

City of Winsted
City Council Meeting
Council Chambers
March 3, 2009
6:00 p.m.

Present: Mayor Steve Stotko
Council Member Bonnie Quast
Council Member Tom Ollig
Council Member Tom Wiemiller
Council Member Dave Mochinski

Staff Present: Deb Boelter, City Clerk-Treasurer
Fran Eggert, City Attorney

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 added item h) Minnesota Municipal Clerks and Finance Officers Association – Executive Board Nomination, to the Consent Agenda.

Wiemiller motioned to adopt the Consent Agenda as presented. Quast seconded. Motion carried 5-0.

a) Minutes - City Council Work Session – February 17, 2009

Accepted the minutes of the City Council Work Session of February 17, 2009.

b) Minutes – Regular City Council Meeting – February 17, 2009

Accepted the minutes of the Regular City Council Meeting of February 17, 2009.

c) Lease Agreement – Campbell Field

Authorized the execution of a three (3) year lease agreement with the Winsted Wildcats for the use of Campbell Field.

d) Flagship Bank of Winsted – Pledged Securities

Approved the Pledged Securities that Flagship Bank of Winsted has purchased for the City of Winsted for the month of March, 2009 in the amount of \$2,000,000 and the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000.

e) Holy Trinity – Winstock Country Music Festival – June 11th, 12th, and 13th, 2009

Approved the McLeod County Large Assembly Permit for Holy Trinity's Winstock Country Musical Festival for June 11th, 12th, and 13th, 2009.

Approved an application to conduct off-site gambling (pull-tabs) at Holy Trinity's Winstock Country Music Festival for June 12th and 13th, 2009.

Approved a one (1) to four (4) day temporary On-Sale Liquor License for Holy Trinity's Winstock Country Music Festival on June 11th, 12th, and 13th, 2009.

f) Holy Trinity - Higher Ground Christian Music Festival – August 14th and 15th, 2009

Approved the McLeod County Large Assembly Permit for Holy Trinity's Higher Ground Christian Music Festival for August 14th and 15th, 2009.

g) Claims

Approved the Claims List for March 3, 2009 in the amount of \$129,872.79, check numbers 726E-730E, 7768-7787, 500246E, and 15082-15155.

h) Minnesota Municipal Clerks and Finance Officers Association – Executive Board Nomination

Approved the nomination of Deb Boelter, City Clerk-Treasurer, as Vice President of Region V of the Minnesota Municipal Clerks and Finance Officers Association (MCFOA) Executive Board for a term of two years beginning in 2009.

3) No Public Hearings.

4) No Old Business.

5) New Business

a) Plans and Specification – Winsted Municipal Airport – 2009 Airport Improvement Project

Saulsbury stated that the 2009 Airport Improvement Project involves the reconstruction of three (3) taxi-ways at the Winsted Municipal Airport. In addition, the plan calls for drainage improvements to be made via a storm drain and tiling system to alleviate flooding that occurs around many of the hangars in the project area.

An alternate bid for the project has also been included in the specifications, which calls for the reconstruction of the taxi-way approach to the runway. The Council will choose to award the alternate bid for this work depending on the ability of the bids to come in within the project budget.

Mayor Stotko stated that the estimated project cost is \$300,000, of which ninety-five (95%) will be funded through grant proceeds from the Federal Aviation Administration's (FAA) General Entitlement Program. The City must provide a five percent (5%) match for the project of \$15,000. The City's local match will be funded by an "improvement fee" collected from hangar owners at the airport. In order to obtain the required match, the city will have to use improvement fees collected for 2008, 2009 and a partial payment in 2010 (\$7,400 is collected annually).

The Airport Commission recommended unanimously to approve the plans and specifications for the 2009 Airport Improvement project, and authorize the advertisement of bids.

Saulsbury presented the proposed project schedule:

- Bid Advertising Period: Weeks of March 9, March 16, and March 23, 2009.
- Open Bids: March 31, 2009
- Present Bid Results and Award Recommendation to the City Council at their April 7, 2009 Regular City Council meeting.

Saulsbury also stated that the other component to the 2009 Airport Improvement project is the removal of obstructions. These obstructions have been identified as trees on or near airport property. The critical obstructions are all located on airport property. To avoid the cost of following the federal process and completing the necessary environmental work, it is recommended to remove the obstructions with City forces.

