

City of Winsted
City Council Work Session
Lewis Room
Tuesday, July 17, 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. Economic Development – Revolving Loan Fund and Tax Increment Financing District Number Six (#6)

Mr. Martens stated that he has investigated options for funding economic development in the City of Winsted. The first (1st) option is the City's Revolving Loan Fund which has a balance of approximately \$600,000. The second (2nd) option is in regards to Tax Increment Financing District Number Six (TIF District #6).

Mr. Martens stated that the money available in the Revolving Loan Fund comes from Federal sources. As a result, Mr. Martens stated that the use of the money in the Revolving Loan Fund comes with many requirements. He continued by stating that it is possible to transfer the money in the Revolving Loan Fund to a local development organization (LDO). The Winsted Economic Development Authority (EDA) would qualify as a LDO. The Winsted EDA would then have the authority to use the available funds in accordance to established and approved guidelines.

Mr. Martens stated that the current members of the Winsted EDA include the City Council, Mr. Don Guggemos and Mr. Gerard Stifter.

The City Council discussed the proposed option to transfer the money in the Revolving Loan Fund to the Winsted EDA.

Council Member Ollig asked if there would be any negative implications to transferring the money from the Revolving Loan Fund to the Winsted EDA. Mr. Martens stated that he was not aware of any negative implications.

Mr. Martens gave a brief overview of the process to transfer the Revolving Loan Fund to the Winsted EDA and establishing guidelines for the use of the EDA funding. He continued by stating that he would ask Mr. Shannon Sweeney of David Drown Associates to assist with the process.

Council Member Ollig stated that Mr. Martens may want to confirm that Mr. Guggemos and Mr. Stifter are still willing to be members of the Winsted EDA.

Mayor Stotko stated that Mr. Jim Fowler would be a possible candidate for being a member of the Winsted EDA.

Council Member Ollig stated that having the money available through the Winsted EDA may be a good funding resource for Downtown revitalization.

The City Council directed Mr. Martens to confirm the Winsted EDA membership and take the steps necessary to transfer the Revolving Loan Fund to the Winsted EDA and establish guidelines for using the EDA funds.

Council Member Mochinski asked if Mr. Sweeney has experience with this type of funding transfer and establishing guidelines for a downtown revitalization program. Mr. Martens stated yes.

Mr. Martens presented economic development option number two (2) which would be to close TIF District #6 early. Mr. Martens stated that there is approximately \$96,000 in TIF District #6 and an estimated \$17,000 is due to Herald Journal Publishing through two (2) payments, one (1) for the year, 2012 and the final payment in the year, 2013. The remaining \$70,000 would be returned to McLeod County and proportionately divided between McLeod County, the Howard Lake-Waverly-Winsted School District and the City of Winsted. The City of Winsted should receive enough funding from the closing of TIF District #6 to complete an Industrial Park Study.

Mr. Martens stated that he has contacted the Herald Journal regarding the closing of TIF District #6 and he has not received a response from Mr. Chris Schultz because he is on vacation. Mr. Martens asked the City Council how they want to proceed if the Herald Journal is not agreeable to the proposal to close TIF District #6 early.

The City Council discussed and agreed that the Herald Journal should be asked for their opinion about the proposal to close TIF District #6 early.

III. City of Winsted Employee Compensation

Council Member Ollig stated that he, Council Member Schulenberg and Mr. Martens had their first meeting on Friday, July 13, 2012, to review the City of Winsted's employee compensation, comparable worth study and other information related to employee compensation. Council Member Ollig stated that they determined that the first (1st) issue that needs to be resolved is the two (2) Public Works Maintenance Leads.

Council Member Ollig stated that the committee felt that the process should begin to have only one (1) Public Works Maintenance Lead. The position would be posted internally at the City of Winsted to determine if the existing Maintenance Leads were interested in becoming the individual supervisor. Council Member Ollig stated that the new Maintenance Lead would stay at the current rate of pay and the other individual's rate of pay would decrease to the same as the current Public Works employee.

Council Member Ollig stated that it had become apparent that having two (2) supervisors for the Public Works Department is cumbersome and it needs to be rectified. Council Member Ollig stated that it does not have anything to do with poor job performance; it is just the best solution in a department of only three (3) employees.

Council Member Mochinski asked if the current Maintenance Leads will understand that the position is not being posted due to poor job performance. Council Member Ollig stated that it is important to have Mr. Martens discuss the job posting with the two (2) Maintenance Leads as soon as possible and reiterate to them that the process is not being initiated due to poor job performance.

Council Member Ollig stated that if neither of the current Maintenance Leads decides to apply for the supervisory position with the Public Works Department, the position will then be advertised to the general public. Council Member Ollig continued by stating that if the position is advertised to the general public, then one (1) of the Public Works employees would likely be laid off.

Mr. Martens gave an overview of the internal posting, interviewing and hiring process.

The City Council discussed the committee's proposal and directed Mr. Martens to begin the internal posting, interviewing and hiring process for one (1) Maintenance Lead.

Council Member Ollig stated that the committee decided that once the aforementioned process is completed, then the City Council can discuss employee wages and benefits for the entire City staff.

Council Member Ollig recommended that the aforementioned process be completed in two (2) weeks. Mr. Martens stated that he would begin the process and strive to ask for formal City Council approval to advertise for the Maintenance Lead position at the August 7, 2012 Regular City Council meeting.

The City Council discussed the possible cost savings to the City by going from two (2) Maintenance Leads to one (1) Maintenance Lead.

Mr. Martens stated that the City Council did table the discussion on employee health and dental insurance benefits at the July 3, 2012 Work Session due to Council Member Quast's absence and asked if they would like to discuss them at tonight's Work Session. The City Council agreed to discuss employee health and dental insurance benefits.

Council Member Quast stated that she surveyed five (5) different companies regarding the insurance benefit plans that they provide to their employees. She continued by stating that some of the companies she surveyed were local Winsted companies. Council Member Quast stated that she did tell the representatives from the companies that she contacted that she would not reveal their name and/or the name of the company. Council Member Quast presented the results of her survey.

Council Member Quast stated that she did learn about a "Dual Coverage" health insurance plan while conducting her survey. She continued by stating that she would like the City staff to inquire about a "Dual Coverage" plan for the Winsted employees.

Council Member Mochinski asked Council Member Quast if she believes that the City of Winsted should compare their employee benefit plans with the employee benefit plans of the companies she surveyed. Council Member Quast stated yes.

Council Member Quast stated that she does believe that there could be a significant savings in employee benefits if the City of Winsted would qualify for the "Dual Coverage" health insurance plan. She continued by recommending that City staff meet with Ms. Jennifer Sherman, Flagship Insurance and Financial Services, Incorporated, to inquire about the "Dual Coverage" health insurance plan and/or any other possible options for insurance benefits for employees that could potentially result in a cost savings to the City.

Council Member Ollig stated that the insurance benefits of the City employees has been discussed by the City Council in the past and it is also an area of the budget that the general public of the City of Winsted discusses; so, he believes that it is an area of the budget that the City Council has to review.

Mr. Martens stated that a decision on the employee insurance benefits should be made early in the 2013 budget process. He continued by stating that if the City Council should decide to reduce benefits, employees may need to make some family decisions on lifestyle changes as a result of a change in the insurance benefits they are receiving from the City of Winsted.

Mr. Martens stated that City staff is aware of the City Council's concerns regarding employee benefits and in the year 2012, did change the health insurance carrier to save approximately nine percent (9%) in premium cost.

IV. Other

a) July 17, 2012 Regular City Council Meeting Agenda – Amendments

Mr. Martens presented the amendments that were made to the July 17, 2012 Regular City Council meeting agenda:

1. The approval for the Winsted Summer Festival fireworks contract has been removed from the agenda.

2. An approval to reschedule the Park Commission meetings to the second Monday of each month at 7:30 p.m. in the Council Chambers at City Hall, 201 – 1st Street North, Winsted, Minnesota has been added to the Consent Agenda.
3. An approval to schedule a Public Hearing for Tuesday, August 7, 2012 at 6:00 p.m. to consider adopting amendments to the Solid Waste Removal Ordinance has been added to New Business on the agenda.

b) Seal Coating – 1st Street

Mr. Martens stated that 1st Street could have been seal coated in the year 2012 and it was not. He continued by stating that there was a miscommunication between the McLeod County Highway Department and the City of Winsted. The McLeod County Highway Department assumed that the City of Winsted was going to have 1st Street seal coated and City staff assumed that McLeod County was going to have the street seal coated.

c) Herald Journal Newspaper – City of Winsted Meeting Reporter

Mr. Martens introduced Ms. Starrla Cray, the Herald Journal Newspaper reporter that will be reporting on the City of Winsted's Council meetings.

The City Council and staff introduced themselves to Ms. Cray.

d) Minnesota Department of Natural Resources Grant – Pavement Boat Launch

Council Member Quast inquired about the Minnesota Department of Natural Resources (MN DNR) grant that Mr. Martens referenced in his July 13, 2012 Friday memo.

Mr. Martens stated that there is grant funding available through the MN DNR to pave township roads to a public access boat launch. Mr. Martens continued by stating that he did contact Winsted Township to inform them of the grant opportunity and the Township Supervisor stated that they were not interested in obtaining the grant funding to pave the township road to the boat launch.

Mr. Martens stated that the Winsted Township Supervisor recommended that the City of Winsted annex the road into the City and then they can obtain the grant funding to pave the road to the boat launch.

Council Member Ollig asked if the Winsted Lake Watershed Association (WLWA) could apply for the grant. Mr. Martens stated no, that Winsted Township would have to be the grant applicant.

V. Adjourn

Council Member Ollig motioned to adjourn the meeting. Council Member Schulenberg 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