

City of Winsted
City Council Work Session
Vollmer Room
Tuesday, February 2, 2021
5:00 p.m.

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

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

I. Mayor Schulenberg called the Work Session to order at 5:00 p.m.

II. Short-Term Rental Moratorium

Mr. Adam Birkholz, City Administrator, stated that since May, 2020, the City has discussed and reviewed issues surrounding commercial short-term rental activities within the City of Winsted. The City Code currently states:

Boarding or renting of rooms within an owner-occupied dwelling unit to not more than two (2) persons who are each unrelated to the principal family as an accessory use provided that:

- a. *The property owner shall not enter into a rental agreement with more than two (2) individuals within a thirty 30-day period; and*
- b. *There shall be one (1) off-street parking stall provided for each rental occupant on the property in addition to the off-street parking stalls required under Section 1501.023.F.*

On January 5, 2021 a Public Hearing was held in regards to a proposed ordinance text amendment adding language related to short-term rentals in Chapter 14: Buildings and Structure, Section 1404.000 Rental Dwelling Units. Based on feedback from Winsted residents, it was decided to table the proposed ordinance for further Council discussion.

At the January 19, 2021 City Council Work Session, City staff was directed to research the option of placing a moratorium on short-term rental activities within the City of Winsted. Based on research completed from the League of Minnesota Cities, a moratorium (properly termed an interim ordinance) may be used by cities to protect the planning process. Cities must follow the procedures established in State Statute to initiate a moratorium. First, cities adopt an ordinance (interim ordinance) to regulate, restrict, or prohibit any use, development or subdivision within the city or portion of the city for a period not to exceed one (1) year from the effective date of the ordinance. An interim ordinance may only be adopted where the City:

- Is conducting studies on the issue.
- Has authorized a study to be conducted.
- Wants to regulate, restrict or prohibit a housing proposal and the ordinance has been approved by a majority vote of all members of the city council.
- Has held or scheduled a hearing for the purpose of considering adoption or amendment of a comprehensive plan or other official controls, including the zoning code, subdivision controls, site plan regulations, sanitary codes, building codes, and official map.
- Has annexed new territory into the city for which plans or controls have not been adopted.

Mr. Birkholz stated that if the City Council would like to proceed with the interim ordinance or moratorium, City staff would include it for consideration on the next City Council Meeting agenda. He continued by stating that no new short-term rental activity could occur; and that any activity that is currently occurring could continue, but only if it meets current ordinance requirements.

The City Council Members stated that they were in favor of a one (1) year moratorium to properly study and obtain input regarding the subject.

Ms. Sue Wagener, 628 Pheasant Run, current short-term rental operator, asked if her current operation could operate as a pilot according to the proposed ordinance recommended by the Planning Commission that was reviewed at the January 5, 2021 Public Hearing. Ms. Wagener stated that she would report to the City monthly on operations, so that when the City Council researches the subject, it applies to operations in Winsted.

Mr. Birkholz stated that he did not think that State Statute would allow that; the City cannot allow for the Wagener's to operate by the proposed ordinance and not the rest of the community. The short-term rental at 628 Pheasant Run needs to operate how the City of Winsted's current ordinance states or follow the interim ordinance. The reason the Wagener's are allowed to continue with their current activity is because they are legally non-conforming. That current activity must be in compliance with the City of Winsted's current ordinance which has two (2) people within a 30-day period. This would produce an effective result for a pilot study as the Wagener's continue a short-term rental at 628 Pheasant Run following the current code.

III. City Council Salaries – Per Diem Review

Ms. Raquel Kirchoff, City Clerk-Treasurer, stated that at the last City Council Work Session, the City Council reviewed the current salaries of the City Council, and that they cannot increase until the next regular municipal election, which is the first Tuesday of November, 2022. At that time, the Council requested to review prior surveys that City staff completed regarding the subject. A survey was completed in quarter one (1) of 2018; the results of that survey were included in the City Council meeting packet. At that time, Winsted City Council salaries placed at the midpoint of salaries compared from 12 other cities.

The City Council Members stated that the reason for salary discussion is to determine if it is an incentive to attract Commission Members or residents to serve as City Council Members. The City Council Members reviewed that during the 2021 City Council Goal Setting Session, it was discussed that two (2) sub-committees would be formed; one (1) to meet with area fire departments to talk about recruitment, the other to encourage interest in running for City Council. Council Members Ollig and Quast volunteered to meet with the different City Commissions to try to foster interest in running for City Council. Mayor Schulenberg and Council Member Stotko volunteered to meet with the Winsted Volunteer Fire Department (WVFD) to help communicate with other fire departments about recruitment.

Mr. Birkholz stated that the WVFD has been working on surveying its members for recruitment ideas. That data will be reviewed at a City Council Work Session. After that, the sub-committee of Mayor Schulenberg, Council Member Stotko and several WVFD members may be formed to meet with other fire departments to brainstorm ideas to attract and retain volunteers.

The City Council Members discussed waiting to find if pay is an incentive for commissions and fire department member recruitment, and to revisit if a current survey of city council salaries is needed, after this is known.

IV. Winsted Municipal Airport – Runway Improvement Fee

Mr. Birkholz stated that the City of Winsted recently completed multiple capital improvement projects at the Winsted Municipal Airport including, Northern Natural Gas Pipeline Relocation, Runway 9/27 Reconstruction, Turf Taxiway Construction with Entrance Road & Parking Lot Rehabilitation, and Fuel Tank Relocation. The projects were funded with the following breakdown:

<i>FAA</i>	<i>\$4,038,033.09</i>
<i>MnDOT</i>	<i>\$ 319,424.00</i>
<i>Local Share</i>	<i>\$ 260,233.44</i>

As part of the project planning process, the Winsted Airport Commission recommended applying a one-time Airport Runway Improvement Fee to the Airport hangar owners to offset the 5% local match. The recommendation included the local project share being split among 56 total hangars with the current hangar owners being charged a one-time fee and the City of Winsted covering the cost of the 20 remaining, future hangars.

City staff consulted with the City Attorney and it was determined that the Hangar Lease Agreements provide that a tenant shall pay all taxes, license fees or other charges that may be levied or assessed during the term of the tenant's lease. The leases also provide that the City may amend the leases for these types of fees. The City Attorney recommended that the amount be classified as a 2021 Airport Runway Improvement Fee and enacted by resolution. Furthermore, the City Attorney believes that failure to pay the fee, will result in a default under the lease agreements.

The cost of the proposed one-time Airport Runway Improvement Fee would be \$3,400.00. Additionally, City Staff proposes that a deadline for payment be set for October 1, 2021.

The local project cost will be shared as follows:

<i>City of Winsted</i>	<i>\$ 138,085.44</i>
<i>Winsted Municipal Airport Hangar Owners</i>	<i>\$ 122,144.00</i>

The next step in the process is to approve the resolution provided in the City Council packet at the next City Council Meeting. Mr. Ron Roetzel, Bolton and Menk, Incorporated, will be in attendance to provide an overview of the project and fee.

V. Other

a) Blighted conditions at 311 McLeod Avenue West

Mr. Birkholz stated that at the last City Council Work Session, there were questions regarding the blight conditions at 311 McLeod Avenue West, better known as the old Edco building. There is a propane tank located south of the building that violates city code. After speaking to the property owner, the building needed a temporary propane tank because when connection to natural gas for winter heat was ordered, it was too late in the year for CenterPoint Energy to install the gas lines. Permanent gas lines will be installed underground in the spring.

Mr. Birkholz stated that he also spoke with the property owner regarding the tarp on the roof and the failing roof. Again, the reason the property owner states that the roof is in disrepair was because of the season and the inability to repair the roof. The property owner was told that he had until spring to obtain building permits to remove the tarp and repair the roof.

Regarding the cars, storage, and other issues, the property owner has talked with the tenants renting the south half of the building, and they are scheduled to remove the items and come into compliance within the next few weeks.

Mr. Birkholz stated that the property owner must also work to come into compliance from a Planning and Zoning perspective regarding the use of the south side of the building, to include screening and off street parking required for the small manufacturing tenant in this portion of the building.

b) Photography-Aerial Imaging – Consent Agenda

Mr. Birkholz stated that the Consent Agenda includes an item for the approval of an agreement with McLeod County to do the aerial imaging as part of our Geographic Information System (GIS) program. McLeod County will absorb 50% of that cost and every city in the county splits the other 50%.

c) Draft purchase agreement – 121 Baker Avenue East

Mr. Birkholz stated that the City Attorney is drafting a purchase agreement for the Economic Development Authority (EDA) to review in regards to a proposal for development of the property at

121 Baker Avenue East. Mr. Birkholz reviewed the terms that discussed and reviewed with the Economic Development Authority (EDA) so far.

d) County State Aid Highway 5 (CSAH 5)

Mr. Birkholz stated that negotiations regarding the right-of-way acquisition for CSAH 5 have started with a meeting with the property owners, who will take time to review the City's proposal. The property owners will reach out to City staff in the future.

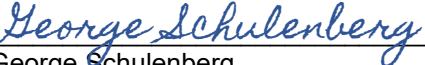
e) Utility Bill Postings

The City Council Members discussed the process for non-payment of utility bills and for circumstances for properties where the occupant has expired.

VI. Adjourn

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

The Work Session adjourned at 5:53 p.m.



George Schulenberg
Mayor
City of Winsted

ATTEST:



Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted