

City of Winsted
City Council Meeting
Council Chambers
Tuesday, December 20, 2022
6:00 p.m.

Present: Mayor George Schulenberg
Council Member Tom Ollig
Council Member Bonnie Quast
Council Member Mike Henrich
Council Member Steve Stotko

Staff Present: Mr. Adam Birkholz, City Administrator
Ms. Raquel Kirchoff, City Clerk-Treasurer
Mr. Justin Heldt, Police Chief

1) Mayor Schulenberg called the meeting to order at 6:00 p.m.

a) The Pledge of Allegiance was recited.

Council Members Stotko and Ollig thanked outgoing Mayor Schulenberg, Council Member Quast, and Council Member Henrich for their community service as Council Members.

2) Consent Agenda

a) Approval of Minutes

Approved the minutes of the following:

- City Council Work Session – November 1, 2022
- City Council Regular Meeting – November 1, 2022
- Canvassing Board Meeting – November 15, 2022
- City Council Special Closed Meeting – November 15, 2022
- City Council Work Session – November 15, 2022
- City Council Regular Meeting – November 15, 2022
- Planning Commission Meeting – October 10, 2022

b) 2023 Assessment Agreement – McLeod County Assessor

Authorized the Mayor to execute a City Assessment Agreement between the City of Winsted and the McLeod County Assessor for 2023, for a total amount not to exceed \$12,169.50.

c) Agreement for Consulting Planner Services – Municipal Development Group LLC

Authorized the Mayor to execute an agreement for consulting planner services for the Year 2023 with Municipal Development Group LLC.

d) Winsted Municipal Airport – State Grant Agreement Amendment for Relocation of a Natural Gas Pipeline

Authorized the Mayor and City Administrator to execute Amendment No. A-1 to Minnesota Department of Transportation (MnDOT) Office of Aeronautics Grant Agreement No. 1032172 to add additional funding and extend contract time for the relocation of a natural gas pipeline at the Winsted Municipal Airport.

e) Employment Agreement – Temporary Acting City Administrator

Authorized the Mayor and City Clerk-Treasurer to execute an Employment Agreement with Mr. Adam Birkholz for the position of Temporary Acting City Administrator in the City of Winsted.

f) Annual Review – Section 1501.053 – Rural Service Tax District

Affirmed that the properties with Property Identification Description (PID) 21.014.0300 and 21.023.0100 continue to qualify for inclusion in the Rural Service District at the same tax ratio as stated in Ordinance O-21-04, Section 1501.052.

g) Resolution R-22-40 – Reestablishing Unchanged Precinct and Polling Places

Adopted Resolution R-22-40, a resolution for reestablishing unchanged precinct and polling places.

h) Resolution R-22-41 – Winsted Volunteer Fire Department Relief Association – Donation

Adopted Resolution R-22-41 to accept a donation for the Winsted Volunteer Fire Department, in the amount of \$8,421.91, to be dedicated toward the Winsted Volunteer Fire Department Capital Equipment Fund.

i) Resolution R-22-42 – Winsted Holding Activities That Unite People (WHAT UP) Donation

Adopted Resolution R-22-42 accepting a donation from the Winsted Area Chamber of Commerce in the amount of \$300.00 to be dedicated toward the Winsted Holding Activities that Unite People (WHAT UP) organization.

j) Resolution R-22-43 – Winsted Holding Activities That Unite People (WHAT UP) Donation

Adopted Resolution R-22-43 accepting a donation from the Winsted Volunteer Fire Department Relief Association in the amount of \$600.00 to be dedicated toward the Winsted Holding Activities that Unite People (WHAT UP) organization.

k) Application to Conduct Excluded Bingo – Howard Lake Watershed Alliance

Approved an Application to Conduct Excluded Bingo submitted by the Howard Lake Watershed Alliance on March 26, 2023 at the Blue Note Ballroom, 320-3rd Street South, Winsted, Minnesota, contingent upon the Howard Lake Watershed Alliance providing all necessary documentation to the State of Minnesota Gambling Control Board.

l) 4M Funds – Notification to Broker and Certification by Broker

Authorized PMA Financial/Securities and 4M Fund to invest the City of Winsted's 4M Fund in those investments pursuant to Minnesota State Statutes for the year 2023.

m) 4M Funds – Notification to Broker and Certification by Broker

Authorized RBC Wealth Management to invest the City of Winsted's 4M Fund in those investments pursuant to Minnesota State Statutes for the year 2023.

n) Northland Securities, Incorporated – Notification to Broker and Certification by Broker

Authorized Northland Securities, Incorporated to invest the City of Winsted's funds in those investments pursuant to Minnesota State Statutes for the year 2023.

o) Solid Waste Hauler License Application – Mumford Sanitation

Approved a Solid Waste Hauler License for Mumford Sanitation expiring December 31, 2023.

p) Solid Waste Hauler License Application – Republic Services

Approved a Solid Waste Hauler License for Republic Services, expiring December 31, 2023.

q) Solid Waste Hauler License Application – Waste Management

Approved a Solid Waste Hauler License for Waste Management expiring December 31, 2023.

r) Schedule a City Council Goal Setting Session – January 11, 2023

Scheduled a City Council Goal Setting Session for Wednesday, January 11, 2023 at 9:00 a.m. in the Vollmer Room at Winsted City Hall.

s) 2023 Compensation Plan

Adopted the Recommended 2023 Compensation Plan.

t) Appointment – Economic Development Authority (EDA)

Appointed Mr. John Stifter to the City of Winsted Economic Development Authority (EDA) with a six (6) year term, expiring December 31, 2028.

u) Resignation – Winsted Park Commission

Accepted the voluntary resignation of Mr. Steve Ebert as a member of the Winsted Park Commission, effective December 31, 2022.

v) Resignation – Winsted Planning Commission

Accepted the voluntary resignation of Mr. Steve Ebert as a member of the Winsted Planning Commission, effective December 31, 2022.

w) 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 November, 2022.

x) Building Permit Report – November, 2022

Approved the Building Permit Report for the month of November, 2022.

y) Financial Report – October, 2022

Approved the financial report for the month of October, 2022.

z) Claims

Approved the claims list for December 20, 2022.

Council Member Ollig motioned to adopt the Consent Agenda. Council Member Stotko seconded the motion. Council Member Ollig abstained from voting on item “w) Security Bank & Trust Company – Pledged Securities”. Council Member Henrich abstained from voting on items “i) Resolution R-22-42 – Winsted Holding Activities That Unite People (WHAT UP) Donation” and “j) Resolution R-22-43 – Winsted Holding Activities That Unite People (WHAT UP) Donation.” Motion carried 5-0.

3) No Public Hearings

4) No Old Business

5) New Business

a) Perpetual Conservation Easement for Drainage Management and Flowage – McLeod County

Mr. Adam Birkholz, City Administrator, stated that On October 18, 2022, the City Council authorized a Memorandum of Understanding (MOU) between the City of Winsted and McLeod County Soil and Water Conservation District (SWCD) to construct a wetland in the year 2023 on City-owned property with PID 21.096.0230.

As an additional component of the project and Clean Water Fund funding, the Board of Water and Soil Resources (BWSR) policy requires an easement agreement, and the BWSR, as well as the Drainage Authority, will have to agree to the terms within the easement agreement. McLeod County will act as the Drainage Authority.

As the Drainage Authority, McLeod County is authorized by Minn. Statute, Ch. 103E to undertake multipurpose drainage management practices to reduce erosion and sedimentation, reduce peak flows and flooding, and improve water quality while protecting drainage system efficiency and reducing drainage system maintenance. In order to establish, construct and maintain multipurpose drainage management practices, McLeod County must hold necessary property interests, including the rights to enter, occupy and flow water over affected real property.

The McLeod County Attorney as well as the State of Minnesota have reviewed the proposed Perpetual Conservation Easement for Drainage Management and Flowage and deemed it adequate as long as the City of Winsted agrees to the terms as well.

Council Member Quast motioned to authorize the Mayor and City Administrator to execute a Perpetual Conservation Easement for Drainage Management and Flowage with McLeod County for the establishment, construction and maintenance of multipurpose drainage management practices related to a Constructed Wetland near County Ditch 11 in the City of Winsted. Council Member Henrich seconded the motion. Motion carried 5-0.

b) Recommended 2023 Final Property Tax Levy – Resolution R-22-44

Mr. Birkholz stated that on September 20, 2022, City staff recommended a Preliminary 2023 Property Tax Levy of \$1,768,050.00, an increase of 10.99% compared to the Final 2022 Property Tax Levy. The Council opted to certify the recommended levy change and to continue discussion regarding the Operating Budget and Capital Improvement Plan financing strategy, while allowing staff to further review the budget.

During a Special City Council Work Session on November 2, 2022, the Council reviewed the Recommended 2023 Budget and corresponding Levy. City staff presented a Recommended 2023 Budget with a detailed review of revenues and expenditures. As a result of the Council review, City staff recommends a Final 2023 Levy of \$1,750,050.00, an increase of \$157,002.00 compared to the Adopted 2022 Levy.

The Recommended 2023 Budget proposes to increase the Debt Service Levy by 25.48% while increasing the General Levy by 5.22%, for a total increase of 9.86% from the 2022 Property Tax Levy. The Debt Service Levy may only be used to fund the long-term debt of the City.

According to the McLeod County Assessor, the estimated Net Tax Capacity (NTC) for the City increased from \$2,089,908.00 in 2022 to \$2,673,173.00 in 2023, or approximately 27.91%. The change in the Levy, coupled with the increase in NTC, results in an estimated increase in property taxes payable in 2023 for a Median Valued Home of approximately \$199 annually or about \$16.59 per month.

Mr. Birkholz noted that the City's Operating Levy increased by \$64,000.00; and of that \$64,000.00, \$55,000.00 of the increase is linked directly to inflation increases.

Council Member Henrich motioned to adopt Resolution No. R-22-44 certifying the Final 2023 General Property Tax Levy of \$1,292,750.00 and a Final 2023 Debt Service Levy of \$457,300.00 for a total Final Property Tax Levy of \$1,750,050.00. Council Member Quast seconded the motion. Motion carried 5-0.

c) Recommended 2023 Budget Adoption – Resolution R-22-45

Mr. Birkholz stated that annually, the City Council must approve a budget (Minnesota Statue Section 412) for the City of Winsted. The annual, adopted budget provides the City with the funds necessary to provide for City services and accomplish the vision and goals as established by the Council. Cities must submit budget resolutions and property tax levy certifications on or before December 30th of each year.

Between various Work Sessions and the December 6, 2022 Regular Meeting, the Council reviewed and provided guidance for the budgets of the various funds managed by the City, including but not limited to the: Airport Fund, Airport Improvement Fund, Capital Improvement Fund, Debt Service Funds, Fire Department Operations Fund, General Fund, Sewer Fund and Water Fund.

The Recommended 2023 Budget reflects additional cost pressures in street maintenance and utility infrastructure as well as a planned street maintenance project. In addition, the proposed budget reduces the previous Capital Improvement Plan strategies. Lastly, City staff recommended several modifications to the operating budgets to reflect actual costs.

The Recommended 2023 Budget authorizes revenues and expenditures totaling \$5,265,591.00 and \$5,399,570.00. The variance in expenditures over revenues is directly attributable to the planned street storm sewer and street lighting improvement projects scheduled in 2023 that will be expensed to Streets Capital Improvement Fund Balance.

Council Member Ollig motioned to adopt Resolution No. R-22-45 adopting the Recommended 2023 Budget for the City of Winsted, Minnesota. Council Member Stotko seconded the motion. Motion carried 5-0.

d) Work Order No. Eleven (11) – Professional Services Contract – Bolton and Menk, Incorporated

Mr. Birkholz stated that authorization of a work order to provide engineering services for the purchase of snow removal equipment to be used at the Winsted Municipal Airport is sought. He continued by providing information regarding the equipment, the purchase of the equipment, and how the grant process would work for the equipment.

Council Member Stotko motioned to authorize the City Administrator to execute Work Order No. Eleven (11), to the Professional Services Contract between the City of Winsted and Bolton and Menk, Incorporated, to provide assistance for the federal Snow Removal Equipment (SRE) purchase for the Winsted Municipal Airport. Council Member Quast seconded the motion. Motion carried 5-0.

6) Organization Report

a) The Gardens at Winsted

Mr. Chris Turner, Monarch Healthcare Management Regional Director of Business Development, provided a report to the City Council regarding the Gardens at Winsted.

The City Council Members thanked Mr. Turner for the information.

7) Open Forum

Mr. Justin Heldt, Police Chief, reminded residents that winter parking regulations are in effect, with no parking on city streets from 2:00 a.m. to 6:00 a.m. without permission from speaking with a Police Officer.

Mr. Heldt thanked outgoing Mayor Schulenberg, Council Member Quast and Council Member Henrich for their service to the City of Winsted and for the support they provided for the Winsted Police Department.

Mayor Schulenberg thanked the citizens of Winsted for allowing him to be the Mayor and thanked City Council Members and staff for their support.

8) City Administrator and Announcements

Mr. Birkholz made the following announcements.

- City Offices are closed December 23rd and 26th, 2022 and January 2nd, 2023.
- Special Recognition of Mayor Schulenberg and City Council Members Quast and Henrich will be conducted at the January 3, 2022 City Council Meeting, with a reception following the meeting in the Vollmer Room. Winsted residents are invited to attend.

9) Adjourn

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

The meeting adjourned at 6:40 p.m.



George Schulenberg
Mayor

City of Winsted

ATTEST:



Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted