

City of Winsted
City Council Meeting
Council Chambers
Tuesday, September 5, 2017
6:00 p.m.

Present: Mayor Steve Stotko
Council Member Tom Ollig
Council Member Patty Fitzgerald
Council Member Mike Henrich
Council Member George Schulenberg

Staff Present: Mr. Dan Tienter, City Administrator
Ms. Raquel Kirchoff, City Clerk-Treasurer
Mr. Justin Heldt, Winsted Police Department Chief

1) Mayor Stotko called the meeting to order at 6:00 p.m.

a) The Pledge of Allegiance was taken.

b) Winsted Pride Awards

1. Crazi – 181-1st Street North

Mayor Stotko presented the 2017 Commercial Winsted Pride Award to Crazi, 181-1st Street North, and recognized them for enhancing the aesthetic quality of their property and contributing to the overall enhancement of the City of Winsted's image.

2. Shaun and Katie Bush – 410 Lake Drive

Mayor Stotko presented the 2017 Residential Winsted Pride Award to Shaun and Katie Bush, 410 Lake Drive, and recognized them for enhancing the aesthetic quality of their property and contributing to the overall enhancement of the City of Winsted's image.

2) Consent Agenda

Council Member Ollig asked for clarification of Consent Agenda items f – h related to the Saint Mary's Addition.

Mr. Mike Stahile, court appointed receiver for the real estate and personal property currently owned by Living Services Foundation, Winsted LLC addressed the City Council. He stated that Saint Mary's Care Center is in the process of being sold. A request is made to subdivide the clinic property from the rest of the campus of the Saint Mary's Care Center so that it can be sold to maximize the proceeds to pay off bonds.

Mr. Stahile stated that the process started with a minor subdivision application to create a parcel where the clinic is. Because the setbacks were nonconforming to the City's requirements for a minor subdivision, a Planned Unit Development (PUD) application was submitted with a preliminary and final plat amendment, and included with this application is the request to create a parcel for each of the uses on the campus. Four lots are requested as follow:

- The care center use - Saint Mary's Care Center
- The clinic use – Ridgeview Winsted Clinic
- The assisted living use – LindenWood Apartments
- A vacant parcel lot – currently holds the empty, old clinic

Mr. Stahile explained circumstances that required reciprocal easements to two of the lots and a reciprocal easement and operating agreement that is needed to fulfill the 40 parking spaces required for the clinic.

Council Member Ollig stated that the applications are for administrative clean-up so the sale of the facility is more attractive. Mr. Stahile stated that was correct.

Mayor Stotko read the Consent Agenda.

a) Approval of Minutes

Approved the minutes of the following:

- City Council Regular Meeting – July 5, 2017
- City Council Work Session – July 18, 2017
- City Council Special Closed Meeting – July 18, 2017
- Park Commission Meeting – June 12, 2017

b) Computer Services Agreement – McLeod County

Authorized the Mayor and Police Chief to execute an agreement between the City of Winsted and McLeod County to provide computer equipment and services to the Winsted Police Department.

c) Westgate Pond Cleaning – Sediment Sampling Quote

Approved a quote and authorized the City Administrator to execute a proposal with Braun Intertec in the amount of \$3,335.00 for the purpose of acquiring and testing sediment samples for the Westgate Pond Cleaning Project.

d) Resolution R-17-35 – Winsted Municipal Airport Maintenance and Operation Grant Contract

Adopted Resolution R-17-35, authorizing the execution of Airport Maintenance and Operation Grant Contract, Number 1029022, with the Minnesota Department of Transportation Office of Aeronautics, for maintenance and operation activities at the Winsted Municipal Airport for State Fiscal Year 2018 and State Fiscal Year 2019.

e) Resolution R-17-36 – Zoning Ordinance Clerical Error

Adopted Resolution R-17-36, a resolution correcting a clerical error in a table located in municipal code § 1501.026.e.13.

f) Resolution R-17-37 – Planned Unit Development (PUD) Preliminary and Final Plan – Saint Mary's Addition

Adopted Resolution R-17-37, approving the Planned Unit Development (PUD) Preliminary and Final Plan for the Saint Mary's Addition, subject to conditions.

g) Resolution R-17-38 – Preliminary Plat – Saint Mary's Addition

Adopted Resolution R-17-38, approving the Preliminary Plat for the Saint Mary's Addition, subject to conditions.

h) Resolution R-17-39 – Final Plat – Saint Mary's Addition

Adopted Resolution R-17-39, approving the Final Plat for the Saint Mary's Addition, subject to conditions.

i) Claims

Approved the claims list for September 5, 2017.

Council Member Fitzgerald motioned to adopt the Consent Agenda as presented. Council Member Henrich seconded the motion. Motion carried 5-0.

3) **No Public Hearings**

4) **No Old Business**

5) **New Business**

a) **Hotel Development – Feasibility Study Update**

Mr. Daniel Tienter, City Administrator, stated that in the year 2013, the City Council authorized Hospitality Consulting Group to perform a feasibility study for hotel development within the city of Winsted. On June 6, 2014, the City Council heard a presentation from Hospitality Consulting Group, where a 31 unit hotel development under the Cobblestone Inn and Suites, ultimately constructed by BriMark Builders was recommended.

City staff worked with representatives of BriMark Builders to locate and acquire an acceptable site somewhere within the city of Winsted, meeting particular requirements, such as location on a county road and proximity to certain other amenities in the community. In the year 2015, a particular site was identified and City staff has been working with the perspective land owner since that time toward a sale. The perspective property owner agreed to enter into negotiations to sell the property for a hotel development; however, BriMark Builders has requested that the City update the feasibility study, especially the construction costs, in an effort to provide potential investors with the most current information.

Hospitality Consulting Group provided a quote for \$4,000 to update the existing feasibility study. The original feasibility study cost approximately \$7,000 and updates are based on a percentage of the overall price. Given the age of the study, Hospitality Consulting Group will need to travel to Winsted for examination of site work, examine employment trends, examine new business locations, et cetera to arrive at a new feasibility study.

Council Member Ollig asked if the feasibility study could be used by other interested hotel chains. Mr. Tienter stated yes, that study belongs to the City of Winsted.

Council Member Ollig asked if any other hotel chains were interested. Mr. Tienter stated that in the past there were, but the City was working exclusively with BriMark Builders. At the request of the perspective property owner, City staff examined other hotel chains that no longer expressed interest. City staff has been moving forward with BriMark Builders and Cobblestone, given that information.

Council Member Ollig motioned to authorize the City Administrator to execute an agreement with Hospitality Consulting Group to complete a Hotel Feasibility Study Update at a cost not to exceed \$4,000. Council Member Schulenberg seconded the motion. Motion carried 5-0.

b) **Wastewater Treatment Facility Improvement Project**

Mr. Tienter stated that in the year 2016, the City applied for and executed a Point Source Implementation Grant (PSIG) from the Public Facilities Authority (PFA). These monies are designed to support phosphorous related improvements required by the State of Minnesota as part of the improvements and upgrades to the Waste Water Treatment Facility (WWTF). Originally, the City was eligible for up to 50% of eligible costs, up to \$3 million dollars. The City was assuming to receive approximately \$2.2 and \$2.3 million grant dollars for the project.

Mr. Tienter stated that there were several delays in the WWTF project, most notably some legal challenges that found their way to Minnesota's Appellate Division.

Mr. Tienter stated that a portion of the State's bonding bill modified the requirements of the PSIG program to 80% of eligible project costs, up from 50%, and increased the cap to \$7 million. Grantees could receive 80% or \$7 million, whichever was less. Mr. Seth Peterson, Bolton and Menk, Incorporated, contacted the PFA to inquire how this affected the City's grant agreement.

Mr. Tienter stated that the City Council, as part of its Legislative Platform, was very particular and stressed to Representative Gruenhagen and Senator Newman that any new money should be applied to existing projects that are underfunded and currently in queue; not any new projects.

According to the PFA, the WWTF project would be eligible for additional funds for any and all expenses that were incurred after May 31, 2017. After working with the PFA, it was determined that there was approximately \$5.2 million of unfunded portions of the project. Under the 80% cost share, the City is eligible for \$4.214 million and the City received a grant from the PFA in that amount. The change resulted in a grant amount increase of just under \$2 million.

Mr. Tienter stated that there will be remaining 2016B General Obligation Waste Disposal Bonds as a result of this action, to fund the full amount planned for lift station improvements for the City's sanitary sewer. \$1.789 million of the bonds remain available, of which \$917,000 will be required to fully fund the WWTF project, leaving approximately \$872,000. The City Engineer estimated the cost of the lift station improvements at \$800,000.

Mr. Tienter stated that this has been beneficial for the City for multiple reasons. It reduces the overall City share of the WWTF project; it averts the need for the City to acquire additional debt to fund the remaining portion of the WWTF; and the City will not need to issue any debt or modify the City's property taxes for lift station Improvements. City Staff will re-examine the financial analysis that was conducted to set the sewer rates as part five year budget planning. That analysis will occur as part of the recommended 2018 Budget.

Mr. Tienter stated that the City Council's decision to phase the WWTF project saved the City approximately \$2 million because under PFA guidance grant funds cannot be sought for any expenses already incurred by bond proceeds. Since the City Council opted for a phased approach, the City never incurred those costs; therefore, they remained eligible for additional grant funding.

Mr. Tienter stated that Bolton and Menk, Incorporated has been outstanding in their work for the WWTF. They have been emphatically dealing with the PFA and the Minnesota Pollution Control Agency (MPCA) on the City's behalf, lobbying for additional funds. Mr. Tienter stated that the grant was the result of a full-court press by Bolton and Menk, Incorporated, the City Council, and City staff talking to the PFA, the MPCA, and elected leaders.

