

City of Winsted
City Council Work Session
Lewis Room
August 30, 2011
4:00 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
Deb Boelter, City Clerk-Treasurer

I. Call to Order

Mayor Stotko called the meeting to order at 4:00 p.m.

II. 2012 Budget

Martens presented the 2012 Preliminary General Fund Budget and Levy.

Mayor Stotko asked Martens about the discussions he had with the City Attorney, Fran Eggert, regarding a reduction in his monthly retainer and his attendance at City Council meetings. Martens stated that Eggert was agreeable to a reduction in his retainer and only attending City Council meetings when needed.

Council Member Ollig shared his concerns about not having Eggert at every City Council meeting.

Council Member Mochinski stated that he would like to try not having Eggert at every City Council meeting. He stated that the City needs to identify areas to save money and while it is a small savings, he believes that a reduction in legal fees is a place to start.

Council Member Quast stated that there are not many issues that Eggert has to address at City Council meetings. If the City Council would require legal advice and/or an opinion on a particular issue, she stated that the issue could be tabled until a future meeting.

The City Council discussed and agreed to reduce Eggert's monthly retainer and his attendance at City Council meetings.

Council Member Ollig asked Martens what the proposed property tax increase is for budget year 2012. Martens stated 4.1%

Mayor Stotko asked the City Council if a 4.1% increase is enough considering that property values have decreased.

Mayor Stotko asked about the possibility of the City of Winsted implementing franchise fees for gas and electric. Council Member Ollig recommended that the City of Winsted implement an administrative fee of \$1.50 per residential utility bill per month. He stated that the fee is the recommendation of the City's auditors and would also generate approximately \$17,000 in additional revenue annually. Council Member Ollig also stated that if the City would implement an electric and gas franchise fee, it would generate approximately \$50,000 in additional revenue for the City of Winsted annually. Council

Member Ollig stated that he would like the additional revenue to be designated to the City's Capital Improvement Plan (CIP).

Council Member Ollig stated that if the City could implement the franchise fees by January 1, 2012, the City Council may not have to increase the levy 4.1% in 2012.

Martens stated that there is a process that needs to be followed to implement franchise fees so it is likely that they would not be effective until February, 2012 or March, 2012.

Ollig recommended that the City adopt a five percent (5%) increase for the Preliminary Levy.

Mayor Stotko stated that there should be an incentive in place for each City department to manage their budget efficiently. He recommended that if they have a balance remaining at the end of the year, it would be put into their budget the next year. Council Member Mochinski suggested that at least a percentage of the money the department saved be given to them for their budget the next year.

Martens and Boelter stated their concerns with doing this.

Council Member Mochinski stated that the City Administrator should periodically evaluate each department's budget and make sure they are maintaining their budget efficiently.

Martens asked the City Council if the proposed 2012 General Fund Budget is funding the priorities that they have. The City Council discussed and stated yes.

Martens stated that the 4.1% increase is due to the \$45,000 increase to the CIP 2012 budget.

Council Member Ollig asked if the City knows if their Local Government Aid (LGA) will be reduced \$119,000 in 2012. Martens stated that he does not believe it will be.

The City Council recommended that Martens increase the 2012 Preliminary General Fund Budget and Levy five percent (5%), start the process to implement a \$50,000 franchise fee for gas and electric utilities, implement an administrative fee of \$1.50 per residential utility bill per month and designate the surplus to the CIP budget.

Mayor Stotko asked if the employees received their salary increase in 2011. Martens stated no. The City Council directed Martens to put the employee salary increases on the September 6, 2011 Consent Agenda.

III. Other

a) September 6, 2011 City Council Meeting Agenda

Martens gave an overview of the agenda items that will be presented at the September 6, 2011 Regular City Council meeting.

b) Winsted Volunteer Fire Department – City Council Appreciation Lunch – September 11, 2011

Mayor Stotko stated that he would like to have the City Council Appreciation Lunch for the Winsted Volunteer Firefighters on Sunday, September 11, 2011 at 12:00 noon at the Fire Department.

Mayor Stotko continued by stating that his wife, Nancy, would order the food

and the cost of everything would be split equally between the City Council members.

The City Council discussed and agreed that they would be available on Sunday, September 11, 2011.

c) Winsted Municipal Airport

Council Member Schulenberg asked if the City could increase the Land Lease fee to generate more revenue for the Airport Fund. He stated that he has been evaluating the fees that hangar owners pay at other airports and they are higher than the fee the City of Winsted charges.

Council Member Ollig stated that his son-in-law, Jeff Campbell, is going to meet with Council Member Mochinski and Martens to evaluate and discuss the management of the Winsted Municipal Airport. Council Member Ollig stated that Campbell has a college degree in Airport management and one (1) of his college professors may also attend the meeting either in-person or through conference call.

Council Member Mochinski stated that he has been spending time at the Airport talking to the hangar owners and after conversations with the hangar owners he stated that he would be opposed to selling the Airport to a private individual.

Council Member Mochinski stated that it is important for the City to balance the budget of the Airport Fund and to do so may require raising the Land Lease fee.

The City Council discussed paving the runway without using Federal Aviation Administration (FAA) funding. Council Member Mochinski stated that there may be private money available for paving it.

IV. Adjourn

Council Member Quast motioned to adjourn. Council Member Mochinski seconded. Motion carried 5-0.

The meeting was adjourned at 5:20 p.m.

Steve Stotko
Steve Stotko
Mayor
City of Winsted

ATTEST:

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