

City of Winsted
Special City Council Budget Work Session
Lewis Room
Tuesday, June 25, 2013
1:00 p.m.

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

Staff Present: Brad Martens, City Administrator
Raquel Kirchoff, Administrative Assistant

I. Call to Order

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

II. 2014 Budget

Mr. Martens distributed and presented General Fund Summary information and 2014 Budget Narrative information to the City Council Members. Mr. Martens explained the changes from the 2013 General Fund Budget compared to the draft 2014 General Fund Budget.

Questions or comments regarding the Public Safety Budget within this information were as follow.

Council Member Ollig asked if Police Chief Mike Henrich would retire in the year 2014; and if so, would the salaries be reduced for the year 2014. Mr. Martens stated that the 2014 Budget was prepared for the same department that existed in 2013 because if Chief Henrich would retire in 2014, the City will be responsible for paying out some benefits to him. He continued by stating that it has not yet been determined how many officers the department will have or when Chief Henrich will retire. The goal for the first draft of the 2014 Budget was to maintain the same level of funding for the Public Safety Budget and then move funds as needed when decisions regarding the department were made.

Council Member Quast and Council Member Schulenberg agreed that maintaining a status quo within the Public Safety Budget was acceptable so that funds would be available to cover the decisions made regarding the department.

Mayor Stotko asked if the Public Safety department has traditionally been under budget, on budget, or over budget. Mr. Martens stated that since he has been with the City of Winsted, the department has been under budget both years.

The City Council members discussed the proposed increase to the on-call wages and asked Mr. Martens to find out what on-call wages were for Ridgeview ambulance responders.

Question or comments regarding the Fire Protection Budget were as follow.

Mr. Martens stated that the 2014 Budget keeps the same per unit cost as the year 2013 for Fire Protection. Mr. Martens continued by stating that the City had previously paid for a wellness program for Fire Department members, but now pays for those members that are consistently using the fitness facility for the wellness program.

Questions or comments regarding the Public Works Budget were as follow.

Council Member Quast asked if the results have been received from testing that was done on tree leaves to determine if the trees were diseased. Mr. Martens responded no. Mr. Martens stated that there are trees in Hainlin and Mill Reserve parks that appear to be dead. He continued by stating that Mr. Dave Meyer, Maintenance Supervisor, believes that the trees had budded during early warm weather and then were affected by frost. Mr. Meyer would like the City

to wait to see if the trees are living next spring before removing the trees and replacing them with new trees.

Mr. Martens asked the City Council if there were any comments on the proposed on-call wage increase or the hiring of a seasonal part-time employee within the Public Works Budget. No comments were received.

Mr. Martens noted the following regarding the draft 2014 General Fund Budget:

- It does not include any adjustments that may be made to the fee schedule.
- It maintains City property taxes at the level they were in 2013.
- The 2014 Compensation Plan has been increased by two point three percent (2.3%) based upon the Consumer Price Index (CPI) that is used in the State of Minnesota.
- Sewer rates should increase by eight (8%) in 2014.
 - Council Member Ollig asked if the City's Auditor recommended increasing the sewer rates. Mr. Martens stated yes.
- Water rates should increase by two (2%) in 2014.

Mr. Martens reviewed the following items that are not included in the draft 2014 General Fund Budget for further consideration:

- Funds to improve the skate park.
- Additional funds for storm sewer improvements.
- Funds requested by the Southwest Initiative Foundation.
- Funds for a larger space for library expansion.
- Estimated payment for new debt service related to the purchase of land for expanding the Industrial Park.
- Additional funds to link City News to the Herald Journal website.

Mr. Martens reviewed the following possible projects for 2014.

- Improve the promenade to help eliminate ponding of water that occurs near Duran's Photography, 135 – 1st Street North.
- Purchase an additional portable generator.
- Wire the Westgate Park Storm Sewer Lift Station to allow for a portable generator to be used there.
- Clean out of the overflow line from Westgate Park.
- Herald Journal water and sewer service.
- Campbell Field improvements for the Winsted Wildcats Baseball Team.
- Additional skating rink improvements.
- Art project for the promenade.

Mr. Martens asked the City Council for direction on any changes to the draft 2014 General Fund Budget or if they were comfortable with this draft.

Council Member Schulenberg stated that he would like to investigate helping the businesses affected by the recent commercial tax increase. Council Member Ollig stated that this increase was due to changes at the Minnesota State and McLeod County level; not from any increases or change from the City. He continued by stating that the best thing that the City can do, at this point, is to help to make sure that the tax rate does not increase.

Council Member Fasching asked what the City's tax rate was compared to neighboring cities. Mr. Martens stated that Winsted was approximately 87%, Glencoe is approximately the same rate, Hutchinson is at a lower rate. Council Member Fasching asked how Winsted compared to Howard Lake and Lester Prairie. Mr. Martens stated that he thinks that Winsted is at the same rate as Lester Prairie.

Council Member Fasching stated that the City of Winsted is facing a proposed referendum for school improvements which is concerning to many residents and whatever the City can do to keep levels at where they are at, or slightly below, would be his goal.

The City Council discussed the increase in Local Government Aid (LGA) for the year 2014 and that the City needs to use this money for projects that have been postponed when LGA was cut in previous years. The streets need maintenance, storm sewer improvements need to be completed, the City needs to purchase a new generator, and the sewer fund needs to be built up for mandated improvements.

Council Member Fasching stated that it is important to educate Winsted residents on projects that need to be completed within the City and how the money will be spent toward these projects.

Council Member Ollig stated that the City needs to create a priority list of projects that need to be completed and that storm sewer projects on this list should take precedence over less pressing projects.

Mayor Stotko stated that this first draft 2014 General Fund Budget was very good. He asked the City Council members for comments regarding the on-call wages for the Public Safety Department and the Public Works Department. Council Member Ollig stated that he would like to know when the last increase was for each on-call wage and would also like to know what Ridgeview Ambulance on-call wages are. The City Council discussed and stated that they did not have any issues with the increase in on-call wages for the Public Works Department. They noted the extra hours the department worked through and after the storms in Winsted on Friday, June 21, 2013 and Saturday, June 22, 2013.

Mr. Martens stated that the Enterprise Funds will be structured the same for 2014 with a two percent (2%) increase in rates to the Water Fund and an eight percent (8%) increase in rates to the Sewer Fund.

Mr. Fasching asked why the Library Fund remains the same, with no change. Mr. Martens explained the expenses for the fund and that there is not much change in these expenses from year to year.

The City Council Members discussed the Winsted businesses that will finish the Minnesota Department of Labor and Industry JOBZ program in the years 2014 and 2015 and the increased tax capacity from the businesses, for the City, after they are finished with the program.

The City Council Members discussed properties that have been abandoned in the City and would like to explore the options that the City has regarding these properties.

III. Other

a.) City Administrator Review Process

The City Council Members discussed which Winsted resident to contact to help with the interviewing for the Winsted City Administrator position. They directed Mayor Stotko to contact Mr. Duane Kopesky to see if he would be interested, and also provided alternate names if he was not available.

The City Council Members discussed and set the date for the final interviews for the City Administrator position for Thursday, August 15, 2013.

b.) Storm Damage

Mr. Martens stated that the McLeod County Emergency Services Director, Mr. Kevin Mathews, contacted the City and stated that he is investigating if damage from the storm could be eligible for federal funding.

IV. Adjourn

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

The meeting was adjourned at 2:00 p.m.

Steve Stotko
Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff
Raquel Kirchoff, MCMC
Administrative Assistant
City of Winsted