Mochinski motioned to approve the plans and specifications for the 2009 Airport Improvement Project and authorize the advertisement of bids. Ollig seconded. Motion carried 5-0.

b) Federal Economic Stimulus

Saulsbury stated that earlier this month the American Recovery and Reinvestment Act was passed into law. The total bill contains \$787 billion dollars of spending and tax cuts and/or incentives. Of this amount, approximately \$9.1 billion is estimated to come to Minnesota. Based on discussions with lawmakers and review of the details that are known, the City's best chance to obtain a portion of this funding is for a sewer or water project through the Public Facilities Authority (PFA). The PFA is an agency that typically administers low interest loans to fund projects. With the new funding expected to pass through them, there is now a potential for grant dollars as well.

The cost to apply for a sewer project through PFA typically exceeds \$10,000 because a Facility Plan is required by the Minnesota Pollution Control Agency (MPCA). It is also recommended that the City not pursue any sewer projects until they are notified as to what the phosphorus removal limits will be and what the anticipated cost will be to meet those limits. The cost to apply for a water project is significantly lower, approximately \$300 to \$500.

Saulsbury stated that the City of Winsted's water system has been evaluated for current deficiencies, and costs have been estimated to correct those deficiencies. Saulsbury presented a table showing these deficiencies and their corrective costs, along with an approximate priority of projects. He also presented a map showing the areas of undersized water mains and potential looping routes.

Saulsbury recommended that the City of Winsted submit one (1) or two (2) water projects to be placed on the PFA's Public Priority List of projects. The cost to apply is minimal and it may result in federal economic stimulus funds for the City. If no funds are available, projects remain on the list for five (5) years and the City is not committed to proceed with the project. You can pursue the project again at a later date or remove the project from the funding list.

Saulsbury stated that another source that will be distributing federal economic stimulus money is the United States Department of Agriculture – Rural Development. This program would cost more to apply, approximately \$5,000 - \$10,000, and the City would have to decide whether or not to proceed with the project this year. Saulsbury recommended that the City revisit this option after a project is ranked through the PFA process and more details are known as to how funds will be distributed.

Wiemiller asked if the City of Winsted is restricted to the number of projects they can submit. Saulsbury recommended that the City submit a minimal amount of projects and submit projects that are going to receive more points for potential funding.

Ollig asked Saulsbury who makes the decision on whether a project is approved or not. Saulsbury stated that the PFA, the Minnesota Department of Health, and/or the MPCA would determine if the project should be approved.

Quast motioned to authorize Bolton and Menk, Incorporated to proceed with the process to prepare an application for submission to the Public Facilities Authority. Wiemiller seconded. Motion carried 5-0.

c) Developer's Agreement Amendment – Grass Lake Farms (Flagship Bank of Winsted)

Mayor Stotko stated that the City Council recently directed the City Engineer to prepare plans and specifications for a water main connection project in Grass Lake Farms. This water main connection was specified in the construction plans for the Second (2nd) Addition of the development; however, this phase of the project has not been constructed and the property has now been turned over to Flagship Bank of Winsted. The City attempted to negotiate an agreement with the bank that would allow the water main project to be completed, but would also be sensitive to the manner in which the property was acquired by the bank.

The proposed agreement calls for the City to pay for all project related costs for the water main connection project. In exchange, the City would receive a release from a provision in the original Developer's Agreement for the development that waived water and sewer connection fees for the first two phases of Grass Lake Farms. Specifically, since nearly all of the First (1st) Addition lots have been filled, the remaining thirty-seven (37) lots in the Second (2nd) Addition would have to pay water and sewer connection fees.

Mayor Stotko stated that the estimated cost for the Water Main Project is \$45,000. The 2002 value of the connection fee provision was \$96,200, which is approximately \$1,300 per unit, with the Second (2nd) Addition having a cash value of \$48,100, which is approximately thirty-seven (37) homes. With the 2nd Addition of the development yet to be constructed, the current cash value of this provision is now \$203,500, which is approximately \$5,500 per unit, and \$155,400 over the original value of the agreement for the Second (2nd) Addition.

Although the City will have an initial investment of approximately \$45,000 for the water main connection, the reinstatement of connection fees for the Second (2nd) Addition of Grass Lake Farms will net the City a minimum of \$155,450. These connection fees would be paid at the time of an application for a building permit.

