



# **WINSTED CITY COUNCIL**

**Tuesday  
March 2, 2010**

**City Council Work Session  
5:00 p.m. – Lewis Room**

**Regular Meeting  
6:00 p.m. - Council Chambers**



**CITY COUNCIL – WORK SESSION AGENDA**  
**March 2, 2010 – 5:00 PM**  
**Lewis Room – Winsted City Hall**

*Mission Statement*

*“The City of Winsted will provide services and resources for its citizens and businesses that promote opportunities for a high quality of life, while sustaining a hometown atmosphere.”*

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- I. Call To Order
- II. Wastewater Plant/System Operation
- III. Financial Strategy – LGA Reduction
- IV. Council / Staff Goal Setting Retreat
- V. Updates
- VI. Adjourn

**Winsted City Hall**

201 1<sup>st</sup> St. N.  
Winsted, MN 55395  
320-485-2366  
[www.winsted.mn.us](http://www.winsted.mn.us)

~ The Lewis Room is located in the southwest corner of the main level of Winsted City Hall ~



# Memo

**To:** Winsted City Council  
**From:** Brent Mareck, City Administrator  
**Date:** March 2, 2010  
**Re:** 2010 Local Government Aid

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After the last legislative session, Governor Pawlenty used unallotment to reduce the city's local government aid (LGA) payment for budget years 2009 and 2010. The unallotment of LGA for 2010 was scheduled to be \$126,775, which the City Council planned for by adopting a revenue budget short of the original certified LGA amount of \$674,623.

Recently, Governor Pawlenty has proposed an additional round of cuts, also being supported by Representative Shimanski, which reduce Winsted's LGA payment by an additional \$143,800.

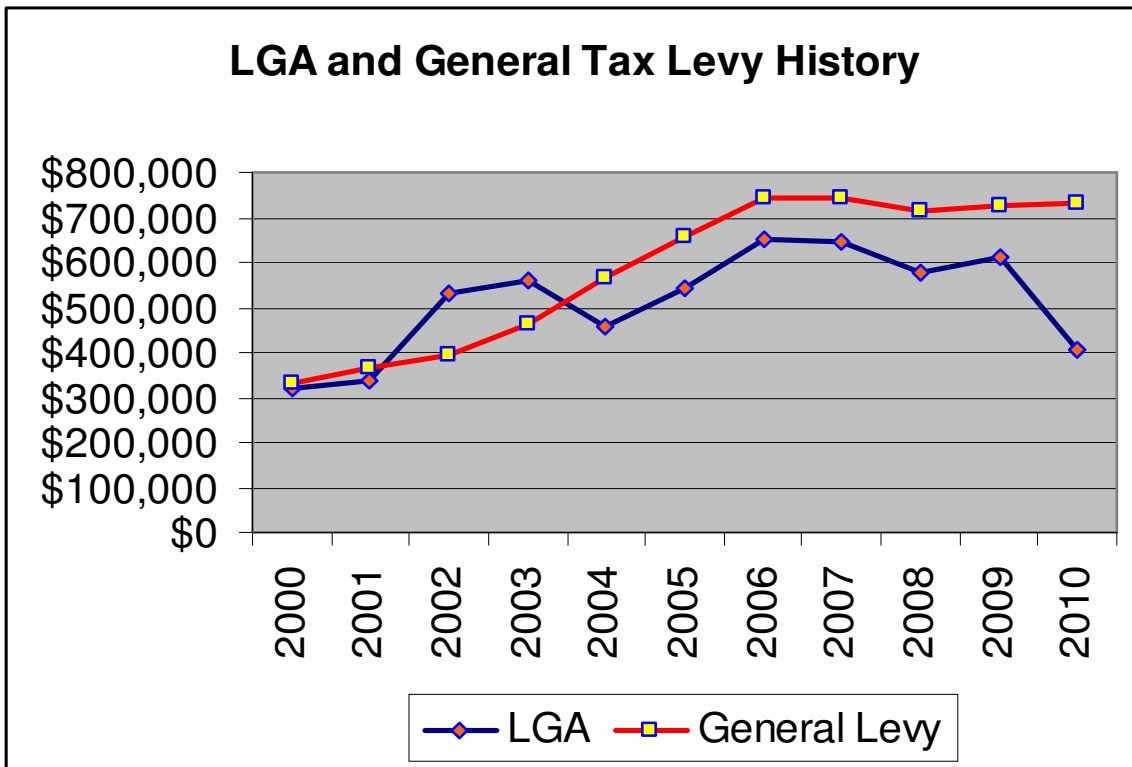
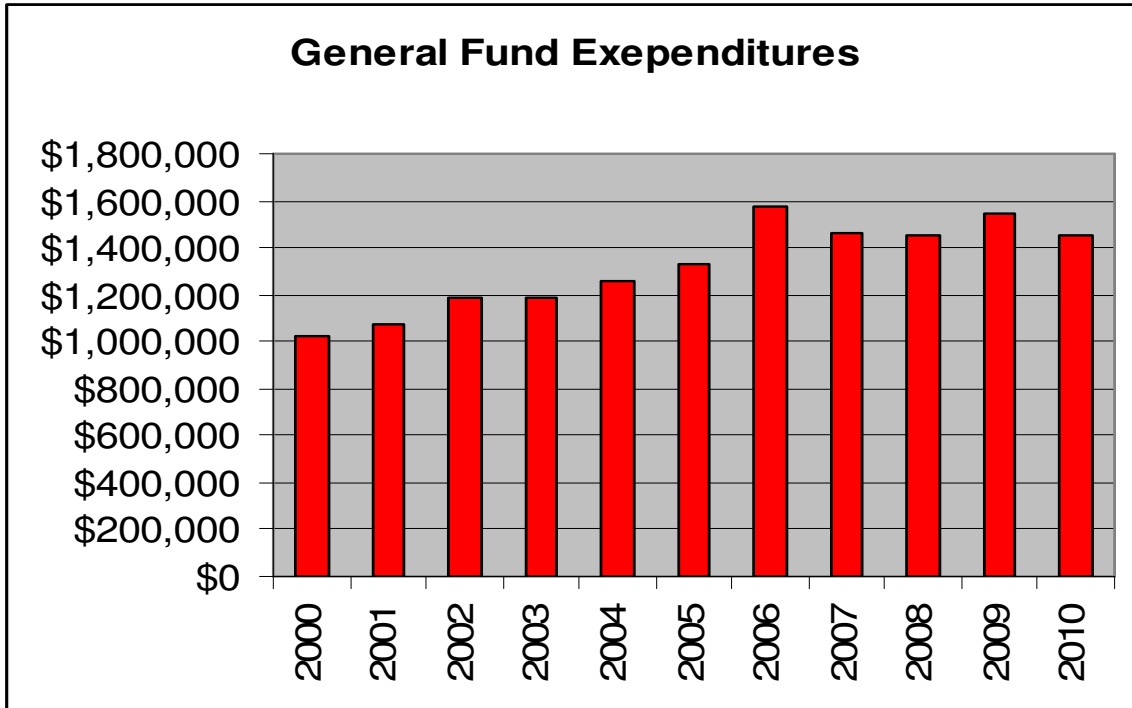
In light of the impending cuts, the City Council should begin a strategy for not only short term (current year) revenue shortages, but also long term revenue and expenditure changes. A compilation of data has been collected to illustrate the city's financial history over the last ten years. In addition, the current year's (2010) budget has been broken down to provide a more detailed account of operational costs for the city.

The table and charts below represents over ten years of history on general fund expenditures, LGA and property tax revenues. The difference between the combined totals of "LGA and Levy" and "Expenditures" represent what the city generates in revenue from fees, fines, rents and other charges.

| Year | LGA        | General Levy | LGA and Levy | Expenditures |
|------|------------|--------------|--------------|--------------|
| 2000 | \$318,604  | \$332,700    | \$651,304    | \$1,027,648  |
| 2001 | \$335,858  | \$365,970    | \$701,828    | \$1,075,481  |
| 2002 | \$533,708  | \$394,245    | \$927,953    | \$1,186,008  |
| 2003 | \$562,674  | \$461,266    | \$1,023,940  | \$1,186,008  |
| 2004 | \$457,213  | \$566,727    | \$1,023,940  | \$1,258,632  |
| 2005 | \$545,222  | \$654,736    | \$1,199,958  | \$1,333,408  |
| 2006 | \$649,702  | \$744,433    | \$1,394,135  | \$1,576,375  |
| 2007 | \$643,353  | \$743,036    | \$1,386,389  | \$1,464,629  |
| 2008 | \$575,540  | \$712,573    | \$1,288,113  | \$1,456,165  |
| 2009 | \$612,143  | \$725,093    | \$1,337,236  | \$1,547,038  |
| 2010 | \$403,968* | \$732,724    | \$1,136,692  | \$1,450,199  |

\* Projected 2010 LGA Revenue

Since 2006, the city has cut general fund expenditures by 8%. Part of this reduction is due to the transfer of expenditures from the general fund to debt service (City Hall project); however, there has been a significant reduction in spending and controls on budget growth. It's also apparent that the property tax and LGA revenue "peaked" in 2006 and has since steadily decreased or remained relatively flat.



The 2010 expenditure budget has been analyzed into five separate categories; fixed, priority, employee salary, employee related, and discretionary. “Fixed” expenditures represent those costs that are fundamentally necessary to the operation of the city. Fixed expenditures can be managed to improve efficiency, but for the most part will remain constant from year to year.

“Priority” expenditures represent costs that primarily deal with the maintenance of infrastructure (sidewalks, streets, storm sewers) and equipment. Primary expenditures consist of items and services that have the potential to be deferred or cut, but also pose the greatest risk to future increased costs due to delayed maintenance.

“Employee” and “Employee Related” expenditures represent the costs associated with appointed staff. Certain positions with city have a portion of their salary paid out of the Sewer and Water Funds based on their work in that area.

| <b>Position</b>            | <b>Water &amp; Sewer Fund</b> |
|----------------------------|-------------------------------|
| Utility Billing Clerk      | 90%                           |
| Public Works Employees (3) | 50%                           |
| City Clerk                 | 30%                           |
| Administrative Assistant   | 20%                           |
| City Administrator         | 10%                           |

“Discretionary” expenditures would not be considered as essential services provided by the City of Winsted; however, these funding sources are relied upon by several community groups and provide recreational and cultural benefits that citizens have come to expect.

The following table represents expenditures related to the 2010 Budget:

| <b>2010 Budget</b>      | <b>Amount</b>      | <b>Areas Covered</b>  |
|-------------------------|--------------------|---|
| <b>Fixed</b>            | \$776,486          | Street Lights, Utilities, Fuel, Maintenance, Supplies, EDA Lease, Agreements, etc...                                    |
| <b>Priority</b>         | \$118,743          | Seal Coating, Capital Equipment, Storm Sewer, Crack Filling, Employee Training, etc...                                  |
| <b>Employee Salary</b>  | \$342,300          | Salaries – 8 FTE’s (full time equivalent). The equivalent of 3 FTE’s is covered through the Water and Sewer Funds.      |
| <b>Employee Related</b> | \$174,930          | Employee Benefits, FICA, Social Security, PERA, Work Comp Insurance, etc...   |
| <b>Discretionary</b>    | \$37,740           | Ambassadors, Lake Fund, Trail Fund, Parks, Winsted Wildcats, Event Advertising, Event Funding, Mosquito Control, etc... |
| <b>Total</b>            | <b>\$1,450,199</b> | <b>2010 Budgeted Expenditures</b>   |

## **Analysis:**

### **Short Term Areas:**

- 1) Review and seek out opportunities to reduce fixed expenditures within budget.
- 2) Continuation of hiring freeze and capital expenditure freeze.
- 3) Consider the use of reserve funds (General, Capital Equipment, Trail, Parks, Lake Funds) to deal with LGA cuts.
- 4) Consider delaying the seal coat schedule and crack filling.
- 5) Consider a reduction in part time hours for departments (Public Works summer, PT Patrol Officer 30 hours a week)
- 3) Other areas for review suggested by the City Council.

### **Long Term Areas:**

- 1) Review and seek out opportunities to reduce fixed expenditures within budget.
- 2) Management of the city's retired debt of \$75,000 in 2012. Will be available in Budget Year 2013.
- 3) Consideration of the deferment and / or extension of maintenance and equipment programs (seal coat schedule, capital equipment, etc...)?
- 4) Analysis of staffing (hours, positions, etc...).
- 5) Discussion on the priorities of the Trails Master Plan, Winsted Lake maintenance and improvements and funding community programs; trail connection projects, Luce Line Trail projects, curly leaf pondweed treatment.

## **Summary:**

As the legislature moves forward, the City Council should begin to establish a comprehensive strategy and priorities in planning for impending cuts in 2010 and for the future financial stability of the city. Through the use of its "innovation schedule" (attached), the city has trimmed and developed a renewed standard for the efficiency of operations.

The next phase in the development of new financial strategy will involve the assessment of priorities and the determination of services and programs that the City Council wishes to provide the citizens and businesses of Winsted. It is apparent that State aids will continue to be reduced in the future and as a result the City Council will have to determine to what extent it will rely on property tax revenues and other new revenues to generate the revenue needed to accomplish its priorities.

The purpose of this memo is to initiate a discussion among the City Council and subsequently take the first step in the process for creating a long term financial strategy for the City of Winsted.

# Innovation Schedule - 2009/2010 Budget



| Item                                   | Rationale  | Department          | Cost Savings    |
|--|--|---------------------|-----------------|
| Dues - No APA Membership - City Admin. | get news and information from free sources             | Administration      | \$265           |
| Publications                           | get news and information from free sources             | Administration      | \$250           |
| Professional Services                  | no planned expenditures                                | Administration      | \$1,000         |
| Election equipment maintenance         | required maintenance is only \$200                     | Elections           | \$400           |
| Minute Publishing                      | we can use the website and mail out requests           | General Government  | \$12,000        |
| Phone System                           | reduction in phone locations and services - City Hall  | All                 | \$2,938         |
| Pager                                  | will use cell phones for on-call purposes              | Public Works        | \$175           |
| Telephone                              | over-budgeted  | Library             | \$500           |
| Insurance                              | over-budgeted  | Library             | \$1,000         |
| Conferences - Planning Commission      | land Use Plan will occupy this years activities        | Planning Commission | \$500           |
| Paper                                  | buy 90% of annual paper at a discount                  | All                 | \$125           |
| Copier Lease                           | Lease Termination - Changed Service Provider           | All                 | \$2,500         |
| Culligan Water Cooler                  | Removed - Employee paid - tap for other uses           | General Government  | \$500           |
| Set all printers to default b/w        | Approximately 10% of color copies printed in error     | All                 | \$288           |
| Over-billing from Waste Management     | Found error in billing for the FD and Airport          | Airport / FD        | \$500           |
| Fire Department - PO Box               | Relief Assoc. will purchase their own - FD to City box | FD                  | \$50            |
| Fire Department Cell Phone             | Not used by the Fire Chief - Little to no usage        | FD                  | \$180           |
| Utility Bill Printing and Process      | Contract with the Herald Journal to perform task       | Water / Sewer       | \$600           |
| Pitney Bowes Mailing System            | Need has decreased due to outsourcing of UB bills      | General Government  | \$2,162         |
| Public Works Fax Machine               | Can use e-mail and City Hall Fax                       | Public Works        | \$250           |
| Pest Control - City Hall               | New building - Excellent Janitorial Services           | General Government  | \$490           |
| Disabled phone in Lewis Room           | Not used enough to warrant                             | Administration      | \$300           |
| <b>Total Savings</b>                   |  |                     | <b>\$26,183</b> |



# **Governor's 2010 Budget: Preparing for More City Cuts**

**February 19, 2010**

# Presentation Outline

- A brief review of recent developments
- Review details of the Governor's supplemental budget
- A look ahead—what to expect
- Taking action

# A brief review.....

- Last summer, the Governor unallotted state appropriations to balance the \$2.7 billion deficit that remained after the session.
- Those previous unallotments included:
  - \$64 million from 2009 city local government aid (LGA) and market value homestead credit (MVHC).
  - \$128 million from 2010 city LGA and MVHC.

# **A brief review.....**

- **In December, the state budget forecast projected another \$1.2 billion deficit for the remainder of the 2010-2011 biennium.**
- **At that time, the Governor decided not to further unallot cities but instead opted to wait until the Legislature convened.**
- **Since then, the state has also begun to plan for short-term cash flow problems and will be delaying school and other payments.**

# A brief review.....

- On Monday, the Governor released his recommendations for new initiatives and recommendations to balance the \$1.2 billion state budget deficit.
- Over the next several months, the Legislature will be developing their own recommendations.
- The session must end by May 17.



# Supplemental budget

# Governor's Supplemental Budget

- Overview of FY 2011 changes:

|  |                        |
|--|------------------------|
| <b>Forecast State Deficit</b>                | <b>\$1,203 million</b> |
| <b>Aid and Credit Cuts to local units</b>    | <b>\$250 million</b>   |
| <b>Health and Human Service Cuts</b>         | <b>\$347 million</b>   |
| <b>Higher Education Cuts</b>                 | <b>\$47 million</b>    |
| <b>State Agencies, Grants and Other Cuts</b> | <b>\$181 million</b>   |
| <b>Extended Federal Medicaid Match*</b>      | <b>\$387 million</b>   |
| <b>Total</b>                                 | <b>\$1,212 million</b> |

# Governor's Supplemental Budget

- Overview of FY 2012-2013 changes:

|  |                          |
|--|--------------------------|
| <b>Forecast State Deficit</b>                | <b>\$5,426 million</b>   |
| <b>Aid and Credit Cuts</b>                   | <b>\$1,011.9 million</b> |
| <b>Health and Human Service Cuts</b>         | <b>\$1,067.9 million</b> |
| <b>Higher Education Cuts</b>                 | <b>\$275.4 million</b>   |
| <b>State Agencies, Grants and Other Cuts</b> | <b>\$639.0 million</b>   |
| <b>Total</b>                                 | <b>\$2,994million</b>    |
| <b>Remaining Deficit</b>                     | <b>\$2,432 million</b>   |

# **\$250 million in aid and credit cuts**

- **Counties would lose a total of \$125 million (\$107.3 million in county program aid and \$17.7 million in market value homestead credit).**
- **Cities would lose a total of \$125 million (\$118.1 million in local government aid and \$6.9 million in market value homestead credit).**
- **[http://www.taxes.state.mn.us/taxes/property\\_tax\\_administrators/other\\_supporting\\_content/2010\\_2011\\_reductions.shtml](http://www.taxes.state.mn.us/taxes/property_tax_administrators/other_supporting_content/2010_2011_reductions.shtml)**

# Additional 2010 Cuts to Cities

- Cut to ALL cities is computed as 8.16% of the 2010 certified levy plus original certified LGA
- No exemption for cities under 1,000 pop.
- No per capita maximum (\$55/pc under the unallotment)
- Cut first taken from LGA and then to the extent necessary from MVHC

# Additional 2010 Cuts to Cities

- This cut is in addition to the 2010 unallotment cuts announced last summer.
- The additional city cut for most cities is roughly 107% of 2010 unallotment reduction except where:
  - A city runs out of LGA and MVHC.
  - A city was capped at \$55/pc under the 2010 unallotment reductions.
  - A city under 1,000 population was exempt.
  - A city's levy plus aid substantially changed.

# Additional 2010 Cuts to Cities

- The combination of the unallotment reductions and the supplemental reductions are deep.
- **179** cities will receive no LGA in 2010.
- Of those **179** cities, **151** will also receive no MVHC in 2010.



# Next Biennium: cuts extended

# Cuts extended into next biennium

- Proposal would continue the appropriation reductions into FY2012/2013 which are the distributions for CY2011/2012.
- For 2011 and 2012, city LGA would be reduced by \$220.5 million to \$337.6 million—a 40% reduction.
- The appropriation would be distributed via the existing formula and not simply by extending the 2010 cuts.

# Cuts extended into next biennium

- MVHC to cities would be reduced by roughly \$32.6 million each year, leaving roughly \$48 million to be paid—also a 40% reduction.
- In contrast to LGA, the MVHC cuts would be an extension of the 2010 cuts but are estimates of the distributions to each city.

# Levy Limits

- Governor is proposing a permanent extension of levy limits for cities over 2,500 population.
- We have yet to see full details about the proposed levy limits.
- Plan would only allow cities to levy for 50% of the 2010 and any 2011 loss of state aids and credits.

# Other impacts

- The supplemental budget also:
  - Diverts \$9.9 million from the fire safety account. Those funds are dedicated to firefighter training and safety.
  - Reduces non-metro transit grants by \$807K.
  - Reduces grants for storm water compliance, local water protection, composting, environmental assistance, metro landfills, SCORE grants and e-waste by \$2.6 million.

# Other impacts

- Department of Employment and Economic Development (DEED) grants including contamination grants and Section 125 grants to establish cafeteria plans
- New 2% fee for grant applications to DEED
- Environment and Natural resources reductions to petroleum tank clean-up program
- Housing Finance cuts to rehab loan program

# Medicaid assumption

- The Governor's plan includes \$387 million in additional federal Medicaid funding (FMAP).
- President Obama recommended the increase in his budget but only the House has acted on the proposal.
- If the federal Medicaid funding does not materialize, the Governor will have to amend his plan by \$387 million.



# Senate and House plans

# Senate and House Plans

- Senate may release a portion of their supplemental budget plan within the next two weeks.
- Senator Bakk told us on Monday that his committee “target” was \$93 million reduction in spending.
- We expect this initial plan will include cuts to cities but likely much smaller than the governor’s proposal.

# Senate and House Plans

- In the House, we have not heard of a definitive plan to develop a budget-balancing proposal.
- There are rumors that individual legislators may release plans as early as next Monday that will propose \$1.2 billion in cuts—but not the caucus plan.
- Likely waiting for the March forecast.

# Senate and House Plans

- In summary: At this point, we expect that both the House and Senate will recommend some level of additional cuts for local units of government—including cities.



# A look ahead

# State Budget Forecast

- Scheduled for release on March 2
- Will update state revenue and expenditure estimates for the balance of the FY 2010-2011 biennium
- Keep in mind that the previous forecast already assumed an economic recovery
- Question is whether the state will be able to exceed the previous forecast

# Unallotment Litigation

- Supreme Court scheduled to hear oral arguments on March 15
- We expect a decision within 30 days
- Either way, the decision will have a bearing on the session:
  - If lower court decision stands, the Legislature may have to address a much bigger imbalance.
  - If overturned, the session could end without a compromise and the Governor could balance the budget on his own.



# What should cities do now?

# What cities should do now

- **Still time to influence the level of cuts to state aids**
  - **Get face time with legislators**
    - **Talk to them about what the cuts would mean in real terms**
  - **Send letters to them on your city letterhead**
    - **Emails are less effective**

# What cities should do now

- **Identify your budget options - now**
  - Assume there will be additional cuts to LGA/MVHC
  - Assume these cuts will be long-term
  - Identify long-term solutions where possible
  - Developing several scenarios may be helpful
  - Implement common scenario elements as soon as appropriate

# What cities should do now

- **Make sure your city and residents understand the situation**
  - **Share the recording of this presentation with the other staff and elected officials in your city**
  - **Show this presentation at your city council meeting**

# What cities should do now

- **Be present at the Capitol at key times**
  - **Legislative hearings**
    - Watch the Cities Bulletin, League website, and your email for announcements
  - **LMC's Day at the Capitol/Legislative Conference**
    - Mark your calendar for Thursday, March 25
    - Register now on the League website

# What cities should do now

- Tell League staff what you're doing so we can tell others
  - Media and legislators ask us for examples – the more we have the better
  - Tell us about the cuts you are considering and be specific about real-world impact on residents and businesses
  - E-mail us at [Imcinfo@Imc.org](mailto:Imcinfo@Imc.org) or call the Budget Cuts Hotline at 651-215-4019

# What cities should do now

- Tell League staff what would be helpful to you – don't hesitate
  - Call on us for whatever you need and we'll do everything we can to help



**CITY COUNCIL – MEETING AGENDA**  
**March 2, 2010 – 6:00 PM**  
**City Council Chambers – Winsted City Hall**

Mission Statement

*“The City of Winsted will provide services and resources for its citizens and businesses that promote opportunities for a high quality of life, while sustaining a hometown atmosphere.”*

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**1) MAYOR CALL THE MEETING TO ORDER**

**a) Pledge of Allegiance**

**2) CONSENT AGENDA**

Items listed below are considered routine and non-controversial by the City. There will be no separate discussion of these items unless requested by a Council Member, staff or citizen. If removed, the item will be discussed at the end of the regular agenda.

**a) Minutes – City Council – Work Session – February 16, 2010**

**b) Minutes – City Council – Regular Meeting – February 16, 2010**

**c) Schedule Public Hearing – Curfew Ordinance**

Schedule a public hearing for April 6, 2010 at 6:00 pm to consider adopting amendments to the Curfew Ordinance to be consistent with the McLeod County Curfew Ordinance.

**d) Business Subsidy Agreement Amendment (JOBZ Program) – Impact Mailing**

Amend a business subsidy agreement with Impact Mailing (formerly Advantage Mailing) to reduce their job creation goal from 23 to 22 jobs, their participation in the JOBZ program from December 31, 2015 to December 31, 2014 and the transfer of program benefits from Advantage Mailing to Impact Mailing.

**e) Flagship Bank of Winsted – Pledged Securities**

Approve the Pledged Securities that Flagship Bank of Winsted has purchased for the City of Winsted for the month of February, 2010.

**f) Claims**

Approve the claims list for March 2, 2010.

**3) PUBLIC HEARINGS**

**a) Industrial Boulevard - Street Vacation**

A motion to adopt Resolution R-10-08 vacating certain sections of Industrial Boulevard.

**4) OLD BUSINESS**

**5) NEW BUSINESS**

**a) Public Nuisance – 404 Westgate Drive**

A motion to adopt an order of Summary Enforcement to abate the nuisance at 404 Westgate Drive.

**b) Computer Purchase – Paperless Meetings**

A motion to authorize the purchase of five laptop computers for \$3,730.

**6) DEPARTMENT REPORTS**

**a) People Service\***

**7) OPEN FORUM**

Open Forum provides residents with the opportunity to address an issue that is not on the agenda with the City Council. The City Council will not take official action on items discussed during Open Forum, except to refer items to staff for future report or follow through. If you wish to address the City Council please state your name, address and topic that you wish to discuss. Speakers will be limited to five (5) minutes to discuss an issue and the Mayor will limit discussion on any one topic to ten (10) minutes.

**8) ANNOUNCEMENTS**

**9) ADJOURN**

**\* Denotes no supporting information included in the packet.**

**Winsted City Hall**  
201 - 1<sup>st</sup> St. N.  
Winsted, MN 55395  
320-485-2366  
www.winsted.mn.us

~ The Council Chambers are located in the south end of the lower level of Winsted City Hall ~

City of Winsted  
City Council Work Session  
Council Room  
February 16, 2010  
5:00 p.m.

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

Staff Present: Brent Mareck, City Administrator  
Deb Boelter, City Clerk-Treasurer  
Dave Meyer, Maintenance Lead

### **I. Call to Order**

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

### **II. Wastewater Plant Operation Proposal – Dan Wroge, People Service, Incorporated**

Mareck presented the proposal from Dan Wroge, People Service, Incorporated to supervise the City of Winsted's Wastewater Treatment Facility (WWTF).

Dan Wroge and Phil Robinson, People Service, Incorporated were in attendance at the Work Session.

Wroge addressed the City Council and presented the following information:

- History of the City of Winsted and People Service, Incorporated partnership.
- Present day operations at the City's WWTF.
- Future operations at the City's WWTF.

The City Council asked Wroge and Robinson questions regarding the operation of the City's WWTF.

Mareck stated that the operation of the WWTF by People Service, Incorporated has been exceptional. Meyer agreed with Mareck.

### **III. Paperless Meetings**

Mareck presented a proposal to go paperless with City Council meetings. Mareck stated that the funding to purchase the laptop computers, software and associated items would come from the Cable Fund.

Quast stated that with the proposed cuts to the City's 2010 Local Government Aid (LGA) she believes that the City should postpone the purchase of the computers.

Mochinski stated that he believes if the City would go paperless it would be a savings to the taxpayers. He also stated that if the City would proceed with the proposal to go paperless and purchase laptop computers, they would be making a sound business decision.

Wiemiller stated that he believes it would be a savings to the City's taxpayers if the City would purchase laptop computers and go paperless.

Ollig asked Mareck if there would be funding left in the Cable Fund after the purchase of the laptop computers if there were emergency expenses in the future. Mareck stated yes. Ollig stated that he believes that the City would be a good example to the general public if they would go paperless and purchase the laptop computers.

#### **IV. Liquor Ordinance**

Mareck gave a brief overview of the proposed amendments to the City's Liquor Ordinance.

Mareck reviewed the proposed schedule for amending the ordinance and taking public comment.

Mayor Stotko stated that the penalties outlined in the current Liquor Ordinance have not been enforced by the City Council in the past when a liquor violation has occurred. Mayor Stotko asked the City Council if they intend to follow the penalties as outlined in the ordinance if any liquor establishments violate the ordinance in the future. The City Council discussed and agreed that they would enforce the penalties as stated in the Liquor Ordinance.

#### **V. Winsted Area Chamber of Commerce – Snow Removal in the Downtown Area**

Mareck gave a brief overview of his meeting with Winsted Area Chamber of Commerce members regarding snow removal in the downtown area.

Mochinski asked if the complaints of the snow removal in the downtown area were just this year or did the Chamber members feel it was an issue in the past. Mareck stated that it has become an issue this year because buildings in the downtown area are empty and property owners are absent; therefore, not maintaining the areas around their buildings.

Meyer stated that the Public Works Department sweeps the sidewalks in the downtown area after it snows. They deposit the snow into the streets and then they remove the snow from the streets. Meyer stated that the issue is with the areas of sidewalks that their equipment cannot reach because there is not enough space between the building and a utility pole or some other object. Mochinski asked Meyer where property owners in the downtown area should deposit the snow they remove from their sidewalks. Meyer stated that they can put the snow in the street, near the curb, and it will be removed by Public Works Department the next time they plow the snow from the streets in the downtown area.

#### **VI. Updates**

##### **a) Representative Ron Shimanski – Advantage Mailing**

Mareck stated that he would be attending a meeting on Wednesday, February 18, 2010 at Representative Ron Shimanski's office to discuss Advantage Mailing's participation requirements for the Minnesota Department of Employment and Economic Development's Job Opportunity Building Zones (JOBZ) program.

#### **IV. Adjourn**

**Ollig motioned to adjourn. Wiemiller seconded. Motion carried 5-0.**

Respectfully submitted,

Deborah R. Boelter  
City Clerk-Treasurer

City of Winsted  
City Council Meeting  
Council Chambers  
February 16, 2010  
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: Brent Mareck, City Administrator  
Deborah R. Boelter, City Clerk-Treasurer  
Fran Eggert, City Attorney  
Dave Meyer, Maintenance Lead

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

a) **The Pledge of Allegiance was taken.**

2) **Consent Agenda**

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

a) **Minutes - City Council – Work Session – February 3, 2010**

Accepted the minutes of the City Council Work Session of February 3, 2010.

b) **Minutes – Regular City Council Meeting – February 3, 2010**

Accepted the minutes of the Regular City Council Meeting of February 3, 2010.

c) **Schedule Public Hearing – Wastewater Facilities Plan**

Scheduled a Public Hearing for Tuesday, March 16, 2010 at 6:00 p.m. to consider the adoption of a Facilities Plan for wastewater operations at the City of Winsted's Wastewater Treatment Facility (WWTF).

d) **Business Subsidy Agreement Amendment (JOBZ) – AZZ Galvanizing**

Approved an amendment to a Business Subsidy Agreement with AZZ Galvanizing reducing their job creation requirement from fifty (50) employees to thirty-two (32) employees and reducing their participation in the program from December 31, 2015 to December 31, 2012.

e) **Re-Plat – Winsted Industrial Park III**

Approved the Winsted Industrial Park III plat as recommended for approval by the Winsted Planning Commission.

f) **Winsted Municipal Airport Land Lease – Winstock Country Music Festival**

Leased the land between McLeod County Road 5 and the private hangars at Winsted Municipal Airport to the Winstock Country Music Festival for 2010 for \$1,000.

**g) 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 January, 2010.

**h) Gambling Permit – Crow River Chapter 108 Ducks Unlimited**

Approved a gambling permit for Crow River Chapter 108 Ducks Unlimited, with no waiting period, to hold a raffle at The Blue Note Ballroom on April 13, 2010.

**i) Small Cities Grant / Loan Agreement – Bryan’s Service**

Authorized the Mayor and Clerk to execute a Small Cities Grant / Loan Agreement with Bryan’s Service, 250 Main Avenue West.

**j) Appointment – Winsted Volunteer Fire Department**

Appointed Kyle Thompson to the position of Firefighter in the Winsted Volunteer Fire Department.

**k) January, 2010 Financial Report**

Approved the January, 2010 Financial Report as presented.

**l) January, 2010 Building Permit Report**

Approved the January, 2010 Building Permit Report as presented.

**m) Claims**

Approved the Claims List for February 16, 2010.

**3) No Public Hearings.**

**4) No Old Business.**

**5) New Business**

**a) Winsted Municipal Airport Purchase Inquiry – Joe Johnson**

Mareck stated that during the negotiations for the Skydiving Agreement, the City had learned that Joe Johnson expressed interest in purchasing the Winsted Municipal Airport. The City followed up on this information with Mr. Johnson and he confirmed his interest and inquired what the required process would be to initiate a formal request to the City Council.

Mr. Johnson’s inquiry is purely a request to determine whether or not the City Council has any interest in pursuing a formal process. Consequently, Mr. Johnson’s inquiry does not contain any financial terms or arrangements.

Mareck presented the City Council with the following options to consider:

1. Motion to declare that the City of Winsted will not accept proposals to sell Winsted Municipal Airport.
2. Schedule a public comment period at a future City Council meeting to obtain

feedback from the general public and hangar owner community on the potential sale of the airport. At that meeting, the City Council would have two options:

- a. Direct staff, via a motion, to prepare a cost benefit analysis on the sale of the Winsted Municipal Airport, which would include an appraisal, Federal Aviation Administration requirements, legal ramifications, and all other information deemed necessary.
- b. Motion to declare that the City of Winsted will not accept proposals to sell the Winsted Municipal Airport.

Kevin Weinzierl, owner of Hangar Number Twenty (#20), addressed the City Council and recommended that the City Council leave the Winsted Municipal Airport as a City owned property. Weinzierl asked what the advantage would be to the City if they would sell it. Wiemiller stated that the airport has lost money for the City of Winsted in the past. Wiemiller continued by stating that he is not in favor of selling the airport at this time. He would like to see Johnson operate his Skydiving business at the airport for two (2) years and then discuss the sale of the airport with him at the end of the two (2) years.

There were several Hangar Owners in attendance at the City Council meeting and Quast asked for their opinion on the sale of the Winsted Municipal Airport.

Dave Millerbernd, owner of Hangar Numbers Thirteen (13), Twenty-Four (24) and Thirty-Three (33) addressed the City Council. Millerbernd stated that he would like the Winsted Municipal Airport to remain a City airport. He stated that there have been many Mayors and City Council members in the past who worked diligently to get the airport so he would like to see it remain as a public airport. Millerbernd continued by stating that there are several hangar owners at the Winsted Municipal Airport who have made a large investment in the airport. If you sell it to a private owner, they may charge exorbitant land leasing and other fees, which may create a hardship for existing hangar owners. Millerbernd asked the City Council to please give the existing hangar owners consideration because they have a big investment at the airport. Millerbernd stated that he believes that the Winsted Municipal Airport is an asset to the City. He also stated that if the runway is blacktopped in the future, area Winsted companies will use it more frequently and it may draw other companies to the City of Winsted.

Mochinski stated that he does not feel good about selling the airport. He stated that the City does not know a lot about Johnson. He believes that the City should let Johnson operate his Skydiving business at the Winsted Municipal Airport and then revisit his inquiry to purchase the airport in the future.

Ollig stated he would not be in favor of entertaining the sale of the airport.

Quast stated that she would not be in favor of selling the airport. She believes that it is an asset to the City.

Mayor Stotko stated that he would like to obtain an appraisal on the value of the Winsted Municipal Airport, and other pertinent information, before making any decisions on the sale of the airport.

**Wiemiller motioned not to accept any proposals to sell the Winsted Municipal Airport. Quast seconded. Motion carried 4-1. Mayor Stotko opposed.**

Johnson was not in attendance at the City Council meeting until after the aforementioned motion was made and approved. Mareck reviewed the City Council's action regarding the sale of the Winsted Municipal Airport with Johnson when he arrived at the meeting. He asked Johnson if he would like to discuss the City Council's decision.

Johnson stated that he accepted their decision and would be willing to revisit the proposal to purchase the airport in the future.

**b) Skydiving Operations Agreement – Winsted Municipal Airport – Joe Johnson**

Mareck stated that in 2009, the City received a request from Joe Johnson to conduct a Skydiving business out of the Winsted Municipal Airport. The City Council requested that a draft operations agreement be prepared to address legal, liability, and Federal Aviation Administration (FAA) and local issues pertaining to the operation at the Winsted Municipal Airport.

Mareck presented the following particulars of the agreement:

1. Three (3) year agreement, with an option for a fourth (4<sup>th</sup>) year.
2. Insurance coverage as recommended by the League of Minnesota Cities.
3. No jumps during Winstock Country Music Festival (Winstock) and Higher Ground, and limited jumps during the Winsted Municipal Airport's Annual Fly-In.
4. Jumps to occur not before thirty (30) minutes after sunrise or after thirty (30) minutes before sunset.
5. Jumps are made in accordance with FAA regulations.
6. Annual \$4,500 charge for the use of the drop zone area located south of the hangars.
7. City has the option to terminate agreement for non-compliance upon sixty (60) days notice.

Mareck presented a series of proposed amendments to the agreement, which Johnson requested and include:

1. Four (4) year agreement, with an option for a fifth (5<sup>th</sup>).
2. Tandem jumps would be allowed at all times of the year, including Winstock and Higher Ground.
3. Jumps can occur between 8:00 am and sunset.
4. Annual \$1,000 charge for the drop zone.
5. Ninety (90) day notice of agreement termination.

Mareck stated that the Winsted Municipal Airport Commission is opposed to Skydiving operations occurring at the Winsted Airport, based on safety concerns and size of the proposed drop zone. In addition, the Airport Commission, although it does not support the general concept, recommended approval of the proposed agreement and rejected the proposed amendments made by Joe Johnson.

Quast shared her concerns with safety should Johnson conduct Skydiving operations during Winstock.

Ollig stated that it is the City's airport so the City Council can dictate what they want in the agreement with Johnson. Ollig stated that he believes the City should approve the agreement with the conditions as stated by the City.

Mochinski stated that the City Council should approve the agreement with the conditions as stated by the City or table it until a future City Council meeting when Joe Johnson is in attendance at the meeting.

Wiemiller stated that he would also like to table the discussion of the Skydiving agreement to a future City Council meeting when Johnson is in attendance at the meeting.

Joe Johnson entered the Council Chambers at this point of the discussion. Mareck again gave an overview of the particulars of the agreement and Johnson's proposed amendments to the agreement.

Johnson addressed the City Council and gave an explanation for his proposed amendments. Johnson stated that he has concerns about not being able to run his Skydiving operations during Winstock and Higher Ground. He contacted the United States Parachute Association (USPA) and the FAA, and he stated that they had some concerns regarding the City's restriction of allowing him to conduct Skydiving operations during Winstock and Higher Ground because it is a public airport so the City cannot restrict aeronautical activities.

Johnson stated that he has an issue with the \$4,500 annual drop zone fee. He believes that it is a large sum for the small drop zone area that he will be using.

Ollig stated that he believes that the \$4,500 annual drop zone fee is not out of line. Johnson stated that he contacted other municipal airports that have Skydiving operations and they do not charge a drop zone fee.

Ollig asked Johnson where the drop zone would be if he conducts his Skydiving operations during Winstock and Higher Ground. Johnson stated that he would use the area west of the Winsted Municipal Airport's Administration building and he would restrict the jumps to tandem jumping only.

Quast stated that she does not believe that Johnson's main concern is the safety of others.

Mochinski asked Johnson if the drop zone he would be using during Winstock and Higher Ground would be screened off. Johnson stated that it would not but there would be monitors on the ground to communicate with the pilots and jumpers to insure safety.

**Ollig motioned to authorize the execution of a Skydiving agreement with Joe Johnson with the modification that he be allowed to operate during Winstock Country Music Festival and Higher Ground but limited to experienced jumpers and tandem jumping only, and that the modification be in effect for one (1) year and reviewed after one (1) year. Mochinski seconded. Motion carried 4-1. Quast opposed.**

Paul Gatz, 22711 County Road 1, Winsted, asked Johnson how many jumps he would be conducting. Johnson stated that there could be potentially five hundred (500) to four thousand (4,000) jumps per year. Gatz expressed his concern regarding the amount of noise the increased take-offs and landings may cause.

Mochinski asked Johnson if he can modify his flight path so they are not flying over the same house every time. Johnson stated yes.

Ollig reminded Gatz that the City can terminate the agreement in sixty (60) days if there are issues with noise.

**c) Special Assessment Policy**

Mareck presented the proposed Special Assessment Policy.

Ollig asked how the public is informed if a project is proposed to be completed and assessed to their property. Saulsbury stated that all property owners in the project area would be notified by the City and the project and associated costs would be presented to

them. They would also be invited to a public meeting to discuss the proposed project with the City Council.

**Ollig motioned to schedule a “Public Information Hearing” for March 16, 2010 for the purpose of gathering input on a proposed Special Assessment Policy. Quast seconded. Motion carried 5-0.**

**d) 2010 Citizens Survey**

Mareck presented the results of the 2010 Citizens Survey completed by City of Winsted residents.

Mareck stated that the City will take the information from the 2010 Citizens Survey and do the following:

1. Post the results on the City's website.
2. Present the results to the Winsted Area Chamber of Commerce.
3. The City Council and staff will use the survey results to formulate their goals and action plan for the year 2010.

**6) Department Report**

**a) City Engineer**

Jake Saulsbury, City Engineer, reported on the following:

**1. Winsted Municipal Airport Improvements:**

- 2009 Construction Project for Taxi Lane Reconstruction and Drainage Improvements:
  - Final pay request was submitted.
  - Close-out paperwork will be sent to the Federal Aviation Administration.
- Airport Master Plan and Airport Layout Plan (ALP):
  - Draft Master Plan and ALP have been completed based on the Option Two (2) alignment which shifts the runway to the north.
  - Draft Master Plan and ALP to be sent to the City and Minnesota Department of Transportation/Office of Aeronautics (MN DOT/OA).
- Environmental Assessment (EA):
  - Project identified for MN DOT/OA Entitlement Funding in 2010 with a five percent (5%) local match from the City. This grant application is anticipated to be completed in April or May, 2010 and also includes the reimbursement for the 2007 design.
  - The Airport Layout Plan will need to be reviewed and commented on prior to proceeding with the EA.
  - EA will evaluate any environmental impacts for the runway shift, land acquisition, and possible Luce Line Trail realignment.

**2. Pavement Management Plan:**

The purpose of a Pavement Management Plan (PMP) is to maintain serviceable street and utility infrastructure capable of meeting the needs of the citizens of Winsted in a reliable and cost effective manner. The following has been completed recently:

- Calculated the present cost of recommended street and utility work.
- Met with City staff to identify trouble spots and to discuss priorities.
- Created a draft Special Assessment Policy.
- Created figures showing the conditions and ages of the roads and utilities.

**3. Wastewater System Facility Plan:**

The primary goal in developing the Wastewater System Facility Plan is to develop a working plan for meeting the current and future wastewater conveyance and treatment needs for the City of Winsted. The following has been completed recently:

- Calculated the projected flow and loading data.
- Requested and received effluent permit limits from the Minnesota Pollution Control Agency (MPCA).
- Determined options and associated costs to meet the required effluent limits.
- Completed an inventory of the existing collection system and lift station components.
- Final submittal due to the MPCA on March 5<sup>th</sup>, 2010.

**4. Miscellaneous Items:**

- Industrial Park - Provided information to and have had discussions with M&N Structures and their engineer. Existing sanitary sewer line will need to be relocated to the west in the spring to accommodate the development of this site.
- Wind Energy – Forwarded a proposal containing options for further evaluation related to a City owned wind turbine.
- McLeod County – Met with and provided costs for a potential turn back project of County Road 116, which includes Third Street, Albert Avenue, and Fourth Street. The County Engineer plans to have a workshop with the County Board to discuss this project in the near future.

7) **No Open Forum.**

8) **No Announcements.**

9) **Adjournment**

**Quast motioned to adjourn. Wiemiller seconded. Motion carried 5-0.**

Respectfully submitted,

Deborah R. Boelter  
City Clerk-Treasurer

**AN ORDINANCE AMENDING THE CURFEW ORDINANCE WITHIN THE CITY OF WINSTED.**

THE CITY OF WINSTED DOES HEREBY ORDAIN AS FOLLOWS:

**SECTION 1.** Chapter 9 Section 2 is amended by the repeal of same and the substitution therefore of the following:

**902.000. CURFEW OF MINORS.**

**902.001. DEFINITIONS.**

A. CURFEW HOURS. "Curfew Hours" means:

1. In the case of persons 13 years of age or younger, on any day of the week, 9:00 p.m. until 6:00 a.m. the following day; and
2. In the case of persons 15 years of age or younger, on any day of the week, 10:00 p.m. until 6:00 a.m. the following day; and
3. In the case of persons 16 years of age on any day of the week, 11:00 p.m. until 6:00 a.m. the following day; and
4. In the case of persons 17 years of age, on any day of the week, 12:00 a.m. until 6:00 a.m. the following day.

B. EMERGENCY. "Emergency" means an unforeseen combination of circumstances or the resulting state that calls for immediate action. The term includes, but is not limited to, a fire, a natural disaster, an automobile accident, or any situation requiring immediate action to prevent serious bodily injury or loss of life.

C. ESTABLISHMENT. "Establishment" means any privately owned place of business operating for a profit to which the public is invited, including but not limited to, any place of amusement or entertainment

D. GUARDIAN. "Guardian" means:

1. a person who, under court order, is the guardian of the person of a minor;  
or
2. a public or private agency with whom a minor has been placed by a court

E. MINOR. "Minor" means any person under 18 years of age.

F. OPERATOR. "Operator" means any individual, firm, association, partnership, or corporation, operating, managing, or conducting any establishment. The term

includes the members or partners of an association or partnership and the officers of a corporation.

G. PARENT. "Parent" means a person who is:

1. a natural parent, adoptive parents, or step-parent of another person; or
2. at least 18 years of age and authorized by a parent or guardian to have the care and custody of a minor.

H. PUBLIC PLACE. "Public Place" means any place to which the public of a substantial group of the public has access and includes, but is not limited to, streets, highways, and the common areas of schools, hospitals, apartment houses, office buildings, transport facilities, and shops.

I. REMAIN. "Remain" means to:

1. linger or stay; or
2. fail to leave premises when requested to do so by a police officer or the owners, operator, or other person in control of the premises

J. SERIOUS BODILY INJURY. "Serious Bodily Injury" means bodily injury that creates a substantial risk of death or that causes death, serious permanent disfigurement, or protracted loss of impairment of the function of any bodily member or organ.

**902.002. RESTRICTIONS.**

A. It shall be unlawful for any minor to remain in any public place or on the premises of any establishment within the City during curfew hours.

B. It shall be unlawful for any parent or guardian of a minor to knowingly permit, or by insufficient control, allow the minor to remain in any public place or on the premises of any establishment within the City during curfew hours. The term "knowingly" includes knowledge which a parent or guardian should reasonably be expected to have concerning the whereabouts of a minor in the legal custody of that parent or guardian.

C. It shall be unlawful for any owner, operator, or any employee of an establishment to knowingly allow a minor to remain upon the premises of the establishment during curfew hours.

**902.003 EXCEPTIONS.**

A. The following shall constitute valid exception to the operation of the curfew. That the minor was:

- a. Accompanied by the minor's parent or guardian;

- b. On an errand at the direction of the minor's parent or guardian, without any detour or stop;
- c. In a motor vehicle involved in interstate travel;
- d. Engaged in employment activity, or going to or returning home from an employment activity, without any detour or stop;
- e. Involved in an emergency;
- f. On the sidewalk abutting the minor's residence or abutting the residence of a next-door neighbor if the neighbor did not complain to the Sheriff's Office about the minor's presence;
- g. Attending an official school, religious, or other recreational activity supervised by adults and sponsored by the City of Winsted, a civic organization, or another similar entity that takes responsibility for the minor, or going to or returning home from, without any detour or stop, and official school, religious or other recreational activity supervised by adults and sponsored by the City of Winsted, a civic organization, or another similar entity that take responsibility for the minor;
- h. Exercising First Amendment rights protected by the United States Constitution, such as the free exercise of religious, freedom of speech, and right of assembly, or
- i. Married or has been married.

B. It is a defense to prosecution under Section 2 that the owner, operator or employee of an establishment promptly notified the Sheriff's Office that a minor was present on the premises of the establishment during curfew hours and refused to leave.

**902.004 ENFORCEMENT.**

Before taking any enforcement action under this section, a Sheriff's Deputy shall ask the apparent offender's age and reason for being in the public place. The Deputy shall not issue a citation or make an arrest under this Section unless the Deputy reasonably believes that an offense has occurred and that, based on any response and other circumstances, no defense in Section 3 is present.

**902.005 PENALTIES.**

- A. A person who violates a provision of this chapter is guilty of a separate offense for each day or part of a day during which the violation is committed, continued, or permitted.
- B. Any minor who is convicted of a violation of this code chapter after the case has been referred for prosecution in the trial court under Minnesota Statute 260.125, and any adult person having the care and custody of such minor, is guilty of a petty misdemeanor and shall be punished as provided by this code.

- C. That the terms and provisions of this code chapter are severable. If any provision is, for any reason, held to be invalid, such decision shall not effect the validity of the remaining portions of this chapter. It is intended that the code chapter be held inapplicable in such cases, if any, where its application would be unconstitutional.

**SECTION 2. REPEAL.** To the extent any other Ordinance of the City of Winsted which is inconsistent herewith, the same is repealed.

**SECTION 3. EFFECTIVE DATE:** The effective date of this Ordinance shall be after its adoption and publication, according to law.

**ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF WINSTED,  
MINNESOTA, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010.**

\_\_\_\_\_  
Steve Stotko, Mayor

Attest:

\_\_\_\_\_  
Deborah R. Boelter, City Clerk-Treasurer

**AMENDMENT TO JOB OPPORTUNITY BUILDING ZONE BUSINESS SUBSIDY  
AGREEMENT (BSA) BETWEEN THE CITY OF WINSTED  
AND IMPACT MAILING OF MINNESOTA, INC.**

*THIS AMENDMENT TO THE JOB OPPORTUNITY BUILDING ZONE BUSINESS SUBSIDY AGREEMENT* is made by and between the City of Winsted, a local unit of government with offices at 183 Main Ave W, Winsted, MN 55395 (hereafter “subzone administrator”) and IMPACT MAILING OF MINNESOTA, INC. (the “Qualified Business”), with its principal offices at 4600 Lyndale Avenue North, Minneapolis, MN 55412, and shall become effective upon the date on which this Amendment is executed by the last party whose signature is required below (“Effective Date”).

**RECITALS**

WHEREAS, ADVANTAGE MAILING, INC. is listed as the qualified business on the Business Subsidy Agreement (“BSA”) dated December 31, 2005 for the property located in Winsted, MN, McLeod County, Minnesota and part of Parcel No. 21.064.0040 (1.38 acres in JOBZ) and has been designated in the Southwest Regional JOBZ region.

WHEREAS, ADVANTAGE MAILING, INC. intends to sell substantially all assets including equipment located at the above mentioned parcel.

WHEREAS, the name of the corporation which intends to purchase the assets of ADVANTAGE MAILING, INC. is IMPACT MAILING OF MINNESOTA, INC..

WHEREAS, IMPACT MAILING OF MINNESOTA, INC. desires to assume the benefits and responsibilities of Advantage Mailing, Inc. under the terms of the BSA dated December 31, 2005 as amended by this amendment. Furthermore IMPACT MAILING OF MINNESOTA, INC. requests to be authorized to assume the responsibilities under the BSA as the Qualified Business as referenced in Minnesota Statutes 469.3100 Subd. 11 and to be the entity which will comply with the requirements of the Business Subsidy Agreement, the provisions of the Job Opportunity Building Zone Minnesota Statutes 469.310 – 469.320 and, the Business Subsidy Statutes 116J.993 – 116J.995.

WHEREAS, the City of Winsted must approve the assumption of the BSA dated December 31, 2005.

WHEREAS, pursuant to the authority provided under Minnesota Statutes Sections 469.310 through 469.320, the Subzone Administrator and the qualified business entered into a Business Subsidy Agreement that became effective on December 31, 2005, that provided qualified business with tax incentives to conduct operations in a tax zone within Subzone Administrator’s jurisdiction provided that certain job creation, job retention and wage goals were met (hereafter “BSA”).

WHEREAS, the job creation, job retention and wage goals set forth in the BSA will not be met throughout the term of the BSA.

WHEREAS, pursuant to the authority provided under Minnesota Statutes Section 469.3191, Subzone Administrator and IMPACT MAILING OF MINNESOTA (the “Qualified Business”) have determined that it would be mutually beneficial to amend the BSA to enable IMPACT MAILING OF MINNESOTA, INC. to remain eligible for tax incentives.

NOW THEREFORE, IMPACT MAILING OF MINNESOTA, INC. and Subzone Administrator agree as follows:

- I. From and after the Effective Date, the BSA dated December 31, 2005 shall remain unchanged except as follows:
- a. Article II, Section A of the BSA: the words “solely owned by John Stifter” are deleted.
  - b. Article II, Section E of the Agreement is deleted in its entirety and replaced with the following:
    - E. Whereas the Job Zone Term shall be effective from the Approval Date until December 31, 2014.
  - c. Article V, Section D, subsections (1), (2) and (4) of the BSA are deleted in their entirety and replaced with the following:
    - (1) ADVANTAGE MAILING, INC. has indicated to the Subzone Administrator that it created 9 new full time equivalents (FTE) jobs by December 31, 2009 and such 9 FTE jobs shall be retained by IMPACT MAILING OF MINNESOTA, INC. (the “Qualified Business”) during the Job Zone Term and within the Subzone boundary. Furthermore, IMPACT MAILING OF MINNESOTA, INC. shall retain the additional 13 FTE jobs that existed at ADVANTAGE MAILING, INC. on December 31, 2005. The Qualified Business shall maintain at least 22 FTE jobs during the Job Zone Term and within the Subzone boundary.”
    - (2) IMPACT MAILING OF MINNESOTA, INC. shall maintain a minimum compensation rate for each of the said 22 FTE jobs that is equal to or greater than 110% of the federal poverty level for a family of four for such location as provided in Minn. Statute 469.310, Subd. 11(g). IMPACT MAILING OF MINNESOTA, INC understands that the federal poverty levels are changed on July 1<sup>st</sup> of each year.
    - (4) IMPACT MAILING OF MINNESOTA, INC. shall maintain continuous business operations within the City of Winsted from the Effective Date through December 31, 2014.
  - d. Article V, Section G. the reference to the date “December 31, 2015” is changed to “December 31, 2014”.
- II. As of the Effective Date and on a forward basis IMPACT MAILING OF MINNESOTA, INC. assumes all of the responsibilities and duties of the Qualified Business under the terms of the BSA dated December 31, 2005 that are to be performed from and after the Effective Date and agrees that it will fully and completely comply with and perform all the duties imposed on the Qualified Business there under.
- III. IMPACT MAILING OF MINNESOTA, INC. shall not be responsible or otherwise liable for any breach of the BSA by ADVANTAGE MAILING, INC. that occurred prior to the Effective Date and does not assume liability for any such breach or other non-compliance.
- IV. All references to ADVANTAGE MAILING, INC. in the BSA dated December 31, 2005 shall be changed to IMPACT MAILING OF MINNESOTA, INC.

**Except as amended herein, the terms and conditions of the original Business Subsidy Agreement (attached as Exhibit A) are reaffirmed and remain in full force and effect and are part of this Amendment.**

*IN WITNESS WHEREOF*, the Subzone Administrator and the Qualified Business have acknowledged their assent to this Amendment Agreement and agree to be bound by its terms through the signatures entered below:

**QUALIFIED BUSINESS:**

|        |
|--------|
| BY:    |
| TITLE: |
| DATE:  |

**SUBZONE ADMINISTRATOR:**

|        |
|--------|
| BY:    |
| TITLE: |
| DATE:  |

**OTHERS AS NECESSARY:**

|        |
|--------|
| BY:    |
| TITLE: |
| DATE:  |

**OTHERS AS NECESSARY:**

|        |
|--------|
| BY:    |
| TITLE: |
| DATE:  |



**Investment Portfolio Pledged Securities**

FLAGSHIP BANK WINSTED  
WINSTED, MN

InTrader (pledged )  
Last : 01/31/2010  
As-of: 02/28/2010  
1614 100398

| Cusip Loc                              | Ticket | Security Description Line 1<br>Security Description Line 2 | Safekeeping Agent<br>Rate   | Maturity   | Grp | Original Face<br>Par/Curr Face | S & P<br>Moody                    | Date Priced                 | Book Value<br>Market Value |
|--|--------|--|-----------------------------|------------|-----|--------------------------------|-----------------------------------|-----------------------------|----------------------------|
| <b>PLEGDED TO: I38 CITY OF WINSTED</b> |        |  |                             |            |     |                                |                                   |                             |                            |
| 3133XLX73                              |        | FED HOME LOAN BANK<br>NON-CALLABLE                         | UNITED BANKERS BANK<br>5    | 09/14/2012 | 100 | 500,000.00<br>500,000.00       | AAA<br>Aaa                        | 02/23/2010                  | 537,546.39<br>543,593.75   |
| 31948KEK7                              |        | FIRST CHICAGO B&T CD<br>FDIC INSURED                       | UNITED BANKERS BANK<br>1.9  | 07/28/2011 | 400 | 245,000.00<br>245,000.00       |                                   |                             | 245,000.00<br>245,000.00   |
| 319947BP1                              |        | FIRST STATE BANK CD<br>FDIC INSURED                        | UNITED BANKERS BANK<br>1.85 | 07/29/2011 | 400 | 245,000.00<br>245,000.00       |                                   |                             | 245,000.00<br>245,000.00   |
| 69404QJL4                              |        | PACIFIC CAPITAL CD<br>FDIC INSURED                         | UNITED BANKERS BANK<br>1.95 | 10/17/2011 | 400 | 245,000.00<br>245,000.00       |                                   |                             | 245,000.00<br>245,000.00   |
| 81405PBP9                              |        | SECURITY BANK KANSAS CITY CD<br>FDIC INSURED               | UNITED BANKERS BANK<br>1.85 | 07/25/2011 | 400 | 245,000.00<br>245,000.00       |                                   |                             | 245,000.00<br>245,000.00   |
| <b>TOTAL FOR PLEDGE ID I38</b>         |        |  |                             |            |     | <b>Orig Face: 1,480,000.00</b> | <b>Current Face: 1,480,000.00</b> | <b>Market: 1,523,593.75</b> | <b>Book: 1,517,546.39</b>  |

CITY OF WINSTED

02/26/10 11:13 AM

Page 1

\*Check Summary Register©

February 2010

| Name                                       | Check Date          | Check Amt         |
|--|---------------------|-------------------|
| <b>10100 CBW</b>                           |                     |                   |
| Paid Chk# 000933E TASC/Flex Systems        | 2/16/2010           | \$384.60          |
| Paid Chk# 000934E PERA                     | 2/16/2010           | \$3,061.90        |
| Paid Chk# 000935E MN DEPARTMENT OF REVENUE | 2/16/2010           | \$850.86          |
| Paid Chk# 000936E IRS-FICA                 | 2/16/2010           | \$2,312.48        |
| Paid Chk# 000937E IRS-FEDERAL WITHHOLDING  | 2/16/2010           | \$1,658.94        |
|  | <b>Total Checks</b> | <b>\$8,268.78</b> |

FILTER: None

CITY OF WINSTED

\*Check Summary Register©

February 2010

| Name                                  | Check Date | Check Amt         |
|---------------------------------------|------------|-------------------|
| <b>10100 CBW</b>                      |            |                   |
| Paid Chk# 008052 Bush, Brad E         | 2/16/2010  | \$187.47          |
| Paid Chk# 008053 Cafferty, Jolynn     | 2/16/2010  | \$18.47           |
| Paid Chk# 008054 Dickhausen, Daniel P | 2/16/2010  | \$18.47           |
| Paid Chk# 008055 Ebensperger, Marvin  | 2/16/2010  | \$18.47           |
| Paid Chk# 008056 Fasching, Max        | 2/16/2010  | \$18.47           |
| Paid Chk# 008057 Guggemos, Michael    | 2/16/2010  | \$18.47           |
| Paid Chk# 008058 Heldt, Justin C      | 2/16/2010  | \$1,159.10        |
| Paid Chk# 008059 Henrich, Michael J   | 2/16/2010  | \$1,669.05        |
| Paid Chk# 008060 Kirchoff, Raquel M.  | 2/16/2010  | \$804.98          |
| Paid Chk# 008061 Kothman, Bartley     | 2/16/2010  | \$80.35           |
| Paid Chk# 008062 Lammers, James R.    | 2/16/2010  | \$744.98          |
| Paid Chk# 008063 Littfin, Matthew G.  | 2/16/2010  | \$122.82          |
| Paid Chk# 008064 Meyer, David C       | 2/16/2010  | \$1,409.67        |
| Paid Chk# 008065 Schlechter, John H.  | 2/16/2010  | \$1,377.46        |
| Paid Chk# 008066 Sietsema, Bradley    | 2/16/2010  | \$66.95           |
| Paid Chk# 008067 Wiemiller, Thomas    | 2/16/2010  | \$249.34          |
| Paid Chk# 008068 Williams, Matt S.    | 2/16/2010  | \$41.56           |
| <b>Total Checks</b>                   |            | <b>\$8,006.08</b> |

FILTER: None

CITY OF WINSTED

02/26/10 11:15 AM

Page 1

\*Check Summary Register©

February 2010

| Name  | Check Date          | Check Amt         |
|---|---------------------|-------------------|
| <b>10100 CBW</b>                                |                     |                   |
| Paid Chk# 016261 Black Hills Ammunition         | 2/16/2010           | \$818.00          |
| Paid Chk# 016262 Citizens State Bank of Waverly | 2/16/2010           | \$450.40          |
| Paid Chk# 016263 ICMA Retirement Corporation    | 2/16/2010           | \$463.34          |
| Paid Chk# 016264 MN Rural Water Association     | 2/23/2010           | \$200.00          |
| Paid Chk# 016265 Heartland Community Action     | 2/23/2010           | \$4,788.64        |
|   | <b>Total Checks</b> | <b>\$6,720.38</b> |

FILTER: None

CITY OF WINSTED

02/26/10 11:15 AM

Page 1

\*Check Summary Register©

February 2010

| Name                            | Check Date   | Check Amt         |
|---------------------------------|--------------|-------------------|
| 10100 CBW                       |              |                   |
| Paid Chk# 500478E Bi-Weekly ACH | 2/16/2010    | <u>\$6,923.07</u> |
|                                 | Total Checks | \$6,923.07        |

FILTER: None

## CITY OF WINSTED

02/26/10 12:34 PM

Page 1

## \*Check Summary Register©

March 2010

| Name  | Check Date | Check Amt           |
|---|------------|---------------------|
| <b>10100 CBW</b>                                |            |                     |
| Paid Chk# 016266 2nd & Main Properties          | 3/2/2010   | \$500.00            |
| Paid Chk# 016267 Alpha Wireless                 | 3/2/2010   | \$63.70             |
| Paid Chk# 016268 Automatic Systems Company      | 3/2/2010   | \$824.50            |
| Paid Chk# 016269 Laurie Campbell                | 3/2/2010   | \$490.00            |
| Paid Chk# 016270 Dawn Carnicom                  | 3/2/2010   | \$25.00             |
| Paid Chk# 016271 Clarey's Safety Equip., Inc.   | 3/2/2010   | \$4,292.25          |
| Paid Chk# 016272 CR Electric, Inc.              | 3/2/2010   | \$446.39            |
| Paid Chk# 016273 Delta Dental of Minnesota      | 3/2/2010   | \$328.75            |
| Paid Chk# 016274 Francis J. Eggert              | 3/2/2010   | \$2,568.75          |
| Paid Chk# 016275 Ft. Dearborn Life Ins. Co.     | 3/2/2010   | \$268.14            |
| Paid Chk# 016276 G & K Services                 | 3/2/2010   | \$122.04            |
| Paid Chk# 016277 Gavin, Olson & Winters, Ltd.   | 3/2/2010   | \$1,749.25          |
| Paid Chk# 016278 H & L Mesabi                   | 3/2/2010   | \$824.29            |
| Paid Chk# 016279 Hawkins, Inc.                  | 3/2/2010   | \$189.19            |
| Paid Chk# 016280 IIMC                           | 3/2/2010   | \$50.00             |
| Paid Chk# 016281 Laura Kosek                    | 3/2/2010   | \$83.00             |
| Paid Chk# 016282 LifeLine Incorporated          | 3/2/2010   | \$124.99            |
| Paid Chk# 016283 LMCIT                          | 3/2/2010   | \$75,828.00         |
| Paid Chk# 016284 Brent Mareck                   | 3/2/2010   | \$108.00            |
| Paid Chk# 016285 McLeod Cty. Sheriff's Office   | 3/2/2010   | \$7,568.02          |
| Paid Chk# 016286 MN Department of Health        | 3/2/2010   | \$1,314.00          |
| Paid Chk# 016287 Moore Medical, LLC             | 3/2/2010   | \$627.11            |
| Paid Chk# 016288 MVTL Laboratories, Inc.        | 3/2/2010   | \$34.00             |
| Paid Chk# 016289 People Service, Inc.           | 3/2/2010   | \$12,390.00         |
| Paid Chk# 016290 Preferred One                  | 3/2/2010   | \$5,113.29          |
| Paid Chk# 016291 Russell Security Resource, Inc | 3/2/2010   | \$85.21             |
| Paid Chk# 016292 John Schlechter                | 3/2/2010   | \$48.75             |
| Paid Chk# 016293 Strategic Equipment and Supply | 3/2/2010   | \$112.99            |
| Paid Chk# 016294 TDS Telecom                    | 3/2/2010   | \$1,124.12          |
| Paid Chk# 016295 TEES PLUS                      | 3/2/2010   | \$147.47            |
| Paid Chk# 016296 ZEP Manufacturing Company      | 3/2/2010   | \$133.20            |
| <b>Total Checks</b>                             |            | <b>\$117,584.40</b> |

FILTER: None

# City of Winsted Claims Detail Report

March 3, 2010

| VENDOR                          | DEPARTMENT        | DESCRIPTION  | AMOUNT       |
|---------------------------------|-------------------|--|--------------|
| 2nd & Main Properties           | Library           | March, 2010 Building Rent  | \$ 500.00    |
| Alpha Wireless                  | Police Department | Supplies   | \$ 63.70     |
| Automatic Systems Company       | Water             | Repair to Well #3  | \$ 824.50    |
| Black Hills Ammunition          | Police Department | Ammunition   | \$ 818.00    |
| Campbell, Laurie                | All               | Janitorial Contract - Weeks 02/22 and 03/01/2010                 | \$ 490.00    |
| Carnicom, Dawn                  | Cable Fund        | Video Camera Operator - 02/16/10 City Council Meeting            | \$ 25.00     |
| Citizens State Bank of Waverly  | All               | Health Savings Account Contributions-Pay Period #4               | \$ 450.40    |
| Clarey's Safety Equip., Inc.    | Fire Department   | Gear and Supplies  | \$ 4,292.25  |
| C.R. Electric, Incorporated     | All               | Electrical Repairs   | \$ 446.39    |
| Delta Dental of Minnesota       | All               | March, 2010-Employee Paid Dental Insurance Premium               | \$ 328.75    |
| Eggerf, Fran                    | All               | February, 2010 Legal Fees  | \$ 2,568.75  |
| Ft. Dearborn Life Ins., Company | All               | March, 2010 Premium-Disability and Life Insurance Premiums       | \$ 268.14    |
| G & K Services                  | Public Works      | Uniforms   | \$ 122.04    |
| Gavin, Olson & Winters          | All               | Legal Services   | \$ 1,749.25  |
| H & L Mesabi                    | Public Works      | Snow Removal Equipment   | \$ 824.29    |
| Hawkins, Incorporated           | Water             | Chemicals  | \$ 189.19    |
| Heartland Comm. Action Agency   | Administration    | Small Cities Development Grant-Professional Services             | \$ 4,788.64  |
| ICMA Retirement Corporation     | Administration    | Retirement Contribution-Pay Period #4                            | \$ 463.34    |
| IIMC                            | Administration    | Application for Admission into Certified Municipal Clerk Program | \$ 50.00     |
| Kosek, Laura                    | Fire Department   | February, 2010 Cleaning Services                                 | \$ 83.00     |
| LifeLine Incorporated           | Police Department | Medical Supplies   | \$ 124.99    |
| LMCIT                           | All               | 2009 Property and Casualty/Workmens Compensation Insurance       | \$ 75,828.00 |
| Marek, Brent                    | Administration    | Mileage Reimbursement  | \$ 108.00    |
| McLeod County Sheriff's Dept.   | Police Department | Squad Car Computers and Training                                 | \$ 7,568.02  |
| MN Dept. of Health              | Water             | Community Water Supply Quarterly Service Connection Fee          | \$ 1,314.00  |
| MN Rural Water Association      | Public Works      | February, 2010 to February, 2011 Membership Dues                 | \$ 200.00    |
| Moore Medical, LLC              | Fire Department   | Medical Supplies   | \$ 627.11    |
| MVTL Laboratories, Inc.         | Water             | Water Testing  | \$ 34.00     |
| People Service, Incorporated    | Sewer             | Waste Water Treatment Facility-Monthly Management Fee            | \$ 12,390.00 |
| Preferred One                   | All               | March, 2010 Health Insurance Premium                             | \$ 5,113.29  |
| Russell Security Resource       | Fire Department   | Duplicate Keys   | \$ 85.21     |
| Schlechter, John                | Airport           | Straw Bales  | \$ 48.75     |
| Strategic Equipment and Supply  | City Hall         | Supplies   | \$ 112.99    |
| TDS Telecom                     | All               | Telephones   | \$ 1,124.12  |
| TEES Plus                       | Police Department | D.A.R.E. Supplies  | \$ 147.47    |
| ZEP Manufacturing Company       | Public Works      | Supplies   | \$ 133.20    |

**TOTAL CLAIMS \$ 124,304.78**

RESOLUTION NO. R-10-08

RESOLUTION VACATING CERTAIN PORTIONS OF INDUSTRIAL BLVD IN  
THE CITY OF WINSTED, MINNESOTA

At a duly authorized meeting of the City Council of the City of Winsted, Minnesota, the following resolution was moved and adopted:

WHEREAS, the City Council did, at its February 3, 2010 Council Meeting, adopt a Resolution proposing the vacation of certain portions of INDUSTRIAL BLVD in the City of Winsted, Minnesota, as described in attached Exhibit "A" which is incorporated herein as though fully set forth in full; and

WHEREAS, the City has, pursuant to Minnesota Statutes, provided two (2) weeks published and posted notice, and written notice by mail to each property owner affected by the proposed vacation at least ten (10) days before the public hearing which was held thereon on the 2<sup>nd</sup> day of March, 2010; and

WHEREAS, the City Council hereby determines that it is in the interest of the public to vacate those certain portions of INDUSTRIAL BLVD described in Exhibit "A", attached hereto since the same are unnecessary to be used as a public street; and

WHEREAS, there are public utility easements over, upon, under and across portions of said unused portions of INDUSTRIAL BLVD as described in Exhibit "A";

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF  
THE CITY OF WINSTED:

That the portions of INDUSTRIAL BLVD described in attached Exhibit "A", be and hereby are VACATED, together with any and all public utility easements located therein, and those public utility easements described in attached Exhibit "B" or any other easements of any

nature whatsoever, over, upon, under and across the portion of said street being vacated, since there is no public need to retain said easements.

The City Council further resolves that it appears in the interest of the public to adopt this Resolution.

This Resolution adopted by the City Council of the City of Winsted at its March 2<sup>nd</sup>, 2010 Council Meeting.

---

Steve Stotko, Its Mayor

Attest:

---

Deborah R. Boelter, City Clerk

EXHIBIT "A"

All that part of Industrial Blvd., as delineated and dedicated on the plat of WINSTED INDUSTRIAL PARK, according to the recorded plat thereof McLeod County, Minnesota lying southerly of WINSTED INDUSTRIAL PARK TWO, according to the recorded plat thereof said McLeod County and lying northerly of the easterly extension of the south line of Lot 8, Block 2 of said WINSTED INDUSTRIAL PARK TWO.

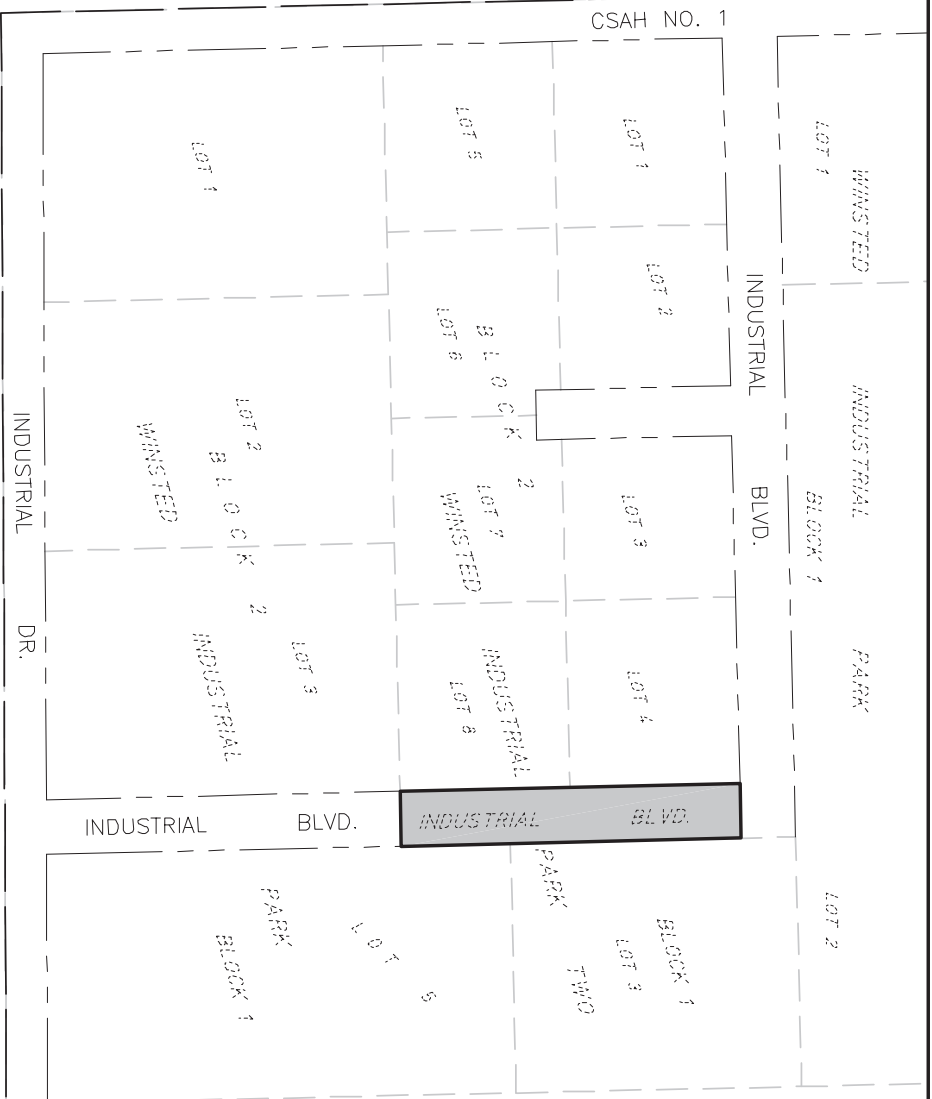
TOGETHER WITH all that part of Industrial Blvd., as delineated and dedicated on the plat of WINSTED INDUSTRIAL PARK TWO, according to the recorded plat thereof McLeod County, Minnesota lying southerly of the easterly extension of the northerly line of Lot 1, Block 2 of said WINSTED INDUSTRIAL PARK TWO.

EXHIBIT "B"

All of the drainage and utility easements within Lot 3, Block 1 and Lots 4 and 8, Block 2, WINSTED INDUSTRIAL PARK TWO, according to the recorded plat thereof, McLeod County, Minnesota, as delineated and dedicated in said WINSTED INDUSTRIAL PARK TWO.

And

Those parts of the drainage and utility easements within Lot 5, Block 1, WINSTED INDUSTRIAL PARK, according to the recorded plat thereof, McLeod County, Minnesota, as delineated and dedicated in said WINSTED INDUSTRIAL PARK, lying northerly of the easterly extension of the south line of Lot 8, Block 2, said WINSTED INDUSTRIAL PARK TWO.



**PROPOSED VACATION DESCRIPTION:**

That part of Industrial Blvd., as delineated and dedicated on the plat of WINSTED INDUSTRIAL PARK, according to the recorded plat thereof McLeod County, Minnesota lying southerly of WINSTED INDUSTRIAL PARK TWO, according to the recorded plat thereof said McLeod County and lying northerly of the easterly extension of the south line of Lot 8, Block 2 of said WINSTED INDUSTRIAL PARK TWO.

AND

That part of Industrial Blvd., as delineated and dedicated on the plat of WINSTED INDUSTRIAL PARK TWO, according to the recorded plat thereof McLeod County, Minnesota lying southerly of the easterly extension of the northerly line of Lot 1, Block 2 of said WINSTED INDUSTRIAL PARK TWO.

