

City of Winsted  
City Council Work Session  
Vollmer Room  
Tuesday, September 5, 2017  
4:00 p.m.

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

Staff Present: Mr. Daniel Tienter, City Administrator  
Ms. Raquel Kirchoff, City Clerk-Treasurer  
Mr. Dave Meyer, Maintenance Supervisor  
Mr. Tyler Bruns, Police Officer

## **I. Call to Order**

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

## **II. McLeod County Road 116 Improvement Project Discussion**

Mr. Daniel Tienter, City Administrator, stated that a meeting occurred between himself, Mr. John Brunkhorst, McLeod County Engineer, and Mr. Jake Saulsbury and Mr. Josh Eckstein, both of Bolton and Menk, Incorporated to discuss a variety of projects that the City and McLeod County could possibly work on together. One of the projects discussed was a project for McLeod County Road 116 (CR116). Mr. Tienter described the route of CR116 through the city of Winsted.

Mr. Tienter stated that McLeod County was considering a mill and overlay project for CR116, but may be open to a broader project, knowing that the City has infrastructure needs in this area. McLeod County may be open to cost sharing for the project, which could include a turn-back of the road to the City which is what McLeod County would like to do.

Mr. Tienter stated that because of the route that CR116 has through Winsted, most notably the downtown area, City staff would like input from the City Council regarding a possible project scope. Some of the possible projects to discuss include downtown architectural improvements, Main Avenue infrastructure improvements to help drainage on Campbell Field, and water treatment structures to enhance Winsted Lake quality.

Mr. Tienter stated that a mill and overlay project for Main Avenue is included in the City's Pavement Management Plan, so it may be appropriate to combine that project with the CR116 project.

Mr. Tienter stated that McLeod County is planning for a CR116 project for the year 2020 or 2021. It is important to discuss various improvements now to give sufficient time for the City to arrange outside financing and to apply for different grant monies that may be available. The Local Road Improvement Program has up to \$750,000 available in grant funds. Water conservation and quality grants have large amounts that can be applied for too, to install water treatment enhancements with the project.

The City Council Members discussed improvement ideas that could be included with a CR116 project to include:

- Sidewalks and curb throughout the improvement section
- Address water quality improvements along the improvement section
- Main Avenue Improvements
- Downtown design concept ideas
- Include all infrastructure within the improvement section
- Include other McLeod County controlled items within the city in the road turn back negotiation.
- Street lighting improvements; may not be needed if the current poles can be refurbished to what the City Council would like.

### III. Purchase or Sale of Real or Personal Property

**Council Member Schulenberg motioned to close the City Council Work Session to discuss the Purchase or Sale of Land with Property Identification Numbers 21.011.1500 and 21.011.1600. Council Member Ollig seconded the motion. Motion carried 5-0.**

The City Council Work Session was closed at 4:52 p.m.

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

The City Council Work Session was re-opened at 5:28 p.m.

### IV. Recommended 2018 General Fund Budget

Mr. Tienter asked the City Council Members if they had any questions regarding the Recommended 2018 General Fund Budget presentation that was presented to the City Council at the August 15, 2017 City Council Work Session. Mr. Tienter stated the City Council will be asked to adopt the preliminary levy pursuant to Minnesota State Law at the September 19, 2017 City Council Meeting. Given that the City Council will be having budget hearings during the week of October 30, 2017, City staff want to ensure that the City Council is generally comfortable with what is being suggested for the preliminary levy.

Mr. Tienter stated that a 5.32% increase will be considered for the preliminary levy. As was presented at the August 15, 2017 City Council Work Session, this percentage comes from previous discussion the City Council had surrounding the five year Capital Improvement Plan (CIP). During those discussions, the City Council settled on the strategy of using the property tax levy to fund street improvements versus fees. In order to reduce the burden, the City Council opted to phase the plan over five years rather than levying a large increase in one year. Based on the five year CIP, 2018 calls for an increase of 5.32%. During the budget hearings, the City Council will have the opportunity to discuss the budget, re-evaluate plans and consider what is appropriate for the budget. Ultimately, 5.32% will allow the City Council to adhere to the plans that were made in the past and provide the City Council with enough discretion to make decisions regarding the budget.

Mr. Tienter stated that a summary of changes over \$1,000 and a printed version of the line items in the General Fund Budget would be provided for City Council Members.

Council Member Henrich asked how the changes with the Fire Department Strategic Operations Plan might affect the budget. Mr. Tienter stated that the preliminary General Fund budget includes an increase of just over two percent (2%) in the fire per unit fee, based on guidance set by the City Council last year. He continued by stating that it is likely that this increase may not cover all of the changes that may occur from the Fire Department Strategic Operations Plan. The City Council may have to use additional property tax to support the changes, for example if there was a recommendation to begin a paid on-call system for the firefighters.

Council Member Henrich asked if that would start in 2018 or 2019. Mr. Tienter stated that it would likely move forward in 2018, depending on recommendation of the Winsted Fire Board and the final decision by the City Council. Part of the timing for the Strategic Operations Plan was to have it complete in advance of the 2018 Budget so any of its recommendations would be included. The City Council would then consider accepting those recommendations and consider making adjustments to the budget accordingly.

The City Council Members asked when the budget hearings would occur. Mr. Tienter stated that they would occur on Tuesday, Wednesday, and Thursday, October 31 – November 2, 2017; and it is asked that the City Council be available on Friday, November 3, 2017 in case there are additional questions or additional information is requested.

Council Member Henrich gave an example of if the Fire Department needed \$10,000 related to changes with the Strategic Operations Plan, is that planned for in the 5.32% or would that money have to come out of different line items from the budget. Council Member Henrich stated that the final levy cannot be higher than the preliminary levy. Mr. Tienter stated that based on this point in time, and given the 5.32% increase, if \$10,000 is needed, there is enough room in the budget to make an accommodation for a request from the Fire Department without cutting other items. Mr. Tienter estimated that this number would have to be in excess of \$30,000 before other operations may be impacted.

Mr. Tienter stated there are a few items yet to be resolved, like the Fire Department Strategic Operation Plan and health insurance rates for 2018. Normally, the City Council has its final budget hearing at the end of November, a

Truth- In-Taxation hearing at the beginning of December, and then adopts the final budget. Mr. Tienter stated that a 5.32% levy, results in the average homestead paying approximately \$63.00 more per year, or approximately \$5.28 per month. Mr. Tienter stated that over the past several years, the City Council has lowered the final levy from the preliminary levy. The preliminary levy, in order to allow the City Council maximum discretion in making decisions, is usually set high.

## V. Other

### a.) Land Owner Meetings-Winsted Municipal Airport

Council Member Ollig asked for an update regarding the discussions taking place with land owners around the Winsted Municipal Airport.

Mr. Tienter stated that City staff interaction regarding the meetings is limited since the City Council engaged a third party, ProSource Technologies, to handle the negotiations according to Federal law. Mr. Tienter stated that Mr. Jason Ault, ProSource Technologies, has not yet been successful in scheduling a meeting with the property owners.

Council Member Henrich asked what the timeframe for having the meetings was. Mr. Tienter stated that there are grant deadlines that the City needs to be cognizant of. Mr. Tienter explained that the typical process for the meetings are that they are attempted to be arranged by phone; and if that is not successful, a visit is attempted to see if land owners are willing to have a conversation.

Council Member Fitzgerald asked if the meetings are not happening because a common time cannot be agreed upon or because the land owners are not taking the phone calls. Mr. Tienter stated that he would relay that question to Bolton and Menk, Incorporated.

### b.) Work Session Agenda – Time Allotments

Mr. Tienter stated that time allotments will be included on Work Session agendas to help keep the City Council on time during the Work Session.

### c.) Public Facilities Authority (PFA) – Revolving Drinking Water Loan Fund Application

Mr. Tienter stated that the Minnesota Public Facilities Authority notified the City, stating that five points are deducted from the City's Revolving Drinking Water Loan Fund application because the median household income of the Winsted community is higher than the average median household income for the State of Minnesota. Mr. Tienter stated that these funds were applied for to recoat the water tower, which will cost approximately \$800,000. Mr. Tienter stated that the City will likely have to evaluate other financing options for the water tower project. He continued by stating that this project does not have to be completed immediately.

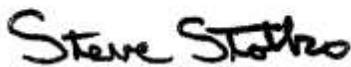
### d.) Website Request for Proposal (RFP)

Mr. Tienter stated that seven responses were received regarding the website RFP. Interviews are planned for Wednesday, September 13, 2017.

## VI. Adjourn

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

The Work Session was adjourned at 5:49 p.m.



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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