

City of Winsted  
City Council Work Session  
Lewis Room  
Tuesday, July 5, 2016  
5:00 p.m.

Present: Mayor Steve Stotko  
Council Member George Schulenberg  
Council Member Bonita Quast  
Council Member Tom Ollig  
Council Member Patty Fitzgerald

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

**I. Call to Order**

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

**II. Downtown Vibrancy Commission Transition**

Mr. Tienter stated that as part of the 2016 City Council Goal Setting Retreat, the City Council directed City staff to explore the option to sunset the Downtown Vibrancy Commission and reactivate the Economic Development Authority (EDA). Mr. Tienter stated that the City currently has an EDA but it has met on only a few occasions in recent years. Mr. Tienter stated that included in the information for tonight's Work Session is an EDA enabling resolution and proposed by-laws for an EDA. Mr. Tienter stated that another resolution will be added to sunset the Downtown Vibrancy Commission. If the City Council approves of the proposed documents, they will consider them at their next City Council meeting.

Mr. Tienter reviewed Section 3, Limits of Power, of the proposed Resolution Enabling the Creation of an Economic Development Authority in the City of Winsted, Minnesota.

Council Member Fitzgerald asked Mr. Tienter to explain the difference between the Downtown Vibrancy Commission and an EDA. Mr. Tienter stated that the Downtown Vibrancy Commission is an advisory Commission to the City Council, whereas an EDA can exercise power in a variety of ways that he explained.

Council Member Fitzgerald asked how the EDA would be populated. Mr. Tienter reviewed Section 2.03 of the enabling resolution which outlines how the EDA would be populated. He stated that many of the current Downtown Vibrancy Commission members may be interested in becoming EDA members, and that the two current members of the EDA would also be notified to apply. Mr. Tienter stated that the positions would be advertised and if there were more applicants than positions, the Mayor and City Administrator would conduct a series of informal interviews. The City Council would approve all members.

Mr. Tienter stated that City staff is investigating on whether or not a non-Winsted resident may serve on the EDA because one member of the Downtown Vibrancy Commission is a non-resident and may be interested in applying for the EDA.

Mr. Tienter reviewed Article II-Officers, Section 5-Ex-Officio and Article III-Meetings, Section 3-Quorum of the proposed Bylaws.

Mr. Tienter stated that the proposed enabling documents would be prepared for the City Council's consideration at their next regular meeting.

**III. Housing Development Assistance Strategies Update**

Mr. Glenn Weibel, 540-1<sup>st</sup> Street North, asked that as part of the New Construction Home Program (Program), a requirement be added that the first recipient has to remain in the house for five years to receive the full benefit. Mr. Tienter stated that the incentive of the proposed program is intended for a developer, not a home owner, and that is why this type of requirement is not

proposed. Mayor Stotko asked if this requirement should be considered for cases where an individual is building their own home rather than a developer would approach the City Council to seek this benefit. Mr. Tienter stated that he would speak to Mr. Shannon Sweeney, David Drown Associates regarding this requirement to be considered within the Program.

Mr. Tienter stated that as part of the 2016 City Council Goal Setting Retreat, the City Council directed City staff to explore programs and strategies to assist and encourage the development of privately-owned housing. Mr. Tienter stated that over the past several months, City staff have contacted several area real estate firms to discuss possible financial incentives or other assistance the City could offer to encourage private housing development. Generally, two themes emerged from these meetings:

1. Waive the Sewer and Water Connection (WAC/SAC) fees, which are \$3,300 and \$2,500, respectively; and
2. Waive the Building Permit fees, which vary depending upon the type and value of the structure.

Mr. Tienter stated that City staff developed the recommended New Home Construction Program. Generally, the Program seeks to incentivize the private development of either single-family homes or townhomes (with only one shared wall) by waiving the Building Permit fees and also delaying the payment of WAC and SAC fees until one of three conditions are satisfied. Given the cost pressure on the Sewer and Water Funds from the pending Wastewater Treatment Facility Improvements and recommended Water Tower Recoating Project, respectively, City staff determined the City was not in a position to forego any fee revenue, but could still accommodate a delay in payment to reduce the risk to real estate firms and assist their housing development cash flow.

Mr. Tienter stated that for the Building Permit fee waivers, it is important to note that the City must still provide payment to Metro West Inspection under the terms of the contract for building inspection services authorized by the City Council. At present, the City pays Metro West 75% of all Building Permit fees and 100% of all plan review fees. Given that these fees are based on value and limited ability of staff to predict the value of new housing developments, City staff recommend a fee waiver limit of up to \$2,000 per new home, as defined in the Program, for up to five homes, for a total potential cost of \$10,000. This would be on a first come, first serve basis.

Mr. Tienter stated that the Program is predicated on the City Council authorizing it every year.

Mr. Tienter stated that the Program would be included on the July 19, 2016 City Council Meeting agenda for final approval.

#### **IV. Winstock Country Music Festival (Winstock) Agreement Amendment**

Mr. Tienter stated that annually, the City of Winsted (City) approves an agreement with the Church of the Holy Trinity (Holy Trinity) for City services supporting the Winstock Country Music Festival (Winstock). Generally, the agreement addresses a variety of areas, including, but not limited to:

- Access to City consultants and vendors;
- Access to City-owned equipment;
- Indemnification of certain City personnel;
- On-site assistance from the Winsted Police, Public Works (as needed) and Volunteer Fire Departments; and
- Rental of City-owned lands

Mr. Tienter stated that during the week before Winstock, representatives of the event contacted the City requesting access to the Industrial Park Expansion land to park trailers and vehicles in order to accommodate the storage needs of certain musical acts. However, in response to an earlier Winstock request, City staff already devised a plan to restrict access to the site. Mr. Tienter stated that City staff revised that plan by conducting an internal meeting, a conference call with a Winstock representative, coordination with an area business and the current land lease holder as well as purchasing and installing new materials (e.g., posts and no trespassing signs) to secure the site. Finally, the City Attorney revised the existing agreement and City staff presented it to the City Council.

Mr. Tienter stated that on June 7, 2016, the City Council authorized the Mayor to execute an amendment to the Holy Trinity agreement stipulating the cost and use of the Industrial Park Expansion land. Later that week, a Winstock representative informed City staff that the event no longer intended to make use of the land in question. Given that only the City Council may waive certain fees or amend the Holy Trinity agreement, City staff still intend to charge Holy Trinity the aforementioned land rental fee. However, given the apparent lack of use of the Industrial Park Expansion land, two Council Members requested that the City Council reconsider the charge.

Mr. Tienter stated that based on the costs incurred by the City and that the City typically charges rental fees for access to and use of City-owned property, City staff recommend the City Council adhere to the currently adopted agreement and not reduce the rental fee.

Council Member Ollig reviewed the language that was added as Item 10 on page two of the Winstock Agreement after the request was made by Winstock to use the new Industrial Park expansion land. Council Member Ollig stated that it was communicated to Winstock that they would be charged \$300 if they used the land. Council Member Ollig stated that the Chairman of the Winstock Committee contacted the City Administrator before the Festival that Winstock would not need to use the land and both he and Father Stubeda, Holy Trinity, were under the impression that Winstock would not be charged the \$300 if they did not use the land. Neither person was told that Winstock would be charged the \$300 whether they used the land or not.

Council Member Ollig stated that the point of this discussion is not the \$300 but the relationship between the City, Winstock, Holy Trinity School and Holy Trinity. For 23 years there has been a partnership that has been good for the City, Holy Trinity, Holy Trinity School, Winstock and area businesses. He continued by stating that he would hate to see this relationship tarnished because of a misunderstanding.

Council Member Quast agreed with Council Member Ollig.

Council Member Fitzgerald stated that she understands both sides; however, she does not feel that \$300 is worth jeopardizing a relationship.

Mr. Tienter stated that Winstock and Holy Trinity are not the only organizations that the City leases land to and the \$300 was developed to protect the fairness of other land leases of the City.

Council Member Quast asked if there was anyone else that leased land from the City that did not use it. Mr. Tienter stated that he was unaware of any, but that the leases are for the right to use the land.

Mayor Stotko stated that he understands both sides; however, the City put work into amending the Agreement and making accommodations for Winstock's request to use the Industrial Park expansion land. Council Member Schulenberg agreed with Mayor Stotko.

Mayor Stotko asked what would happen if the City Council members would vote to amend the Agreement to remove Item 10 regarding the land lease for the Industrial Park expansion land, and the vote resulted in a tie. Mr. Tienter stated that the City Council motion would then revert to Robert's Rules of Order which dictate that a majority vote secure a Council motion; therefore, the motion would fail, and the Agreement would stay as written with \$300 charged for the land lease of the Industrial Park expansion land.

The City Council members requested that the item be discussed again at a future City Council Work Session. In the meantime, the City Council directed City staff to invoice Winstock for all items in the Agreement except the \$300 for the land lease for the Industrial Park expansion land. Council Member Ollig stated that he would communicate to Winstock that the City Council was still considering the land lease for the Industrial Park expansion land.

## **V. 2016 Street & Utility Reconstruction Project Financing**

Mr. Tienter stated that Mr. Shannon Sweeney, David Drown Associates, provided project financing information for the 2016 Street & Utility Reconstruction Project as follows.

### **Project Cost:**

The total project costs have been estimated as follows:

2016 Street & Utility Project	\$1,240,394.00
Finance & Legal	40,700.00
Bond Rating	10,000.00
Capitalized Interest	10,106.00
TOTAL PROJECT COST:	\$1,301,200.00

The funding sources to be utilized to finance project costs are summarized below:

<b>G.O. Improvement &amp; Utility Revenue Bonds</b>	<b>\$1,300,000.00</b>
Construction Fund Earnings	1,200.00
TOTAL FUNDING SOURCES:	\$1,301,200.00

Council Member Ollig asked if the bonding amount was approximately \$200,000 less than what was initially anticipated. Mr. Tienter stated yes.

Mr. Tienter stated that at the July 19, 2016 City Council Meeting the City Council will consider a resolution that authorizes the sale of the bonds.

Council Member Ollig asked if money could be rolled into this bond for another project. Mr. Tienter stated that he would check with Mr. Sweeney regarding this question.

**VI. Purchase or Sale of Real or Personal Property**

Mayor Stotko stated that a motion was needed to close the Work Session to discuss the sale of land in the Industrial Park Expansion site.

**Council Member Schulenberg motioned to close the Work Session. Council Member Quast seconded the motion. Motion carried 5-0.**

Mayor Stotko asked the members of the public to please excuse themselves.

**Council Member Ollig motioned to open the Work Session. Council Member Quast seconded the motion. Motion carried 5-0.**

**VII. Other**

**a. Resignation – Administrative Intern**

Mr. Tienter stated that the Administrative Intern, Mr. Michael Creelman, accepted a position in the City of Melrose and his last day as the Administrative Intern for the City of Winsted will be July 9, 2016.

**b. City Council Meeting Agenda Amendments**

- Winsted Volunteer Fire Department Members

Mr. Tienter stated that the Consent Agenda for tonight’s regular City Council Meeting includes the appointment of two new Winsted Volunteer Fire Department Members.

- Purchase Agreement

Mr. Tienter stated that the New Business Agenda for tonight’s regular City Council Meeting will include a motion to consider executing a Purchase Agreement with America’s Best Cargo Incorporated for lots in the Industrial Park Expansion land.

**VIII. Adjourn**

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

The meeting was adjourned at 6:03 p.m.

*Steve Stotko*

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Steve Stotko  
Mayor  
City of Winsted

ATTEST:

*Raquel Kirchoff*

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Raquel Kirchoff, CMC  
City Clerk-Treasurer  
City of Winsted