 = PROPOSED ROAD VACATION

|  |  |   |
|--|--|---|
| <b>PROPOSED VACATION EXHIBIT</b><br>WINSTED INDUSTRIAL PARK THREE  |  | INDUSTRIAL BLVD<br>WINSTED INDUSTRIAL PARK &<br>WINSTED INDUSTRIAL PARK TWO |
| <br><b>BOLTON &amp; MENK, INC.</b><br>Consulting Engineers & Surveyors<br>2638 SHADOW LANE, SUITE 200, CHASKA, MN 55318 (952)-448-8838<br>MANKATO, MN FARMONT, MN SLEEPY EYE, MN BURNSVILLE, MN<br>WILLMAR, MN CHASKA, MN RAMSEY, MN AMES, IA |  | <b>FOR CITY OF WINSTED</b>  |

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**Date: 3-2-10**



**Submitted By: Brent Mareck, City Administrator**

**Subject: Public Nuisance – 404 Westgate Drive**

---

**BACKGROUND:**

On February 3, 2010, the City Council adopted a resolution ordering that an “abatement notice” be served upon the property owner of 404 Westgate Drive.

In 2009, the house at 404 Westgate Drive was damaged due to a fire at the residence. Upon conducting an inspection of the house, the Building Inspector certified that the house had suffered damage to the extent that it should be considered a public nuisance as defined under the Municipal Code. The property owner was notified of this fact and was given sixty days to remedy or personally abate the nuisance on the property.

To date, the property owner has failed to remedy the nuisance by either correcting the deficiencies or removing the house from the property. The city has attempted to contact the property owner by phone, with no success.

Municipal Code requires the City Council to provide the property owner with an “opportunity to be heard.” After considering the testimony of the property owner, the City Council may provide additional time to correct the nuisance or take action by adopting a resolution to abate the public nuisance.

**FINANCIAL/BUDGET:**

N/A

**OPTIONS:**

- 1) Adopt an order of “summary enforcement.”

Summary enforcement will allow the city to initiate the process to remove the “public nuisance” from the property and have all the corresponding costs assessed against the property.

- 2) Adopt a resolution “ordering the abatement.”

Ordering the abatement is a formal order from the City Council to the property owner to abate the “public nuisance.” The City Council would have to determine the amount of time that would be given to the property owner to abate the nuisance.

- 3) Other.

**RECOMMENDATION:**

There has been no indication, by letter or otherwise, that the property owner or any other party intends to remedy the public nuisance in a timely fashion. Based on these circumstances, the City Council is advised to proceed with summary enforcement to remedy the nuisance on the property.

**COUNCIL ACTION:**

A motion to adopt an order of Summary Enforcement to abate the nuisance at 404 Westgate Drive.

**ATTACHMENTS:**

- 1) Summary Enforcement Order
- 2) Memo City Attorney – 1-22-10
- 3) Resolution R-10-05
- 4) Abatement Notice
- 5) Letter to Property Owner – 10-27-09
- 6) Letter from Building Inspector – 11-16-09
- 7) Letter to Property Owner – 11-19-09

**CITY OF WINSTED ORDER FOR ABATEMENT OF DAMAGED PROPERTY  
AT 404 WESTGATE DRIVE**

WHEREAS, the City Council of Winsted has previously adopted a Resolution (R-10-05) at its February 3, 2010 Council Meeting determining noncompliance with the City Administrator's notice to remove or make appropriate repairs of the property at 404 Westgate Drive; and

WHEREAS, pursuant to said Resolution, the City Council has given notice to the owners/occupants and mortgage/lien holders of a hearing to be had at its March 2, 2010 Council Meeting at 6:00 P.M., to determine whether the City should issue its Order for Abatement and/or Summary Enforcement; and

WHEREAS, the City Council has reviewed documents and testimony of the persons listed on Exhibit "A" attached hereto concerning whether the premises should be ordered to be repaired or removed; and

WHEREAS, a copy of the above-mentioned Resolution and Section 3 of Chapter 16 of the Winsted Municipal Code has previously been served on the owners/occupants and mortgage/lien holders, of said premises located at 404 Westgate Drive;

NOW THEREFORE, the City Council of Winsted hereby makes the following:

**FINDINGS OF FACT**

1. That the owners/occupants and other parties have been properly served with notice of the hearing had this date in Council Chambers, City Hall, Winsted, Minnesota.
2. The City Council determines that the evidence provided to it concerning the condition of the premises at 404 Westgate Drive is a nuisance and the public health, safety, or welfare is being unreasonably endangered by any delay in

abatement which is required to complete the procedures set forth in Section 1603.005. and 1603.006 of the City's Municipal Code and that the nuisance must be immediately terminated or abated.

3. The evidence is sufficient that the house located on the premises has been destroyed by fire to the extent exceeding one-half of the original value of same.
4. The City Council determines that the current status of said property endangers safety of the public and must be remedied by immediate repair and/or removal.
5. The City Council further determines that the owners/occupants and other interested parties have had a sufficient amount of time to make said repairs or removal and have failed to timely do so.
6. The City Council determines that 404 Westgate Drive is a nuisance and must be immediately terminated or abated.

NOW THEREFORE, based on the above findings the court orders:

1. The nuisance having been determined as indicated above is not immediately terminated or abated, the City Council of Winsted hereby orders Summary Enforcement and requires the abatement of this nuisance;
2. That the City Administrator is further empowered to contact possible contractors or determine if the City of Winsted's Public Works Department is capable of removing the structure and proceed with removal of same and identify the cost of same;
3. That the City Administrator give notice to the property owners/occupants and other interested parties of the costs of removal including administrative and legal costs; and

4. All such costs should be assessed against the property pursuant to Municipal Code Section 1603.009.B.

**Adopted by the City Council this 2 day of March, 2010 with a vote of \_\_\_\_\_  
yeahs and \_\_\_\_\_ neys.**

\_\_\_\_\_  
Steve Stotko, Mayor

Attest:

\_\_\_\_\_  
Deborah R. Boelter, City Clerk

EXHIBIT "A"

**Brent Mareck**

---

**From:** Kathy Witucki [kwitucki.elo@tds.net]  
**Sent:** Friday, January 22, 2010 11:23 AM  
**To:** Brent Mareck  
**Subject:** Damaged home at 404 Westgate Drive

Dear Mr. Mareck:

You have asked that I provide you with an overview of the process that the city would have to commence in order to deal with a residence that was significantly damaged by fire at the above-mentioned address.

I note that on November 19, 2009 you provided the owner of the property with mailed notice of a violation of the Municipal City Code (Section 1603.004.C.)

If the owner is not in compliance, then you are to instruct the City Council of the fact that the owner has not complied with your notice (that the house has been removed or repaired). The City Council may, after providing a notice to the owner or occupant "of an opportunity to be heard", determine that the condition identified in the notice of violation is a nuisance. The City Council is then empowered to determine that if the nuisance is not abated within the time prescribed by the City Council, the city may seek injunctive relief by serving a copy of the City Council order and notice of motion for summary enforcement upon the owner of record or occupant.

Winsted Municipal Code Section 1603.006 describes the process to be followed, which is primarily as follows:

1. The City Council would give the owner and/or occupant written notice of the violation of the ordinance which needs to be served personally or by certified or registered mail.

If the owner cannot be served (because it refuses to accept notice of violation) notice of violation shall be served by posting on the premises and mailing a copy of the notice to the owner of the premises at such address as is indicated on the records of the County Auditor of McLeod County.

2. The City then has to provide notice as provided in Minnesota Statute § 463.17 (Hazardous and Substandard building Act). Said written notice and any motion for summary enforcement shall be made pursuant to M.S.A. § 463.17. Our Code has a process for summary enforcement (see Winsted Municipal Code 1603.007.) The process for summary enforcement may be employed by the city **if** it determines that any delay in abatement required by the processes described hereinabove would endanger public health, safety or welfare, unreasonably. The city may determine "immediate abatement (see Winsted Municipal Code 1603.008) and act without notice or other process **if** the city determines that the condition poses "an imminent and serious hazard to human life or safety". Whether such a circumstance exists would be dependant upon the facts to be determined by the council after hearing from city staff and its building inspector together with any other information they (the City Council) would wish to consider.

Code Section 1603.009 allows for the recovery by the city of its administrative and legal costs where a public nuisance has been determined. If the owner does not pay this bill the city may

commence the appropriate legal action in order to obtain judgment or assess such costs against the property is provided in the code.

The City Code does provide for charging a person "convicted of violating any provision of this ordinance" with a misdemeanor.

Please advise as to any additional information you need or if you need to discuss.

Thank you.

Yours truly,  
Francis J. Eggert  
Winsted City Attorney

P.S. I will prepare a resolution for the council that will determine that the conditions required (removal or repair) in your letter have not been complied with and notice of violation and date for hearing, by separate email to you.

**RESOLUTION NO: R-10-05**

**RESOLUTION PROVIDING FOR AN ABATEMENT NOTICE GIVEN PURSUANT TO SECTION 3 OF CHAPTER 16 OF THE WINSTED MUNICIPAL CODE; AND SCHEDULING A CITY COUNCIL HEARING THEREON, INCLUDING THE POSSIBILITY OF "SUMMARY ENFORCEMENT"**

WHEREAS, the City Council of Winsted has been advised by its City Administrator that on November 19, 2009 notice was given to Cody Krause, one of the owners and an occupant of 404 Westgate Drive that the house located at said address had sustained fire damage to an extent exceeding one-half of its original value, as determined by the City of Winsted Building Inspector; and

WHEREAS, the City Administrator notified said owner/occupant that more than 60 days have elapsed since the fire damage had occurred at this structure; and

WHEREAS, the City Administrator in said notice advised said owner/occupant that the City had determined the house structure at 404 Westgate Drive is a public nuisance affecting the peace and safety of the community; and the same (i.e. the public nuisance) must be abated by January 22, 2010 by either removing the structure or making necessary repairs as indicated in an attached report (which the City's building inspector had prepared); and

WHEREAS, the owner(s) and/or occupants have not removed the structure or made the necessary repairs as of this date (February 3, 2010);


NOW THEREFORE, THE CITY COUNCIL OF WINSTED, MINNESOTA, HEREBY RESOLVES AND DETERMINES AS FOLLOWS:

- (1) Upon Notice to this City Council, by its City Administrator, of noncompliance with said City Administrator's notice to remove or make appropriate repairs, this City Council determines that a violation of Section 3, Chapter 16 of the Municipal Code has occurred at 404 Westgate Drive, Winsted, Minnesota;
- (2) That said owner(s) and/or occupants shall appear before the City Council on the 2<sup>nd</sup> Day of March, 2010 at 6:00 P.M. and provide the City Council with whatever information it deems

appropriate for the purpose of the City determining what action to take to have said building removed, if removal or repair is not effectuated by the owners. The owners have the right to be represented at said hearing which will be recorded. Any information which the owners wish the City Council to consider should be submitted to the City Administrator prior to the date of hearing mentioned above, or brought to said hearing;

- (3) At the hearing mentioned above, the City Council will determine whether it should proceed with "summary enforcement" pursuant to Winsted Municipal Code § 1603.007. The City will also determine whether it shall order that the nuisance be terminated or abated, by either the removal of the structure or remedied pursuant to the report of the Building Inspector previously mentioned hereinabove;
- (4) A copy of this Resolution shall be served on the owners/occupants of 404 Westgate Drive, Winsted, Minnesota and shall constitute appropriate notice of the contents contained herein.
- (5) A copy of Section 3 of Chapter 16 of the Winsted Municipal Code shall also be served on the owners/occupants.
- (6) The notice required by Section 1603.006 of the Winsted Municipal Code shall also be served on the owners/occupants, together with a copy of this Resolution and copy of said Code section shall constitute sufficient and appropriate notice.

BE IT IS SO ORDERED and resolved by the City Council of Winsted, this 3<sup>rd</sup> day of February, 2010.

  
\_\_\_\_\_  
Steve Stotko – Mayor

  
\_\_\_\_\_  
Deborah R. Boelter - City Clerk/Treasurer

## ABATEMENT NOTICE

Pursuant to Winsted City Code § 1603.006 notice is hereby given to you that the property at 404 Westgate Drive, Winsted, Minnesota is in violation of Section 3 of Chapter 16 of the Winsted Municipal Code.

You are further notified that your failure to abide by the City Administrator's notice advising you that said property constitutes a public nuisance must be abated by January 22, 2010, (by either removing a structure or making necessary repairs as indicated in the building inspector's report) has not been complied with.

You are further notified that the City Council at its February 3, 2010 meeting determined that said noncompliance constitutes a violation of the City Code resulting in your said property being considered a "public nuisance". The City Council will hold a hearing at which you may be present along with representation at 6:00 P.M. on March 2, 2010 at its council chambers in City Hall at 201 1<sup>st</sup> Street North, Winsted, Minnesota.

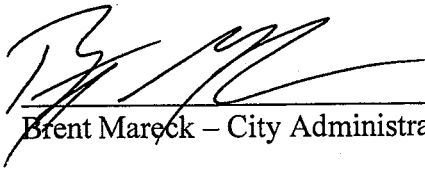
You are hereby further notified to provide any information which you wish the council to consider by submitting same to the City Administrator prior to the date of said hearing, or brought to said hearing.

You are further advised that the City Council will determine the appropriate enforcement action that it deems appropriate pursuant to its City Code including, but not limited to, summary enforcement as more fully described in Winsted City Code § 1603.007.

You are further advised that pursuant to Winsted City Code § 1603.008 the City Council can take action of "immediate abatement" if it deems the premises pose an imminent and serious hazard to human life or safety (which said council could immediately abate the condition without notice or other process to you).

You are further advised that you or any of you as owner of said premises shall be responsible personally to the City for its costs of abatement including administrative and legal.

Date: 2-3-10

  
Brent Mareck - City Administrator



October 27, 2009

Cody Krause  
302 Lake Drive  
Winsted, MN 55395

Dear Mr. Krause:

As we discussed previously, the City of Winsted wishes to be sensitive to the hardships created for your family by the fire at your residence at 404 Westgate Dr.; however, the City does have an obligation to protect residents from "nuisances" that impact the peace and safety of a neighborhood and the community at large. It has been several months since the fire occurred at your residence and no determination has been made as to the extent of damage done to the structure.

The City does have in its "Public Nuisance Ordinance" a provision that states the following shall be considered a public nuisance:

*All buildings, walls, and other structures which have been damaged by fire, decay or otherwise to an extent exceeding one-half (1/2) of their original value or which are so situated as to endanger the safety of the public, or damage described above to any portion of buildings, walls, or other structures that have not been repaired within sixty (60) days of the date of the damage being incurred.*

The City of Winsted is requiring that you make arrangements to have a site inspection performed by the Building Inspector within the next ten (10) days, in order to determine whether or not your residence falls within the enforcement parameters of the above referenced public nuisance provision. Based on the findings made by the Building Inspector, the City may require you to take further action, up to and including removing the structure from the property.

You may make an appointment for a site inspection by calling Metro West at (763) 479-1720. We encourage you to share this letter with your insurance company, so they can be advised of the City's eagerness to bring this matter to a close.

If you have any questions, feel free to contact me at (320) 485-2366.

Sincerely,  
CITY OF WINSTED

Brent Mareck  
City Administrator

c:) Winsted City Council  
Rob Beckfeld, Building Inspector  
Fran Eggert, City Attorney

# METRO WEST INSPECTION SERVICES, INC.

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Loren Kohnen, Pres.

(763) 479-1720  
FAX (763) 479-3090

November 16, 2009

Brent Mareck  
City Administrator  
Winsted, MN

Re: 404 Westgate Dr.  
Winsted, MN

Dear Brent,

On November 11, 2009 I did a site inspection at the above referenced property. The reason for this inspection was to evaluate the damage that was done to the home due to a fire.

The fire started under the stairs of the home and for the most part was contained to the basement area, although water and smoke damage was noted throughout the home and the garage area. The exterior structure including the foundation, the exterior framed walls and the roof system did not sustain any noticeable damage.

The following is a list of repairs that I feel need to be done.

- The interior stairway including the entryway landing needs to be replaced.
- 75% - 100% of the floor system including, sub flooring, floor joists and support beams need to be replaced.
- The entire plumbing system other than maybe the underground plumbing needs to be replaced.
- The HVAC system needs replacing including the furnace and all of the duct work.
- The entire electrical system needs to be replaced.
- There are many interior partition walls in the basement that will need to be replaced.
- All the drywall needs to be removed and the framing that has sustained smoke damage must be treated.
- Re-insulate foundation, exterior walls and ceiling.
- Replace all windows.
- Install interior finishes including, drywall, trim work, floor coverings and possibly cabinets.

It is my opinion that the cost of these repairs will be greater than 50% of the original value of this home.

If you should have any questions, please contact me.

Sincerely,



Rob Beckfeld  
Metro West Inspections



November 19, 2009

Cody Krause  
302 Lake Drive  
Winsted, MN 55395

Dear Mr. Krause:

On November 11, 2009, the City's Building Inspector, Rob Beckfeld performed an inspection of your home at 404 Westgate Drive. The inspection was conducted to determine if your home, which has been damaged by fire, should be considered a "public nuisance effecting the health and safety" of the community. The following provision from the Winsted Municipal Code provides guidance in this area:

*All buildings, walls, and other structures which have been damaged by fire, decay, or otherwise to an extent exceeding one-half (1/2) of their original value, or which are so situated as to endanger the safety of the public, or damage described above to any portion of buildings, walls, or other structures that have not been repaired within sixty (60) days of the date of the damage being incurred.*

An inspection report has been provided by the Building Inspector, which verifies that the home at 404 Westgate Drive has sustained fire damage to an extent exceeding 1/2 of its original value. In addition, sixty (60) days have past since the fire damage has incurred at this residence.

**Based on the above findings, the City of Winsted has determined that the home at 404 Westgate Drive is being maintained as a Public Nuisance effecting the peace and safety of the community. The public nuisance must be abated by January 22, 2010, by either removing the home from the property or making the necessary repairs, as indicated in the attached report from the Building Inspector.**

You have the opportunity to appeal this ruling before the City Council at their meeting on Tuesday, December 1, 2009 at 6:00 p.m. at Winsted City Hall.

If you have any questions, feel free to contact me at (320) 485-2366.

Sincerely,  
CITY OF WINSTED

Brent Mareck  
City Administrator

c:) Winsted City Council  
Rob Beckfeld, Building Inspector  
Fran Eggert, City Attorney

Date: 3-2-10



Submitted By: Brent Mareck, City Administrator

Subject: Computer Purchase – Paperless Meetings

**BACKGROUND:**

The City Council had planned for the purchase of laptop computers within their 2010 budget, in order to facilitate “paperless” meetings. Although this involves some initial investment, the primary goal of going “paperless” is to reduce costs associated with preparing packets of information for Council and Commission meetings.

The laptops would be kept at City Hall in order to maximize the overall cost savings to the city, for use at all Council and Commission meetings. The informational packets for meetings would be e-mailed out to members prior to the meeting and then accessible during the meeting via the laptop.

**FINANCIAL/BUDGET:**

100% of the laptop computer expenditures will be paid out of the Cable Fund, which is funded exclusively from franchise fees paid to the city by Mediacom. Funds held within the Cable Fund must be used solely for technology or technology related expenses of the city.

| <i>City Council / Commission Packets</i> | <i>Costs</i>                                     |
|--|--|
| Paper Costs                              | \$7  |
| Copying Costs                            | \$30   |
| Misc. Costs (Gas, Office Supplies, Etc.) | \$12   |
| Staff Time Efficiency                    | \$65   |
|  |  |
| <b><i>Cost per Meeting</i></b>           | <b><i>\$114</i></b>                              |
| 40 meetings (Council, Planning, Park)    | \$4,560  |
| <b><i>Costs Over 5 years</i></b>         | <b><i>\$22,800</i></b>                           |
|  |  |
| Computers @ \$746                        | \$3,730  |
| Annual Support, Software, Etc.           | \$500  |
| <b><i>Investment Over 5 years</i></b>    | <b><i>\$6,230</i></b>                            |
|  |  |
| <b><i>Total Savings Over 5 years</i></b> | <b><i>\$16,500 /<br/>or \$3,314 annually</i></b> |

**OPTIONS:**

- 1) Approve as presented.
- 2) Delay purchasing to a later date.
- 3) Other

**RECOMMENDATION:**

Approve as presented.

**COUNCIL ACTION:**

A motion to authorize the purchase of five laptop computers for \$3,730.

**ATTACHMENTS:**

- 1) Laptop Quote

**Description**

**Vostro 1520**

Date & Time: February 19, 2010 2:19 PM CST

**SYSTEM COMPONENTS**

|                    |            |          |
|--------------------|------------|----------|
| <b>Vostro 1520</b> | Qty        | 1        |
| Vostro 1520        | Unit Price | \$698.00 |

**Catalog Number:** 0

| Module | Description | <a href="#">Show Details</a> |
|--------|-------------|------------------------------|
|--------|-------------|------------------------------|

|   |   |
|---|---|
| <b>Vostro 1520</b>  | Vostro 1520   |
| <b>Windows 7 Professional, Media, 64-bit, Notebook, Vostro, English</b> | Windows 7 Professional, Media, 64-bit, Notebook, Vostro, English<br><br>Genuine Windows 7 Label, Latitude, Vostro and Mobile Precision Notebooks<br><br>Windows Live Search, Multiple User Interface, SMB<br><br>Dell Back-up and Recovery Manager for Win7, MUI, Latitude, Precision, OptiPlex, Vostro<br><br>Dell Resource DVD, Vostro 1520 |
| <b>Intel Core Penryn T6670, 2.2GHz</b>                                  | Intel Core Penryn T6670, 2.2GHz   |
| <b>4GB DDR2 800MHZ 2 DIMM Vostro</b>                                    | 4GB DDR2 800MHZ 2 DIMM Vostro   |
| <b>NVIDIA GeForce 9300M 256MB Graphics Vostro</b>                       | NVIDIA GeForce 9300M 256MB Graphics Vostro<br><br>Black with High Gloss Finish and WWAN Vostro  |
| <b>250GB 7200RPM SATA Hard Drive with Free Fall Sensor Vostro</b>       | 250GB 7200RPM SATA Hard Drive with Free Fall Sensor Vostro  |
| <b>No security hardware installed Vostro</b>                            | No security hardware installed Vostro   |
| <b>15.4 inch WXGA Anti-Glare LCD WLED for Vostro 1520</b>               | 15.4 inch WXGA Anti-Glare LCD WLED for Vostro 1520  |
| <b>90W AC Adapter for Vostro</b>  | 90W AC Adapter for Vostro   |
| <b>8X DVD+/-RW with double-layer DVD+/-R write capability, Vostro</b>   | 8X DVD+/-RW with double-layer DVD+/-R write capability, Vostro<br><br>Roxio Creator Dell Edition 10.3 Media Vostro<br><br>Cyberlink Power DVD 8.3 Playback Vostro   |
| <b>Integrated 1.3 Mega Pixel camera and digital mic w/webcam Vostro</b> | Integrated 1.3 Mega Pixel camera and digital mic w/webcam Vostro  |

|  |  |
|--|--|
| Dell WLAN 1397 (802.11b/g) 1/2MiniCard for Vostro                                | Dell WLAN 1397 (802.11b/g) 1/2MiniCard for Vostro  |
| No Anti-Virus/ Security Software requested                                       | No Anti-Virus/ Security Software requested   |
| 6-cell, 2.2, Lithium Ion Primary Battery, for Vostro 1520                        | 6-cell, 2.2, Lithium Ion Primary Battery, for Vostro 1520  |
| No software package  | No software package  |
| Basic Support: Next Business Day Parts and Labor Onsite Response 2 Year Extended | Basic Support: Next Business Day Parts and Labor Onsite Response 2 Year Extended   |
|  | Basic Support: Next Business Day Parts and Labor Onsite Response Initial Year  |
|  | Dell Hardware Limited Warranty Plus Onsite Service Extended Year(s)  |
|  | Dell Hardware Limited Warranty Plus Onsite Service Initial Year  |
|  | Warranty Support,2 Year Extended   |
|  | Warranty Support,Initial Year  |
| Standard On-Site Installation Declined   | Standard On-Site Installation Declined   |
| INFO, No Datasafe, VOSTRO  | INFO, No Datasafe, VOSTRO  |
|  | Intel Core 2 Duo Processor   |
|  | Purchase is Not Intended for Resale  |
| Intel Core 2 Duo Processor   | Vostro 1520 Black  |
|  | Visit <a href="http://www.dell.com/windows7upgrade">www.dell.com /windows7upgrade</a> for Windows 7upgrade eligibility, RLOB |
| -DISCOUNT/COUPON APPL  | -DISCOUNT/COUPON APPL  |
| <b>TOTAL: \$698.00</b>   |  |

|  | Total Price     |
|--|-----------------|
| <b>Sub-total</b>   | <b>\$698.00</b> |
| <b>Shipping &amp; Handling</b>                           | <b>\$0.00</b>   |
| <b>Tax*</b>  | <b>\$48.00</b>  |
| <b>*Exemptions reflected in final checkout page only</b> |                 |
| <b>Total Price<sup>1</sup></b>                           | <b>\$746.00</b> |

Date: March 2, 2010

To: City of Winsted  
Mayor /City Council/City Administrator  
183 Main Ave. W.  
P.O. Box 126  
Winsted, MN 55395

From: Phillip Robinson / Dan Wroge  
PeopleService INC  
P.O. Box 247  
Winsted, MN 55395

Re: Update of projects and maintenance at the wastewater plant and in the collection system

- The well drop pipe at the wastewater plant had a hole in it and was replaced last week.
- Phil and Lee pulled and cleaned out pump #3 at Littfin Lift Station on February 19<sup>th</sup>.
- There is almost 4 feet of ice and sludge on the back side of the ditch and Phil will have to start busting it up, when it get warmer.
- We have heat lamps on the bearings of the rotors to keep water that is splashing out from freezing inside the bearings.
- The Kingsley generator wouldn't keep running and after checking the warning alarms it was discovered that the coolant was ½ gallon low. We will have to watch if there is a leak or if it is boiling over when the generator does the automatic run on Mondays.
- The east sludge storage tank is ½ full and the west is ¼ full. There is plenty of storage space in the tanks even though we didn't get sludge hauled last fall.
- We have been in regular contact with Seth Peterson of Bolten and Menk about the facility plan, which is almost completed.

Sincerely,  
Phil Robinson/Dan Wroge  
PeopleServic Inc.