6) Department Report

a) City Clerk-Treasurer

Ms. Raquel Kirchoff, City Clerk-Treasurer, reported on the following:

➤ Assistant to the City Administrator and Permanent Part-Time Administrative Assistant

- Mr. Anthony Hammes started with the City of Winsted on March 20, 2017 as the Assistant to the City Administrator. One of his main responsibilities is Utility Billing. Ms. Amanda Zeidler, Deputy City Clerk, has been training him for this responsibility. Mr. Hammes is very dependable and willing to assist with all requests. Our department is thankful that he is working for the City of Winsted.
- Ms. Ethel Wolff started with the City of Winsted as the Permanent Part-Time Administrative Assistant on April 10, 2017, after Ms. Sandra Fleischman submitted her resignation effective April 7, 2017. Ms. Wolff is one of the first contacts on the phone or in City Hall to help citizens with questions. She assists our department with meeting minutes and assists the Police Department with transcription of police statements. Ms. Wolff is also very dependable and willing to assist with requests and our department is thankful that she is working for the City of Winsted.

➤ 2016 Audit

- There were four auditors from Conway, Deuth and Schmiesing at City Hall for three days on April 10-13, 2017.

- Ms. Zeidler and Ms. Kirchoff worked diligently over the past year to; transition into new roles, cover for a vacant staff position for an extended period of time, keep our department responsibilities on time, train new staff members, and work toward completing as much as possible for the auditors throughout the year. As a result, the audit was completed in a timely manner and went well.

➤ **Administrative Intern**

- Ms. Christina Busche started with the City of Winsted on June 12, 2017. Her last day was August 18, 2017. She worked closely with the City Administrator on projects and was an outstanding intern.

➤ **Material Safety Data Sheets (MSDS)**

- Ms. Wolff has been working on logging all of the chemicals used in the City Hall, Police Department and Public Works buildings.
- Ms. Wolff and Ms. Busche have been working with our safety consultants, Safe Assure, to load our MSDS into the MSDS online database.

➤ **Winsted Municipal Airport**

Annual Land Lease and Improvement Fee Invoices

- Ms. Zeidler creates invoices annually in April to send to hangar owners at the airport for the lease term of May 1 through April 30. There are 36 invoices sent for 42 hangars.

Annual Maintenance Reimbursement

- Ms. Zeidler completed the forms for the Winsted Municipal Airport's annual maintenance reimbursement from the Minnesota Department of Transportation/Office of Aeronautics (MN DOT/OA).
- The City receives a percentage of the expenses incurred at the Winsted Municipal Airport from July 1st through June 30th of each year.
- The qualifying expenses include such things as electricity, gas, telephone, et cetera. The City received \$8,263 in the year 2017 from this reimbursement.

Potential Hangar Inquiries

- Ms. Zeidler provides assistance for inquiries from new hangar owners wanting to obtain a hangar at the airport. She provides all of the paperwork to include the land lease, policy and procedures, insurance requirements, et cetera.

➤ **Blight and/or Public Nuisances**

- Mr. Hammes assists the Police Department and the City Administrator by creating letters to enforce ordinance violations that include blight, public nuisance, and zoning violations.

➤ **Building Inspection**

- Our department has been working to communicate with the new Metro West building inspector Mr. Pat Skeie, since Mr. Rob Beckfeld retired.
- We have worked through some double billing occurrences with Metro West and now have a system in place to log all building permits that have been invoiced for.

➤ **Website Redevelopment**

- Our department is in the process of researching website redevelopment. Mr. Hammes spent time initially gathering examples of websites from other cities and counties. Our department met to review the sites and gather information of what to include on the Request for Proposal (RFP). The City received seven proposals and interviews will be conducted soon with potential developers.

➤ **Monthly Financial Reports**

- Ms. Kirchoff has been working diligently to complete monthly check reconciliations on a timely basis to provide monthly financial reports.

➤ **Training Opportunities**

- Mr. Hammes and Ms. Busche attended the League of Minnesota Cities (LMC) Annual Conference in June, 2017.
- While settling into new roles and training new people, Ms. Kirchoff and Ms. Zeidler have not had time to attend annual Municipal Clerks and Finance Officer Association (MCOA) conferences, but will attend in the year 2018.
- Ms. Zeidler plans to attend a LMC Regional Meeting in October, 2017.
- Ms. Kirchoff plans to attend a McLeod County Historical Society training in September, 2017.

➤ **Staff and Commission Support**

- Ms. Kirchoff, Ms. Zeidler, Mr. Hammes and Ms. Wolff continue to provide support and assistance for other City departments, City Commissions, Winsted Summer Festival, Winsted Holding Activities That Unite People (WHAT UP), Winstock Country Music Festival, et cetera.

7) No Open Forum

8) City Administrator Update and Announcements

a) Punt, Pass and Kick Challenge

Mr. Tienter stated that Winsted Holding Activities that Unite People (WHAT UP) will provide a Punt, Pass and Kick Challenge at Weinbeck Field on September 16, 2017 at 10:00 a.m.

b) Commission Vacancies

Mr. Tienter stated that there are vacancies on the Economic Development Authority and the Park Commission. Interested residents should contact City Hall for more information.

9) Adjournment

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

The meeting was adjourned at 6:44 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff

Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted