

City of Winsted
City Council Work Session
Lewis Room
Tuesday, August 19, 2014
5:00 p.m.

Present: Mayor Steve Stotko
Council Member Bonita Quast
Council Member George Schulenberg
Council Member Max Fasching

Absent: Council Member Tom Ollig

Staff Present: Mr. Clay Wilfahrt, City Administrator
Ms. Deborah R. Boelter, City Clerk-Treasurer
Mr. Justin Heldt, Winsted Police Department Chief

I. Call to Order

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

II. Winsted Public Library – Pioneerland Library System – Ms. Pamela Dille

Ms. Pamela Dille, Pioneerland Library System and Ms. Lisa Ebert, Winsted Public Library were in attendance at the Work Session and addressed the City Council regarding the following:

- ✓ Winsted Public Library space.
- ✓ Lifelong learning support.
- ✓ Programming.
- ✓ Winsted Public Library Commission activities and events.
- ✓ Homework support for teenage school students.
- ✓ Winsted Public Library Community partners for advocacy support.
- ✓ Encouragement and support of Library staff excellence.
- ✓ Operational efficiency.
- ✓ Statistical comparison between the Winsted Public Library and area libraries in the Pioneerland Library System.
- ✓ Statistical comparison between the Winsted Public Library and area libraries that are in other public library systems . Howard Lake, Minnesota; Watertown, Minnesota and St. Bonifacius, Minnesota.

Ms. Dille asked the City Council to consider providing additional funding in the year 2015 General Fund Budget for the Winsted Public Library.

Council Member Schulenberg complimented Ms. Ebert on the excellent job she does managing the Winsted Public Library.

Mayor Stotko thanked Ms. Dille and Ms. Ebert for their update and report on the Winsted Public Library.

III. Southview Field – Permanent Fence

Mr. Wilfahrt stated that at the August 11, 2014 Park Commission meeting, the Commission considered quotes for a permanent fence at Southview Field.

Mr. Wilfahrt stated that the Winsted Little League Association holds games and practices at Southview Field. The Field currently has access to a temporary fence that is nearing the end of its useful life. The permanent fence is necessary for some games and tournaments, and providing a permanent fence would be a long-term solution for the Field.

Mr. Wilfahrt continued by stating that installing a permanent fence at Southview Field would allow the Little League Association to host tournaments, and in so doing, bring more people

into the Winsted Community. Additionally, it will be an aesthetic improvement to one of the gateways of the City of Winsted.

Mr. Wilfahrt stated that the Winsted Little League Association obtained four (4) quotes for the permanent fence. The quotes include an option for the fence to have a bottom rail for safety. The rail along the bottom prevents players and others from getting stuck underneath the fence when colliding with it. If the City were to buy the fence, the Little League Association would pay for the yellow plastic to be placed on top of the fence and install it themselves.

Mr. Wilfahrt stated that the low quote was \$9,520 without the bottom rail, and \$11,955 with the bottom rail. Both were provided by Midwest Fence out of South St. Paul, Minnesota. The fence is expected to last for thirty (30) years, and comes with a warranty for one (1) full year. If the City Council chooses to move forward with the installation of a permanent fence, staff would recommend doing so with the low quote.

Mr. Wilfahrt presented the four (4) quotes:

<u>Company</u>	<u>Without Bottom Rail</u>	<u>With Bottom Rail</u>
Pass Fence Incorporated	\$10,250	\$13,350
Glacier Incorporated		\$12,028*
		*(Bottom secured with wire, not rail.)
Midwest Fence	\$ 9,520	\$11,955
WC Services, Limited Liability Company	\$15,750	\$17,350

Mr. Wilfahrt stated the City has an annual budget of \$6,000 in the General Fund for park improvements which are used for general improvements to parks. For fiscal year 2014, there is \$4,405 remaining in the General Fund Parks Improvement line item. There is a separate General Fund budget in Parks for day-to-day maintenance expenses; so, the park improvement line item would not be impacted by expenses incurred for general park maintenance.

Mr. Wilfahrt stated that there is a Park Improvement Fee collected through the water and sewer billing each month that generates approximately \$15,000 annually. The collected fee goes into the Parks Capital Improvement Fund for park improvements. When the Park Improvement Fee was proposed to the Park Commission in the year 2012, it was intended to cover Park Capital Improvements; such as, playgrounds, ball field improvements, trail improvements, and more. Currently the Park Capital Improvement Fund has a balance of \$24,494.79 and is expected to generate another \$6,250 in the remainder of the year 2014.

Mr. Wilfahrt stated that if the City were to purchase the fence with the bottom rail, the City would use the remaining \$4,405 in the budget for improvements, and \$7,550 would come from the Park Capital Improvement Fund. After the expense of the permanent fence, the Park Capital Improvement Fund would have a balance of approximately \$16,944.79.

Council Member Fasching asked if the City of Winsted's Sign Ordinance would allow for businesses to advertise on the newly installed fence to generate some revenue.

Mr. Wilfahrt stated that he will research the possibility of allowing businesses to advertise on the new fence.

IV. Year 2015 Preliminary General Fund Budget

Mr. Wilfahrt stated that at the August 5, 2014 City Council Work Session, the City Council Members discussed the year 2015 Preliminary General Fund Budget and Levy as proposed by staff. The Preliminary Budget and Levy showed an overall increase of 1.7%. The City Council asked several questions and requested that staff follow up with a number of items.

Mr. Wilfahrt presented the following information:

- 1. What will the impact be on property taxes for residential and commercial properties?**
Mr. Wilfahrt stated that this is not possible to measure yet since McLeod County has not finalized the total valuation of property in Winsted. That number could shift up or down which

would change the tax rate. However, assuming that the total valuation of property stays the same in the year 2015, the table below demonstrates the tax amount change on various values of residential and commercial property.

Residential Property Taxes			
Property Value	Taxes Payable Year 2014	Taxes Payable Year 2015	Difference
\$75,000	\$390.10	\$396.73	\$6.63
\$150,000	\$1,080.13	\$1,098.49	\$18.36
\$250,000	\$2,012.60	\$2,046.82	\$34.22
\$350,000	\$2,945.08	\$2,995.14	\$50.06

Commercial Property Taxes			
Property Value	Taxes Payable Year 2014	Taxes Payable Year 2015	Difference
\$100,000	\$1,283.22	\$1,305.03	\$21.81
\$250,000	\$3,635.79	\$3,697.60	\$61.81
\$500,000	\$7,913.19	\$8,047.71	\$134.52
\$1,000,000	\$16,467.99	\$16,747.95	\$279.96
\$2,500,000	\$42,132.39	\$42,848.64	\$716.25
\$5,000,000	\$84,906.39	\$86,349.80	\$1,443.41

2. How will future debt projects such as the Industrial Park, Kingsley Street Improvements, the Waste Water Treatment Facility Improvements, and etcetera affect the future levy?

Mr. Wilfahrt stated that the answer to this question is difficult to predict. It depends largely on the overall cost as well as interest. Additionally, division of cost on street projects will play a role as well as the portion of the cost that is paid out of the Water and Sewer Funds versus the General Fund. Kingsley Street Improvements for instance will be largely assessed; but, the City will bear some cost. The dollar amount is not clear at this time. The portion that will impact the levy is contingent on the division of cost, and how much of the City's portion is paid out of the Water and Sewer Funds.

Mr. Wilfahrt stated that the impact of the Kingsley Street Improvements will likely be in the year 2016 budget.

Mr. Wilfahrt stated that regarding the Industrial Park, the City will ideally be able to utilize existing Community Development Block Grant (CDBG) dollars for the land purchase, and would not incur any debt until infrastructure is installed. Even then, much of the cost may be absorbed by grants and the profits of the sale of property, though the City may have to provide some of the infrastructure cost until land is sold. There may possibly be an impact to the levy for the Industrial Park, but with so many moving parts, it is not possible to make an accurate estimation.

Mr. Wilfahrt stated that as for the Waste Water Treatment Facility (WWTF), the additional costs will be included in utility rates as was discussed at the December 17, 2013 Council meeting. Sewer rates will increase eight percent (8%) each year in future years. In the year 2015, the cost of sewer per 1,000 gallons will increase from \$8.43 to \$9.10 per month. The Minimum Charge will increase from \$6.67 to \$7.20. The average user is using about 4,000 gallons; which means that for an average resident, sewer costs will increase by \$3.21 per month, or \$38.52 annually.

3. What could possibly be cut from the budget to get the levy to zero percent (0%)?

Mr. Wilfahrt stated that currently, the total increase in the levy is \$19,222, or 1.7%. There are a number of ways that the City Council could cut the budget that would reduce this amount.

Mr. Wilfahrt stated that staff's recommendation would be to leave the budget as-is; however, if the City Council were to choose to reduce the year 2015 General Fund Budget and Levy, he presented the following items that increased in the year 2015 General Fund Budget and could be considered for a reduction:

- a. **Downtown Revitalization Budget** - \$10,000 was budgeted for the Downtown Vibrancy Commission which intends to match funds for capital investments in downtown Winsted.
- b. **Winsted Volunteer Fire Department's Capital Improvement Plan** . The Capital Improvement Plan for the Winsted Volunteer Fire Department (WVFD) was increased by \$20,000 due to it currently being underfunded. This amount is subject to approval by the area Townships who participate in the WVFD.
- c. **Coalition of Greater Minnesota Cities (CMGC) Dues** - \$2,241 is budgeted in the year 2015 to pay dues for the Coalition of Greater Minnesota Cities which lobbies the State of Minnesota Legislators on behalf of Greater Minnesota. CMGC also keeps staff and elected officials informed about legislative issues.
- d. **Cost of Living Increase** – Staff is proposing a 2.1% Cost of Living increase to coincide with the Consumer Price Index. The total dollar amount of the increase will be \$7,844.77.
- e. **Health Insurance** – Health insurance increased this year, and both the City and staff will be paying increased costs in year 2015. The City Council could request that staff reduce insurance benefits. Mr. Wilfahrt stated that staff is currently evaluating options for employee health insurance; so, the increase that was budgeted for in the year 2015 may be decreased.

The City Council discussed and directed Mr. Wilfahrt to provide a detailed presentation at a future Work Session on the health insurance options being considered for the City of Winsted employees.

- f. **Donations/Contributions** – \$1,000 was added to the Winsted Royalty contribution, \$2,000 was added to the Winsted Summer Festival Fireworks contribution.

The City Council discussed and directed Mr. Wilfahrt to proceed with the year 2015 Preliminary General Fund Budget and Levy as proposed with a 1.7% increase. They continued by stating that they would like to evaluate the year 2015 General Fund Budget at a future City Council Work Session.

V. **McLeod County Road One (1) Parking**

Mr. Wilfahrt stated that the City has received several complaints regarding parking in front of Casey's General Store (Casey's), along McLeod County Highway One (1). Trucks are parking on the west side of McLeod County Highway One (1), on the shoulder; and as vehicles exit Casey's or Westgate Drive, they are unable to see around these vehicles. There is no signage regulating this parking. Winsted Police Department Chief, Mr. Justin Heldt has expressed concern that accidents may occur if parking is not limited along this stretch of the McLeod County Highway One (1).

Mr. Wilfahrt stated that staff reached out to McLeod County Engineer, Mr. John Brunkhorst for his opinion on the situation since it is on a McLeod County road. Mr. Brunkhorst visited the site and indicated that he approved of restricting parking along the west side of McLeod County Highway One (1) in front of both Casey's and Subway and/or Hussong's Liquor. Mr. Brunkhorst based his information on the sight distance standards from the Minnesota Department of Transportation (MN DOT). Mr. Wilfahrt distributed a map detailing the areas on McLeod County Road One (1) that are proposed to be marked with yellow paint for restrictive parking.

Mr. Heldt stated that he had not discussed the proposed parking restrictions with Casey's, Subway and/or Hussong's Liquor.

The City Council discussed and directed Mr. Heldt to contact the businesses that will be effected with the proposed parking restrictions for their feedback. If Mr. Heldt learns that Casey's, Subway and/or Hussong's Liquor are in agreement with the proposed parking restrictions, the City Council directed Mr. Wilfahrt to have the Public Works Department paint the restricted parking area with yellow paint. The City Council stated that if Mr. Heldt does not receive positive feedback from the aforementioned businesses, they would like to discuss the parking issue at a future Work Session.

VI. **No Other.**

VII. **Adjourn**

Council Member Quast motioned to adjourn the meeting. Council Member Fasching seconded the motion. Motion carried 4-0.

The meeting was adjourned at 5:55 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

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