienter stated that a sanitary sewer fund contribution averaging approximately \$315,000 is proposed for funding debt service (the principal source of the sewer fund are sewer connection and monthly charges). A rate increase of approximately 10% each year through 2020 will likely be required to maintain cash flow in the sanitary sewer utility. Principal payments have been reduced in the initial years so that the sewer fund will not be drawn down significantly while rates catch up with operating and debt service expenses. The City has increased rates in the past in anticipation of this project and those rate increases were anticipating future increases as well. These improvements are required for the facility and are driven by the State of Minnesota and therefore are something the City has to do to support a project that is state mandated.

Mr. Tienter added that the City considered other funding options but, due to the size and nature of the project, there were not additional funding sources available other than the Point Source Implementation Grant. The majority of it will be supported through City bonding. Key elements of this bond issue include:

- 20-year term on principal.
- A call provision of 2/1/2025
- Sale of bonds utilizing a competitive sale procedure, meaning that underwriters will be asked to bid for them on interest rates and it would be awarded to the lowest competitive bidder.
- The City will go through another Standard & Poor's rating process.
- The City will utilize a Credit Enhancement Program to realize a lower interest rating. The City will use its bank qualification, meaning that banks can purchase bonds at lower interest rates which makes them more attractive.

Mr. Tienter discussed the attachments in the City Council packet regarding the cash flow statement and debt service schedule. On average, the City's debt service payments would be about \$318,000 a year for next 20 years.

Council Member Schulenberg motioned to adopt Resolution R-16-43, providing for the issuance and sale of \$4,865,000 General Obligation (G.O.) Waste Disposal System Bonds, Series 2016B for the Wastewater Treatment Facility. Council Member Quast seconded the motion. Motion carried 5-0.

6) Organization Report

a) Winsted Holding Activities that Unite People (WHAT UP)

Ms. Amanda Zeidler presented the following information regarding WHAT UP.

- Committee members include Tyler Bruns, Jeff Campbell, Rose Heimerl, Mike Henrich, and Amanda Zeidler
- WHAT UP is always looking for more committee members. Interested high school students or members of the community should contact one of the committee members.
- The WHAT UP group was created to host more family and community events, free of charge.
- Activities and/or events offered through the year are usually held on a Friday or Saturday and advertised on Facebook, in utility bills, and signs are posted around town before the event. Activities and events are attended by individuals of all ages and the attendance depends on the event. WHAT UP has partnered with the Winsted Lions and the Winsted Arts Council for events.
- WHAT UP events include:
 - A sledding and skating event in February in Mill Reserve Park, weather permitting. Hot beverages are provided.
 - A Game Day in March with prizes awarded. Games include bowling, board games, Twister, and other games
 - A scavenger hunt in April in the downtown area and local businesses are incorporated into the scavenger hunt.
 - In the future, this event may be coupled with a movie in the summer.
 - Movie Events are held in May, June, July and August.
 - Free movies are shown at Mill Reserve Park and at the Winsted Fire Hall.
 - At times, ice cream and music are offered before the movie starts.
 - A Pass, Punt & Kick event is held in September at Weinbeck Field
 - A Halloween Bash is held in October at City Hall. This is WHAT UP's biggest event. Free pumpkins are given out to paint and decorate, there are game stations, and a hay ride with hot beverages.
- Currently WHAT UP has a budget of approximately \$1,200 which is raised through business sponsorships and a \$300 contribution from the City of Winsted.

Council Member Schulenberg asked if there is an age required to become a member of the group. Ms. Zeidler replied that WHAT UP would like to get more high school students involved because they have good ideas and can reach that age group easier.

Council Member Schulenberg asked how much it costs to show a movie. Ms. Zeidler replied that the average cost is approximately \$200. Newer movies tend to have a better turn out.

Council Member Ollig commended WHAT UP for their great work and for providing a family fun event that is free so those who cannot otherwise afford such an activity can still attend.

7) Open Forum

a) Drainage Concerns, 621 Northgate Circle

Mr. Ron Mills, 621 Northgate Circle, stated that he would like to discuss the storm water issue near his house.

Mr. Tienter stated that a report from the City Engineer was forwarded to Mr. Mills that speaks about modifications to a pipe near Mr. Mills' house. Mr. Tienter continued by stating that the City Council has not yet considered this report because there is a six (6) inch pipe that comes from the south in that area that needs to be observed before the City Engineer can make a final recommendation to the City Council.

Mr. Mills asked why the line was not televised because all pipes in the area were directed to be televised. Mr. Saulsbury stated that the line may not be able to be televised; if it is an old tile line, those oftentimes are crushed or bent.

The City Council directed the pipe to be televised and asked how long it would take to complete this. Mr. Meyer stated that it depended upon contractors schedules. Council Member Ollig stated that Mr. Mills should be updated.

Council Member Ollig asked if Mr. Saulsbury would have all the information he needed to make a recommendation, once the pipe was televised. Mr. Saulsbury stated that he should.

b) Stump Removal

Mr. Mills asked why the holes left from stump removal take a long time to fill.

Mr. Tienter stated that due to the storms that happened in August, the dirt obtained from companies to fill these holes was too wet to sell to the City. As soon as the City was able to obtain dirt, the holes were filled within a few days.

c) Curb and Fire Hydrant Painting

Mr. Mills asked if the City was still painting the curbs and fire hydrants. Mr. Tienter stated that the decision was made to no longer paint these items as a cost saving measure when Local Government Aid (LGA) was reduced. Mr. Tienter stated that the City Council could direct City staff to paint the curbs again if they chose.

d) Tree Trimming

Mr. Mills stated that the website says that a duty of the Public Works Department is tree trimming.

Council Member Ollig stated that the Public Works Department does not have the proper equipment to trim some of the larger trees, so this duty is contracted out. He continued by stating that as a result of the recent storms, the City Council has initiated a plan starting in 2017 to trim a portion of the trees, once every seven years.

8) No Announcements

9) Adjournment

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

The meeting was adjourned at 6:54 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff

Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted