

City of Winsted
City Council Work Session
Lewis Room
Tuesday, April 3, 2012
5:00 p.m.

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

Staff Present: Brad Martens, City Administrator
Deborah R. Boelter, City Clerk-Treasurer

I. Call to Order

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

II. Budget Task Force

Council Member Ollig stated that the Budget Task Force included himself, Council Member Quast, business owner Dave Sherman, City resident Duane Kopesky and City Administrator, Brad Martens.

Council Member Ollig gave an overview of what areas in the City of Winsted's 2012 budget that the Task Force evaluated.

Council Member Ollig stated that after reviewing the City's 2012 budget, he is comfortable in the fact that when the City Council begins developing the 2013 budget there is an opportunity to lower the property tax levy at least five percent (5%) and possibly more. He continued by stating that any reduction in the 2013 property tax levy will be at the discretion of the City Council and any cuts to the budget will be at the recommendation of the City Administrator.

Mayor Stotko thanked the Budget Task Force for the work they did.

Mr. Martens stated that Council Member Ollig put together an effective group of individuals to help evaluate the City's budget.

Council Member Ollig stated that the City staff was kept informed of what budget areas the Task Force was evaluating through the entire process.

Council Member Mochinski asked what areas of the City's budget that the Task Force identified for possible cuts.

Council Member Ollig stated that one (1) example is that there are items in the 2012 budget that will not be budgeted for in 2013.

1. \$8,000 for the City of Winsted's 125th Anniversary.
2. \$13,000 for upgrades to the City's computer system server.
3. The difference of \$57,000 between the \$94,000 levied for the 2008 Refunding Bond that will be paid off after 2012, and the new bond of approximately \$37,000 that will be issued for the Westgate Improvement Project.

III. Waste Water Treatment Facility – Operation and Maintenance Agreement

Mr. Martens stated that the City of Winsted has been contracting with People Service, Incorporated (Inc.) to maintain and operate the Waste Water Treatment Facility (WWTF) since prior to the year, 2002. During this time, there have been many changes to the operations including recent significant changes that are the result of a new National Pollutant Discharge Elimination System/State Disposal System (NPDES) permit. An existing contract with People Service, Inc. covers a term of May 1, 2010 – April 30, 2012. The agreement automatically renews for successive one (1) year terms unless written notice of cancellation is given by either party. No

notice has been given by either party so without agreeing to a new contract, the existing contract would extend until April 30, 2013.

Mr. Martens continued by stating that the NPDES permit requires additional testing and chemical application at the WWTF to meet the new requirements. Although the existing contract provides for those adjustments, staff and People Service, Inc. agreed that a new contract specific to the new NPDES permit may be beneficial to reduce any confusion.

Mr. Martens presented a new five (5) year agreement that was drafted by People Service, Inc. for the City to review. Mr. Martens stated that staff has reviewed the proposed agreement and finds most of the language to be acceptable. Mr. Martens presented three (3) items that he had concerns about in the new agreement:

1. It appears the costs in the new agreement are \$300 higher per month than if the City continued on the existing agreement.
2. The language in regards to leachate testing needs to be updated to include any Consumer Price Index (CPI) adjustments in the decrease language.
3. He would like to see a cap for the annual CPI adjustments of three percent (3%).

Mr. Martens stated that he did discuss the three (3) items with People Service, Inc. and they had the following responses:

1. The existing contract used a draft permit in order to come up with the increase effective with the new permit. There are extra costs in the actual permit that were not expected.
2. It was agreed that the language in regards to leachate testing needs to be adjusted to include any CPI adjustments.
3. People Service, Inc. would not approve of having a cap on the annual CPI adjustments.

Mr. Martens stated that the City of Winsted and People Service, Inc. are working together closely in order to meet all of the requirements of the new NPDES permit. He continued by stating that City staff is requesting that the City Council does not change service providers at this time in order to ensure timelines are met. In addition, City staff has a good working relationship with People Service and there are no service related concerns at this time that would necessitate moving towards a new provider. The City's purchasing policy does not require multiple quotes when awarding service contracts.

Mr. Martens asked the City Council for direction on whether it is acceptable to enter into a new agreement with People Service, Inc. for the operation and maintenance of the WWTF and would they like to continue with the existing agreement or sign a new five (5) year agreement.

The City Council discussed the proposed options presented by Mr. Martens.

Council Member Mochinski asked what the fee would be if the City enters into a five (5) year agreement. He stated that he would like to see the annual cost to the City for each year of the proposed five (5) year agreement. He continued by stating that if there is no savings to the City by signing an extended five (5) year agreement, he would prefer to have a shorter termed agreement of two (2) years.

Mr. Martens stated that there is no cost savings to enter into a five (5) year agreement versus a two (2) year agreement.

Mr. Martens stated that the City could negotiate a lower fee with People Service, Inc. if the City would agree to a five (5) year agreement.

Mayor Stotko asked what the cost would be to the City if additional staff was employed to manage the WWTF. The City Council discussed this option.

Council Member Ollig stated that he would believe that People Service, Inc. can obtain chemicals and/or other supplies at a discounted rate because they are able to order large amounts to maintain the many WWTFs that they manage.

Council Member Ollig stated that he would agree with Council Member Mochinski that the agreement should be two (2) years in length unless People Service, Inc. would give the City a large discount for a five (5) year agreement.

The City Council directed Mr. Martens to negotiate a two (2) year agreement with People Service, Inc. unless they would agree to a discounted rate for signing a five (5) year agreement.

Mr. Martens stated that the new agreement will not affect the 2012 budget because the City did budget additional funding for the chemicals to treat the leachate; but, it appears that People Service, Inc. may not need to use as many chemicals as they anticipated.

IV. 2012 Work Plan

Mr. Martens gave an update on the 2012 Work Plan. He presented the items that were to be addressed and completed in the first quarter of 2012.

Council Member Ollig asked the City Council if they should revisit the Work Plan's Feasibility Study for a future Industrial Park. Mayor Stotko stated that he believes that the City Council should consider having a Feasibility Study completed for an Industrial Park.

The City Council discussed possible property locations for a future Industrial Park.

Council Member Ollig recommended that the City Council discuss the possibility of a Feasibility Study at a future City Council Work Session.

Mr. Martens stated that the cost of the Feasibility Study would be \$15,000 for the evaluation of two (2) potential properties for an Industrial Park. Mayor Stotko asked if the City's engineer would do a Feasibility Study on three (3) properties for \$15,000. Mr. Martens stated that he does not believe that the Study could be done on three (3) properties for \$15,000.

Council Member Ollig stated that he would discuss the sale of a certain property for a future Industrial Park with the property owner.

V. Other

a) Amended Agenda For The Regular City Council Meeting – April 3, 2012

Mr. Martens stated that the agenda for the April 3, 2012 Regular City Council meeting has been amended to include two (2) items:

1. Resolution R-12-08 has been added to the Consent Agenda accepting a contribution of furniture for the Winsted Municipal Airport's Arrival/Departure (A/D) building.
2. Resolution R-12-09 has been added to New Business on the agenda accepting a contribution from gambling proceeds from the Winsted Volunteer Fire Department's (WVFD) Relief Association to be dedicated to the WVFD's Banquet awards.

b) 171 McLeod Avenue West – Administrative Warrant

Mr. Martens stated that Officer Dan Pohl will be serving the property owner of 171 McLeod Avenue West with an Administrative Warrant in regards to completing an inspection of the house on Monday, April 9, 2012.

Mr. Martens gave a brief overview of the process to determine if the house is a public nuisance and/or hazardous property.

c) Winsted Municipal Airport – Joe Johnson Hangar Request

Mr. Martens stated that the City has received a letter from the Federal Aviation Administration (FAA) stating that Joe Johnson's proposed hangar is not compatible with the use of the Winsted Municipal Airport and they discourage the City from allowing its construction. They stated that if the City would allow the hangar to be built, they may have to reimburse the FAA for a large sum of money.

Mr. Martens stated that the City Council could enter into a lease agreement with Mr. Johnson allowing him to build his proposed hangar; but, the lease agreement would state that he would be responsible for any repayment that the FAA requires.

Council Member Ollig asked how much money would have to be reimbursed to the FAA. Mr. Martens stated that it would be over \$100,000.

d) Engineering – City Hall Slope Stabilization and Fairlawn Avenue Drainage Projects

Mr. Martens stated that during the large storm on March 19, 2012, both the City Hall Slope Stabilization and Fairlawn Avenue projects drained properly and according to design.

Council Member Ollig asked Mr. Martens if the pot holes on Fairlawn Avenue were going to be filled. Mr. Martens stated that the project has not been finalized and he would discuss the pot holes with the City's engineer.

e) April 17, 2012 – City Council Meeting Schedule

Mr. Martens reminded the City Council that on April 17, 2012 their meeting schedule will be:

4:00 p.m.	Work Session
5:00 p.m.	Board of Appeal Meeting
6:00 p.m.	Regular City Council Meeting

f) Tetra Pak – Building Addition

Council Member Mochinski asked if the Tetra Pak building addition is completed. He continued by stating that it appears that they have landscaping to do.

Mr. Martens stated that the landscaping will be completed this year, 2012, and Tetra Pak indicated that they will likely be installing more trees than the original landscaping plan showed. He also stated that Tetra Pak may be bringing a new site plan to the City Council for approval that would have additional parking spaces.

The City Council discussed possible solutions for additional parking area.

VI. Adjourn

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

The meeting was adjourned at 5:50 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

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