With the current condition of the housing market, it is in the best interest of the City to make the investment to connect the water main using our existing funds in order to remove the long term financial obligation of the connection fee provision within the original Developer's Agreement. As time goes by, the City's connection fees will continue to increase, which by default will raise the value of the provision well beyond the 2002 value of the agreement.

Wiemiller motioned to authorize the Mayor and Clerk to execute an amendment to the Grass Lake Farm's Developer's Agreement with Flagship Bank of Winsted. Quast seconded. Motion carried 4-1. Ollig abstained.

d) Citizen Input on Local Government Aid Cuts

Mayor Stotko presented the *Citizen Input on Budget Cuts* form that will be made available to the residents of Winsted. The form will give residents the opportunity to make suggestions on how the City can reduce its budget and/or create sources for more revenue.

Mayor Stotko stated that the form will be made available at City Hall, on the City's website, in the Herald Journal newspaper, and in the City's utility bills.

e) Winstock Country Music Festival – Winsted Municipal Airport

Ollig addressed the Mayor and City Council regarding a proposal from the Winsted Municipal Airport Commission, and some of the Hangar Owners, to have parking and pancake breakfast fundraisers during Winstock, 2009 to raise money for the Airport.

Ollig motioned to allow Winstock Country Music Festival to lease the Winsted Municipal Airport property south of the hangars for \$1,000 for Winstock, 2009. Quast seconded. Motion carried 4-1. Mochinski opposed.

6) Department Report

a) City Clerk-Treasurer

Deb Boelter, City Clerk-Treasurer, reported on the following:

- Utility Billing and Payroll Clerk, Amanda Zeidler, has been a great addition to the City of Winsted. She has had no problems learning the Utility Billing and Payroll software programs. She has made great improvements and revisions in the operation of utility billing and payroll.

- Administrative Assistant, Raquel Kirchoff, and Utility Billing and Payroll Clerk, Amanda Zeidler, continue to evaluate purchases and identify ways that the City can save money.
- Kirchoff and Boelter sponsored a Minnesota Municipal Clerks and Finance Officers Association (MCFOA), Region V, Regional meeting in the Community Room at City Hall on Wednesday, February 25, 2009.
 1. Offered a morning training session on Minute Taking and an afternoon session on Regional Safety Committees.
 2. Thirty-Three (33) people participated representing twenty-six (26) different cities located throughout Minnesota.
- Boelter and Kirchoff will be attending the MCFOA Annual Conference in St. Cloud, Minnesota from Wednesday, March 18th, 2009 through Friday, March 20th, 2009.
- Kirchoff has applied for two (2) scholarships to attend the first (1st) year of the Minnesota Certified Municipal Clerk's (MCMC) Institute the second week in July, 2009. One scholarship is from the MCFOA and the other is from the International Institute of Municipal Clerks (IIMC).
- Boelter and Zeidler met with one of the city's auditors, Christina Wordes, Conway, Deuth & Schmiesing, Professional Limited Liability Partnership (PLLP) on Friday, January 23, 2009, to prepare for the 2008 Audit. The audit will begin on Monday, April 6, 2009.
- Boelter, Kirchoff and Zeidler are registered to attend the annual training on May 15, 2009, provided by Banyon Data Systems, on the City's utility billing, fund accounting and payroll computer software.

7) No Open Forum.

8) Announcements

a) 470 – 5th Street North – Drainage Issue

Mayor Stotko presented information regarding Mary Pawelk's, 470 – 5th Street North, concerns regarding the standing water located in her back yard. Mayor Stotko stated that Lenny Junczewski came to see City Administrator, Brent Mareck, after the February 17, 2009 Regular City Council meeting. Junczewski explained to Mareck that he installed a drain tile, at his own expense, in the area behind Pawelk's home. Even though he no longer owns the property, he informed Mareck that he has contacted the Pawelks to discuss the issue.

b) Town Hall Meeting – Representative Ron Shimanski and Senator Steve Dille

Mayor Stotko invited the public to attend a Town Hall meeting sponsored by Representative Ron Shimanski and Senator Steve Dille in the Council Chambers at Winsted City Hall, 201 – 1st Street North, on Friday, March 6, 2009 at 1:00 p.m. to take citizen input.

9) Adjournment

Quast motioned to adjourn. Ollig seconded. Motion carried 5-0.

Respectfully submitted,

Deborah R. Boelter
City Clerk-Treasurer