

City of Winsted
City Council Work Session
Lewis Room
Tuesday, February 21, 2017
4:30 p.m.

Present: Mayor Steve Stotko
Council Member Mike Henrich
Council Member Tom Ollig
Council Member Patty Fitzgerald

Absent: Council Member George Schulenberg

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

Also Present: Mr. Joshua Eckstein, Bolton and Menk, Incorporated

I. Call to Order

Mayor Stotko called the meeting to order at 4:30 p.m.

II. Community Solar Garden Subscription

Mr. Dan Tienter, City Administrator, stated that in 2013, the State of Minnesota developed statutory regulations and programs designed to promote the growth of solar energy solutions, including, but not limited to, the Community Solar Garden Program offered in partnership with Xcel Energy. Mr. Tienter stated that Minnesota State Statute 216B.1641 states, "a Community Solar Garden generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription."

Mr. Tienter stated that generally, third-party developers design and construct community solar gardens. Thereafter, they market and sell subscriptions to their facilities, which allows the subscribers to access production credits, thereby reducing the cost of electricity for the subscriber. In turn, the subscriber remits a portion of the electricity cost savings to the developer. Typically, the developer agrees to charge the subscriber \$0.01 per kilowatt hour (kWh) less than the production credit provided by Xcel Energy for a period of 25 years.

Mr. Tienter stated that on July 18, 2016, City staff met with a representative from Geronimo Energy (Geronimo) to discuss a possible Community Solar Garden subscription for the City of Winsted (City). Given the potential electricity cost savings and no upfront cost for the City, City staff released energy usage data to Geronimo to conduct a cost savings analysis for all City facilities to include buildings, lift stations, and street lights.

Mr. Tienter stated that according to the cost savings analysis, Geronimo estimates first year cost savings for the City at \$5,037, or about 4.13% of electrical costs based on the Adopted 2017 Budget, assuming a subscription that offsets about 99% of the City's electrical consumption over the most recent two years. Over the life of the 25-year subscription, Geronimo estimates a total cost savings of approximately \$118,651.

Council Member Ollig asked why the City would not consider subscribing with Minnesota Solar, LLC; the company that is installing a solar garden at 23121 Babcock Avenue, Winsted, Minnesota. Mr. Tienter stated that the City is able to subscribe to multiple solar gardens up to 120% of its capacity and the City may discuss a subscription with Minnesota Solar, LLC also.

Mr. Lee Bjerk, Geronimo Energy, explained how the community solar garden programs work.

Mr. Tienter stated that if the City Council is comfortable with the subscription, he would send a letter of intent to subscribe with Geronimo. He continued by stating that the subscription approval would be placed on the Consent Agenda for approval at the March 7, 2017 Regular City Council meeting. The City Council Members were in favor of moving forward with the subscription.

III. Denis M. Campbell Field Lease Agreement

Mr. Tienter stated that on March 18, 2008, the City Council approved a Lease Agreement (Agreement) between the City and the Winsted Baseball Association (Association), allowing the Association to control and maintain Denis M. Campbell Field (Campbell Field). In exchange for these services, the City provided the Association with \$1,000 for general maintenance and grounds keeping. Additionally, the City provided up to \$5,000 for capital improvements under approval from the City Administrator. Lastly, due to the high amount of use, the City agreed to lease Campbell Field specifically to the Association with the expectation of continued use by other amateur baseball team (e.g., Holy Trinity, and Howard Lake-Waverly-Winsted schools) for one dollar (\$1).

Mr. Tienter stated that on March 17, 2009, the Agreement expired. Since that expiration, baseball operations and responsibilities, including the \$1,000 payment and other terms within the lease continued without any formal reauthorization. During the Campbell Field Improvement Project (Project) development process, City staff began discussions with the Association to reauthorize the Agreement.

Mr. Tienter stated that the recommended Agreement maintains the terms from 2008 with two exceptions:

1. It reduces the Capital Improvement reimbursement from \$5,000 to \$500 to reflect the significant investment the City is proposing to make to the Campbell Field Improvement Project; and
2. It revises the term of the agreement to include an initial three-year period, followed by an automatic annual renewal thereafter.

Mr. Tienter stated that the Association agrees with the recommended Lease Agreement in principle.

IV. Denis M. Campbell Field Improvement Project and Agreement

Mr. Tienter stated that on April 21, 2015, the City Council approved an Improvement Agreement between the City and the Association to make a series of improvements to Campbell Field including, but not limited to: additional bleachers and shading; a bull pen; retaining walls; and a new third base dugout. In total, the Improvement Agreement authorized up to \$136,500 of improvements, supported by \$42,000 and \$94,500 of Association and City funds, respectively.

Mr. Tienter stated that following nearly two years of architectural design review, several iterations of the proposed Project, and additional financial analysis, the City Council authorized the City Administrator to amend the Improvement Agreement authorizing a Project not to exceed \$102,000 and release quotes for the same on September 6, 2016. The City received four quotes for the Project, which were opened on February 9, 2017 and Figure No. 1 outlines the bids.

