

City of Winsted  
City Council Work Session  
Lewis Room  
Tuesday, March 17, 2015  
5:00 p.m.

Present: Mayor Steve Stotko  
Council Member Bonita Quast  
Council Member Tom Ollig  
Council Member Max Fasching  
Council Member George Schulenberg

Staff Present: Mr. Clay Wilfahrt, City Administrator  
Ms. Deborah R. Boelter, City Clerk-Treasurer  
Mr. Dave Meyer, Public Works Department Maintenance Supervisor

**I. Call to Order**

Mayor Stotko called the meeting to order at 5:00 p.m.

**II. Assessment Policy**

Mr. Wilfahrt stated that City staff has been reviewing the Kingsley Street assessment rolls. Assessments are used by the City to help reduce the City's cost of street projects to create a sustainable system for street and infrastructure reconstruction and repair. The City also needs to consider the assessment cost to property owners. Staff anticipates that the value of properties on Kingsley Street will increase by an estimated \$10,000 to \$11,000 as a result of the infrastructure improvements. The City cannot charge assessments that are greater than the property value increase.

Mr. Wilfahrt stated that for the Kingsley Street Improvement Project, the cost of the Project under the City's current Assessment Policy would have a number of residents paying as much as \$18,000. After discussing the assessments with the City's Financial Advisor, Mr. Shannon Sweeney, David Drown Associates, City staff believes that it would be difficult to justify the high assessment amounts since the improvements likely will not increase the property values by more than approximately \$10,000 to \$11,000. Therefore, City staff is in favor of rewriting the Assessment Policy to lower assessments for this Project to be consistent with previous assessments and also in compliance with Minnesota State's Assessment Statutes.

Mr. Wilfahrt stated that the City's Engineer, Mr. Jake Saulsbury, Bolton and Menk, Incorporated, revised the City's Assessment Policy to make the assessments more consistent with the dollar amounts of previous assessments, and also the anticipated increase in value of the properties. Mr. Saulsbury recommended that the City revise the assessable rate in the Policy to twenty-five percent (25%). Mr. Saulsbury indicated that twenty-five percent (25%) is the lowest sustainable assessable rate for the Kingsley Street Improvement Project. Setting the assessment rate at twenty-five percent (25%) would make the highest assessment on Kingsley Street approximately \$11,620.

Mr. Wilfahrt stated that the Assessment Policy has been revised a number of times over the past few years. In December of the year 2011, storm sewer was removed as an assessable cost; and in March of the year 2012, the assessable rate for street and sewer was reduced from fifty percent (50%) to forty percent (40%).

Mr. Wilfahrt stated that for comparison, high assessments for the Westgate Housing Development Improvement Project were approximately \$3,000. Kingsley Street improvements will be a higher assessment because the average lot has twenty-five percent (25%) more frontage on the road, and water was not included in the Westgate Improvement Project. The average high

assessments for the Pontus Point Project were approximately \$19,000; however, this Project brought City water and sewer services to an area of the City that did not have them at the time.

Mr. Wilfahrt stated that the Assessment Policy will need to be reviewed at the beginning of every street project to ensure that the City is staying consistent in the amount charged to property owners for improvements.

The City Council discussed and directed City staff to proceed with the proposed amendments to the Assessment Policy as presented by Mr. Wilfahrt.

### **III. Street Sign Replacement**

Mr. Wilfahrt stated that recently, Federal Regulations pertaining to the retroreflectivity of signs has changed. The Federal Government requires that all cities have a policy in place to stay in compliance with the retroreflectivity requirements. If signs do not meet the retroreflectivity requirements, the City has greater liability if an injured person can prove that the City's failure to meet sign retroreflectivity requirements contributed to an accident.

Mr. Wilfahrt stated that given the possible consequences of having non-compliant signs, City staff believes that replacing all of the signs should be a high priority. The City's Public Works Department staff conducted a sign inventory in the year 2013; and of the three hundred forty-eight (348) signs inventoried, one hundred sixty-five (165) had a noticeable deficiency such as fading, cracking, bending, etcetera. Due to the identification of these deficiencies, City staff and Bolton and Menk, Incorporated recommend that the City initially commits to a blanket replacement, which means that all street signs in the City of Winsted will be replaced by the year 2017. There are approximately three hundred fifty (350) signs in the City of Winsted.

Mr. Wilfahrt stated that in May of the year 2014, the City Council adopted a Sign Retroreflectivity Policy that included a blanket replacement provision. The replacement will occur in three (3) phases. Staff divided the community into three (3) sections and scheduled each for replacement in the years 2015, 2016, and/or 2017. The timeline is based on observed conditions of the signs in each area, with the worst conditions being replaced first. Mr. Wilfahrt referenced a memo from May of the year 2014, a copy of the Sign Retroreflectivity Policy and a copy of an updated Replacement Map that will be presented at tonight's Regular City Council meeting.

Mr. Wilfahrt presented a quote from Newman Signs Incorporated to replace all signs south of McLeod Avenue as indicated in the scheduled Replacement Map. There are a total of eighty-six (86) signs that need to be replaced in the year 2015. The total cost of the eighty-six (86) signs will be \$2,103 and will come out of the Public Works Department's Professional Services Budget which has sufficient funds for the purchase.

The City Council discussed and agreed that City staff should proceed with the blanket replacement of the City's street signs as outlined in the Replacement Map.

### **IV. 124 Lake Avenue East – Water and Sewer Access**

Mr. Wilfahrt stated that City staff has been working with the owner of the property at 124 Lake Avenue East. The property was two (2) lots that are being combined into one (1) existing lot. The City's Ordinance states that a hook-up fee should be paid for all water and sewer connection on all lots not previously assessed.

Mr. Wilfahrt stated that in this case the individual lot has not been assessed; however, each individual lot that formed the existing lot was assessed. The property owner intends to use the existing City infrastructure and install a new service line to his house. The City plans on taking the opportunity to replace an old standpipe as well, which will be the only cost to the City and is typically the City's responsibility to pay for.

Mr. Wilfahrt stated that City staff is of the opinion that since there is no additional cost to the City, and because the two (2) lots were already assessed, the property owner should not have to pay a sewer and water access charge. Since this is not a situation that is covered verbatim in the City's Ordinance and/or Policies, Mr. Wilfahrt asked for the City Council's recommendation.

The City Council discussed and agreed that the property owner should not be required to pay a water and sewer access charge.

## V. Utility Extension Agreements

Mr. Wilfahrt stated that City staff has been working with Mr. Charles and Ms. Heather Remer, as well as, Country Acres Mobile Park to extend water and/or sewer utilities to both properties. Staff plans to have final designs for both projects and construction quotes available in April of the year 2015 for the City Council to approve. Quotes for both projects will be obtained at the same time to save money. The combined project cost is expected to be under \$100,000; so, the City does not need to seek bids for the projects.

Mr. Wilfahrt stated that in the meantime, there are several agreements that will need to be approved prior to the water and sewer utility extensions. The Remer property will need an Assessment Agreement, and the Country Acres Mobile Park property needs an Easement Agreement and an Assessment Agreement.

Mr. Wilfahrt presented a synopsis of each agreement:

### Remer Property

#### Assessment Agreement:

- The City of Winsted will install water and sewer utilities to the property located at 24112 Grass Lake Road.
- Per prior discussions at the City Council Work Session, the cost to the Remer property will be capped at \$22,000 reflecting the cost of the project when they initially requested it of the City.
- The term will be for fifteen (15) years. The City Engineer, Mr. Jake Saulsbury, Bolton and Menk, Incorporated is recommending a ten to fifteen (10-15) year assessment.
- There will be zero percent (0%) interest on the assessment.
- The first assessment payment will be due in the year 2016.

### Country Acres Mobile Park

#### Easement Agreement:

- ✓ The City of Winsted will obtain rights to access land as presented in the City Engineer's drawings. For this project, the City will only use the eastern half of the easement; eventually however, the City will want to loop the water system and therefore is securing the easement to McLeod County Road One (1).
- ✓ Public utilities will be installed in the easement area.
- ✓ Following the installation or maintenance of the public utilities, the premises of the easement will be returned to its original state.

#### Assessment Agreement:

- The City of Winsted will perform excavating and necessary work to install water utilities to Country Acres Mobile Park.
- The cost of installation of the water utilities will be assessed to the property.
- The cost will be assessed over ten (10) years, with three percent (3%) annual interest.
- The first payment will be due in the year 2016.

Mr. Wilfahrt stated that the aforementioned agreements will be on the Regular City Council meeting agenda on April 7, 2015.

The City Council discussed and directed City staff to proceed with the agreements as presented.

## VI. Other

### a) Land Lease – Farm City Land – Mr. Michael Laxen

Mr. Wilfahrt presented a proposal from Mr. Michael Laxen to farm a portion of the land that the City recently purchased located south of Millerbernd Manufacturing.

Mr. Wilfahrt stated that Mr. Laxen proposed to pay the City of Winsted \$75 per acre to farm the approximately three (3) acres.

The City Council discussed and agreed that since a portion of the land that Mr. Laxen is interested in farming has been proposed to connect to the Luce Line State Trail, Mr. Wilfahrt should discuss this with Mr. Laxen.

**b) Blight Issue – 5<sup>th</sup> Street South**

Council Member Ollig asked Ms. Boelter if she received a letter from a resident regarding some blighted properties located on 5<sup>th</sup> Street South. Ms. Boelter stated that she did receive the letter and she has been working with City staff to address the blighted properties.

**c) Denis M. Campbell Baseball Park**

Council Member Schulenberg stated that he has had some residents contact him to share their concerns about the cost for the proposed improvements to Denis M. Campbell Baseball Park. Mr. Wilfahrt stated that the City is not paying for the entire improvement project. He continued by stating that the Winsted Wildcats Baseball Association is paying for a portion of the proposed improvements to Denis M. Campbell Baseball Park.

**VII. Adjourn**

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

The meeting was adjourned at 5:40 p.m.

*Steve Stotka*

Steve Stotka  
Mayor  
City of Winsted

ATTEST:

*Deborah R. Boelter*

Deborah R. Boelter, CMC  
City Clerk-Treasurer  
City of Winsted