General Contractor	Quotes	Quote Alternate No. 1	Total Quote with Alternate
Ram General Contracting	\$ 108,480	\$ 36,000	\$ 144,480
Sunram Construction	\$ 245,650	\$ (45,000)	\$ 200,650
Peterson Companies	\$ 248,250	\$ (15,700)	\$ 232,550
Urban Companies	\$ 307,000	\$ (38,000)	\$ 269,000

Mr. Tienter stated that Ram General Contracting submitted the qualified, low bid of \$108,480, which was approximately 34% above the engineer's estimate for the project. Including contingency and project management costs, City staff estimate the total cost of the Project at \$135,600, or \$34,350 above the September 6, 2016 authorization, but \$900 below the April 21, 2015 authorization. Figure No. 2 outlines the quoted costs versus the final engineer's estimate.

Cost Category	Apparent Low Quote	Engineer's Estimate	Change (\$)
Construction Cost	\$ 108,480.00	\$ 81,000.00	\$ 27,480.00
Contingency (10%)	\$ 10,848.00	\$ 8,100.00	\$ 2,748.00
Project Management and Oversight (15%)	\$ 16,272.00	\$ 12,150.00	\$ 4,122.00
Total	\$ 135,600.00	\$ 101,250.00	\$ 34,350.00

Mr. Tienter stated that insufficient Park Fund Balance exists to support this project. He continued by stating that the Adopted 2017 – 2021 Park Capital Improvement Plan anticipates an inter-fund transfer from the General Fund of \$102,000 to support Project activities with an additional \$34,350

that must also be transferred to support the Project. Mr. Tienter stated that according to the recommended cost sharing arrangement and Improvement Agreement, this inter-fund "loan" along with the cost contribution from the Association would be repaid over the next seven years. Figure No. 3 outlines the cost participation arrangement under the most recent project estimate.

Figure No. 3: Cost Participation, Seven Year Term			
Organization	Annual Cost Contribution	Total Cost Contribution	Cost Participation (%)
Winsted Baseball Association	\$ 6,005.14	\$ 42,036.00	31.00%
City of Winsted	\$ 13,366.29	\$ 93,564.00	69.00%
Total	\$ 19,371.43	\$ 135,600.00	100.00%

Mr. Tienter stated that given the significant amount of engineering and design, thorough financial analysis and support from the Association, City staff recommend the City Council authorize the City Administrator to execute the revised Improvement Agreement and approve the quote from Ram General Contracting at their February 21, 2017 Regular Meeting.

Council Member Henrich asked if all the new work in this project will need to be re-done once the permanent solution for the drainage problem is addressed. Mr. Tienter stated no. Mr. Joshua Eckstein, Bolton and Menk, Incorporated stated that this project would connect to the Main Avenue Improvements Project when it was completed in the future.

Mr. Tienter stated that water will still pool in the field because drainage will still be an issue; but this project is designed to move water away from the dugout, which will prevent the dugout from degrading.

Mayor Stotko asked if the Association is cost sharing for all of the engineering and architectural fees that the City has covered so far. Mr. Tienter stated no. He continued by stating that the City has paid for geotechnical review and site analysis, architectural design and engineering costs for a total of \$25,480 as of February 21, 2017. Since 2014, the City's total cost contribution for the project is \$119,044 or 74% of the total cost of the project; an additional five percent above the cost sharing agreement.

Mayor Stotko stated that if there are any cost savings on the project, the City should receive 100% of those savings because of the additional five percent the City has contributed. The City Council Members were in favor of this suggestion.

Mr. Tienter stated that he would contact the City Attorney to amend the Agreement and also contact the Association to let them know.

V. Liquor Ordinance – Annual Liquor License Forum Requirement

Mr. Tienter stated that in 2010, the City Council amended the Liquor Ordinance to require all liquor license holders to attend an annual liquor licensure forum. These forums are hosted by the Winsted Police Department and the Administration Department, and have been held annually since the amended ordinance was approved.

Mr. Justin Heldt, Winsted Police Chief, stated that during the 2016 forum, a liquor license holder inquired if an annual forum was necessary.

Mr. Heldt stated that in January, 2017, City staff contacted all liquor license holders and inquired if they believe an annual forum is needed. Four license holders indicated that they do not feel that the annual forum should be required. One license holder indicated that they were fine, both if it was a requirement, and also if it was not a requirement. One license holder indicated that they would prefer to have the annual forum; since it was only once per year, took a short amount of time, and provided a good opportunity to ask questions.

Council Member Ollig asked Mr. Heldt what his opinion of holding the forum was. Mr. Heldt stated that he was in favor of holding the forum and any type of education the City can provide.

Council Member Henrich stated that this forum originated because of direction from the City Council to improve the relationship between the Police Department and the license holders.

Mr. Tienter stated that in addition to the survey of current liquor license holders, City staff also contacted eight regional municipalities to inquire about their liquor license practices. Although

some cities may require a public forum for new liquor licenses or provide optional training, no cities conduct a forum as a requirement of the liquor license holder.

Council Member Henrich asked if any of the license holders have failed the liquor compliance checks since the forum has been held. Mr. Heldt stated yes.

The City Council Members were in favor of conducting the forum annually.

VI. Donation Policy and Holiday Decoration Donation

Mr. Tienter stated that on January 28, 2016, the City Council, as part of their Goal Setting Retreat, directed City staff to review and revise the holiday decorations practices of the City of Winsted, including the possible purchase of new decorations and equipment. Upon conclusion of the review, City staff recommended that the City Council replace the current set of 63 holiday decorations with new holiday decorations.

Mr. Tienter stated that on April 19, 2016, the City Council approved a quote from Northern Lights Display for the replacement of holiday decorations in an amount not to exceed \$21,600. In subsequent meetings, the City Council also directed City staff to arrange the disposal of the "old" holiday decorations through a sale or donation before discarding or destroying them.

Mr. Tienter stated that on September 6, 2016, City staff began advertising the sale of the old decorations through the League of Minnesota Cities (LMC) Marketplace at a cost of "\$20 each or best offer." After very little initial interest, the City received a solicitation to donate the decorations from the Cities of Echo and Wood Lake, Minnesota. Rather than discarding the decorations, City staff recommend the City Council accept this solicitation.

Mr. Tienter stated that in early 2016, the State of Minnesota enacted legislation authorizing local governments to donate surplus equipment to non-profit organizations (Minnesota Statute, Section 471.3459). Under this authorizing legislation, a local government must also adopt a policy to determine the donation process. Although no statutory language exists, but similar to other municipalities, City staff recommend any policy also authorize donation to other governmental entities.

Mr. Tienter stated that based on guidance and a template from the LMC, as well as other cities' policies, City staff drafted a Recommended Surplus Equipment Donation Policy. Under the recommended policy, the City Council would specifically establish the following:

- Authorize the City Administrator to approve donations valued below \$1,000; any donation above that amount would require City Council action;
- Establish a 30-day advertising period for all donation opportunities; and
- Establish the donation of any surplus equipment "as is" and without any guarantees, including a disclaimer of warranties that indemnifies the City.

Mr. Tienter stated that City staff recommend the City Council adopt the recommended policy and Resolution R-17-14 to approve the donation of the holiday decorations to the cities of Echo and Wood Lake, Minnesota, except for two tree decorations. The two tree decorations will be donated to the McLeod County Historical Society in the future.

VII. Employee Assistance Program

Mr. Tienter stated that the Personnel Policy revision includes language that authorizes the City to create an Employee Assistance Program (EAP) that provides free and confidential professional counseling services for a wide variety of personal and professional challenges, including, but not limited to:

- Anxiety/depression;
- Chemical dependency;
- Conflict resolution;
- Crisis intervention;
- Eldercare/Childcare;
- Financial issues or troubles;
- Grief/loss issues;
- Legal concerns;
- Parenting questions;
- Relationship concerns; and
- Work/career guidance.

Mr. Tienter stated that City staff intended to consider and review possible EAP alternatives later in the spring of 2017; however, recent incidents responded to by the Winsted Police and Volunteer Fire Departments raised questions about and requests for an EAP. Mr. Tienter stated that City staff contacted the Sand Creek Group (Sand Creek), an EAP provider to numerous local governments throughout the State, for additional information.

Mr. Tienter stated that Sand Creek would provide the aforementioned services both directly and through referral to all full-time and part-time City staff, including volunteer firefighters (approximately 42 individuals) on a fee-for-service basis. According to the EAP Agreement, the City would provide up to four, one-hour sessions at a cost of \$160 per hour. Additionally, the EAP Agreement requires an Annual Program Fee of \$500 for a possible total cost of approximately \$26,240.

Mr. Tienter stated that based on data obtained from the Society for Human Resource Management (SHRM), typically only about 3.5% of employees take advantage of EAP services per year. For budget purposes, City staff assume 7.0% of eligible staff will make use of an EAP, which results in an estimated cost of \$1,836. Given the composition of eligible City staff, City staff recommend the cost for the EAP to be divided equally between the Fire Operations and General Fund, or about \$918 each.

The City Council Members were in favor of an Employee Assistance Program.

VIII. Other

a. February 21, 2017 Regular City Council Meeting Agenda

Mr. Tienter stated that the agenda for the February 21, 2017 Regular City Council Meeting includes amendments to include the following items:

- Surplus Equipment Policy
- Donation resolution for the Holiday Decorations
- Employee Assistance Program

b. Winsted Lake Fountain

Council Member Ollig provided an update on the timeline for the installation of a fountain on Winsted Lake.

IX. Adjourn

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

The meeting was adjourned at 5:54 p.m.

Steve Stotka

Steve Stotka
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff

Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted