

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

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

a) The Pledge of Allegiance was taken.

b) Winsted Pride Awards

Steve and LouAnn Laxen – 312 South Shore Drive

Mayor Stotko presented the Winsted Pride Award to Steve and LouAnn Laxen, 312 South Shore Drive, for exceptional improvement to their property, which enhances the visual appearance of the Winsted community.

2) Consent Agenda

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

a) Minutes – City Council – Work Session – September 4, 2012

Accepted the minutes of the City Council Work Session of September 4, 2012.

b) Minutes – City Council – Regular Meeting – September 4, 2012

Accepted the minutes of the City Council Regular Meeting of September 4, 2012.

c) Minutes – Planning Commission Meeting – July 9, 2012

Accepted the minutes of the Planning Commission Meeting of July 9, 2012.

d) Salary Step Increase – Amanda Zeidler

Authorized a salary step increase for Amanda Zeidler, Utility Billing and Payroll Clerk, effective September 9, 2012.

e) Flagship Bank of Winsted – Pledged Securities

Approved the Pledged Securities that Flagship Bank of Winsted has purchased for the City of Winsted for the month of August, 2012.

f) August, 2012 Financial Report

Approved the August, 2012 Financial Report.

g) August, 2012 Building Permit Report

Approved the August, 2012 Building Permit Report.

h) Claims

Approved the Claims List for September 18, 2012.

i) Winsted City Hall Flags

Ordered all flags at Winsted City Hall to be lowered to half-mast in honor of former Mayor Don Guggemos until 8:00 a.m., Monday, September 24, 2012.

3) No Public Hearings.

4) No Old Business.

5) New Business

a) Sanitary Sewer Discharge Request – Saint John’s Lutheran Church

Mr. Martens stated that Mr. Steve Gatz has approached the City of Winsted on behalf of Saint John’s Lutheran Church, 410 – 1st Street North, requesting approval to discharge excess water from the elevator shaft into the City of Winsted’s Sanitary Sewer System. The reason for the request is that the current sump pump drains on to the south end of the property and creates a very icy area during the winter months which is dangerous. Mr. Martens stated that the icy area is located in the handicap parking area.

Mr. Martens stated that the issue resulted from the construction of the elevator shaft inside the church a few years ago in which the clay soil was replaced with black dirt allowing for water to penetrate its way up to the surface. He continued by stating that Mr. Gatz has looked into the possibility of other solutions which include the installation of a large subsurface storage tank and to directionally bore to a distant storm water catch basin. According to Mr. Gatz, both options are not feasible due to lack of storage capacity for the draining water and the lack of elevation change respectively.

Mr. Martens stated that Mr. Gatz informed the City that a valve could be installed so that the water would be directed to the sanitary sewer only during the winter months so the icy area could be avoided.

Mr. Martens stated that he asked the City’s Engineer, Jake Saulsbury, Bolton and Menk, Incorporated, to look into the issue. After a brief site visit on September 12, 2012, it was the belief of the City Engineer that if a two percent (2%) slope was maintained, the directional boring to the storm water catch basin would be feasible. The City Engineer did not receive a plan, and a survey was not completed, from Saint John’s Lutheran Church to review to determine if a two percent (2%) slope is feasible.

Mr. Martens stated that connecting to the sanitary sewer would be in conflict with the City’s Ordinance Regulating the Discharge of Wastewater into the City System according to Section 302.007.I, which reads as follows:

“No person(s) shall make connection of roof downspouts, foundation drains, areaway drains, or other sources of surface runoff or ground water to a building sewer or indirectly to the wastewater disposal system.”

Mr. Martens stated that according to the City’s Attorney the City Council has the authority to allow the connection; however, it would be setting a precedent for similar requests in the future.

Mr. Martens stated that staff did also speak with Mr. Phil Robinson of People Service, Incorporated, and the City of Winsted’s Wastewater Treatment Plant (WWTP) Operator and Mr. Robinson stated that there is no issue in handling the extra water in the system.

Mr. Martens stated that the costs associated to connecting to the sanitary sewer would be at the expense of Saint John’s Lutheran Church.

Mr. Martens stated that the City Council may wish to meter the discharge and bill Saint John’s Lutheran Church for the treatment of the water discharged into the sanitary sewer in accordance with the City’s Fee Schedule.

Mr. Martens stated that staff is unable to provide a recommendation at this time due to lack of information on whether a directional boring application may be accomplished.

Mr. Martens stated that staff is concerned about the precedent it would set for similar requests in the future if Saint John's Lutheran Church is given approval to connect to the City's sanitary sewer.

Council Member Mochinski stated that he understands that the City may be setting a precedent; but, this is one (1) of those situations that the City should consider on a case-to-case basis. He continued by stating that in this particular situation, he does not see a problem. Saint John's Lutheran Church has agreed to pay for the costs to tap into the City's sanitary sewer and a meter would be installed so that the City can bill them for the water that is discharged into the sanitary sewer.

Council Member Ollig stated that he agrees with Council Member Mochinski. He continued by stating that one (1) option that the City Council could consider is to approve the connection for the year 2012 and year 2013 winter season and explore other options in the future.

Council Member Ollig asked Mr. Saulsbury if there are other options that could be considered. Mr. Saulsbury stated that there are; but, he has not looked at the inside of the church building to identify those options. Council Member Ollig stated that rather than saying no to Saint John's Lutheran Church's request, the City Council could approve the connection for the coming winter months and then explore other options for the future.

Council Member Quast stated that she is a member of Saint John's Lutheran Church and the entire handicap parking area is total ice during the winter months and it is a very dangerous situation. She stated that anything that could be done should be done. Council Member Quast stated that she cannot imagine any other organization and/or business in the City of Winsted having this same type of issue.

Mr. Steve Gatz addressed the City Council. Mr. Gatz stated that he has explored several other options to remedy the problem. He stated that the option presented is the easiest and most cost effective way to redirect the water so it does not freeze in the handicap parking area. Mr. Gatz stated that Saint John's Lutheran Church would be spending approximately \$5,000 to complete the connection; so, the Church definitely needs a definitive answer from the City Council. He continued by sharing his concerns about someone slipping on the ice in the handicap parking area and becoming seriously injured.

Mayor Stotko asked Mr. Gatz if he knows approximately how much water will be discharged into the sanitary sewer. Mr. Gatz stated that in previous years he has seen it drain approximately two (2) gallons every half hour; however, if there is not as much precipitation there is not as much water discharging. He continued by stating that in the colder months, sometimes the opening where the water drains from the elevator to the street freezes shut and then the water backs-up into the elevator pit. Mr. Gatz stated that this back-up causes expensive damage and the elevator cannot be used.

Council Member Mochinski asked Mr. Gatz if Saint John's Lutheran Church would be agreeable to install a meter to keep track of the amount of water that is being discharged into the sanitary sewer. Mr. Gatz stated that Saint John's Lutheran Church would not be opposed to metering it. Council Member Mochinski stated that if the City Council would not require Saint John's Lutheran Church to meter the water being discharged and bill them, then they would be creating some serious issues should another organization and/or business ask to discharge into the City's sanitary sewer.

Council Member Schulenberg stated that he would like to see a meter installed.

Mr. Gatz stated that they would install a valve so that in the summer months they can discharge the water into the street and in the winter months they would turn the valve to discharge into the sanitary sewer.

Mayor Stotko asked Mr. Saulsbury if he has reviewed the site. Mr. Saulsbury stated that he did review the site with Mr. Martens and the Public Works Department. Mayor Stotko asked Mr.

Saulsbury if he thought that the aforementioned proposal to discharge the water into the City's sanitary sewer was the best option. Mr. Saulsbury stated that it is an option and presented another option to discharge into the catch basin.

Mr. Gatz shared his concerns about discharging into the catch basin.

Mayor Stotko stated that he does agree with the other City Council members that the water discharge should be metered.

Mr. Martens asked Mr. Saulsbury if there have been any other requests in the past to tap into the City's sanitary sewer. Mr. Saulsbury stated that he is not aware of any similar requests. Council Member Ollig and Council Member Quast stated that they are not aware of any similar requests in the past.

Mr. Martens asked Mr. Saulsbury if he could provide any specific reasons why the option being proposed is an acceptable option. Mr. Saulsbury stated that there is a public safety issue because the icy area is connected to a public sidewalk and the storm sewer is not located near the area so it would be more difficult to connect to it. Mr. Martens asked Mr. Saulsbury if the two (2) issues he stated above were caused by Saint John's Lutheran Church and Mr. Saulsbury stated no.

Council Member Mochinski motioned to permit Saint John's Lutheran Church, 410 – 1st Street North, to discharge excess water into the Winsted Sanitary Sewer System as long as it is metered at their expense. Council Member Ollig seconded the motion. Motion carried 5-0.

b) Revolving Loan Fund

Mr. Martens stated that at the July 17, 2012 City Council Work Session, staff presented a recommendation to transfer the balance of the City's Revolving Loan Fund to the Economic Development Authority (EDA) for the purpose of economic development. The reason for the recommendation to transfer the funds was due to the amount of regulations in using the funds by the City. He continued by stating that at the July 17th meeting, it was believed that transferring funds to the EDA would eliminate most of the regulations.

Mr. Martens stated that since the July 17, 2012 City Council Work Session, staff has been informed that the transfer of the Revolving Loan Fund to the EDA will not eliminate the regulations. According to the Department of Housing and Urban Development (HUD), the City may grant its award to a Local Development Organization (LDO); such as, "neighborhood-based nonprofit organizations, local development corporations, and nonprofit organizations serving the development needs of communities that carry out community economic development activities." By doing this, the funds are exempt from the Community Development Block Grant (CDBG) requirements.

Mr. Martens asked the City Council to consider directing staff to work with the Winsted Area Chamber of Commerce to discuss an opportunity for the Chamber to become an LDO.

The steps to move forward are as follows:

- Address the Winsted Area Chamber of Commerce to see if they are interested in becoming an LDO.
- The City Council passes a Resolution requesting that the Winsted Area Chamber of Commerce be designated as an LDO.
- The City receives approval from the State of Minnesota on the LDO designation.
- Develop an agreement between the City of Winsted and the Winsted Area Chamber of Commerce including proposed policies and procedures for use of the funds.
- Grant the funds to the Winsted Area Chamber of Commerce.

Mr. Martens stated that the City's Revolving Loan Fund has a balance of \$598,645.

Mr. Martens stated that once funds are granted to a Local Development Organization (LDO) they cannot be recalled by the City of Winsted. The funds may be granted back to the City of Winsted at the request of the Winsted Area Chamber of Commerce. The City Council will decide on the amount of funds to be granted.

Mr. Martens stated that the motion would not be to approve the transfer; but, directing staff to begin the process of working with the Winsted Area Chamber of Commerce for the purposes of obtaining a Local Development Organization (LDO) designation in order to use Revolving Loan Funds for the purpose of economic development.

Mr. Martens asked the City Council to discuss which areas of the City should be targeted for Revolving Loan Funds; such as, the entire City, the downtown area, commercial businesses, etcetera.

Council Member Quast motioned to direct staff to work with the Winsted Area Chamber of Commerce for the purposes of obtaining a Local Development Organization designation in order to use Revolving Loan Funds for the purpose of economic development. Council Member Schulenberg seconded the motion. Motion carried 5-0.

Mr. Martens asked the City Council for clarification on where the funds should be allocated. Council Member Ollig stated that the City should determine if the Winsted Area Chamber of Commerce is willing to become an LDO first and then they can discuss in the future where they want to allocate the grant funding.

Mr. Martens stated that if the City is going to move forward with the Winsted Area Chamber of Commerce becoming the LDO, he would like to begin designing guidelines for the Revolving Loan Fund to be submitted to the Minnesota Department of Employment and Economic Development (MN DEED) for approval.

Mr. Martens asked if the program should be “weighted” for grant funding programs for the City of Winsted’s downtown area.

Council Member Ollig stated that he was not comfortable making any recommendations at this time. He continued by stating that Mr. Martens should prepare a draft document and present for discussion in the future.

Mayor Stotko stated that he would like to see the grant funding concentrated on the downtown area. Council Member Quast stated that she was in agreement.

6) Department Report

a) City Engineer

Jake Saulsbury, Bolton and Menk, Incorporated, reported on the following:

➤ **Winsted Municipal Airport Improvements:**

1. Year 2011 and Year 2012 Construction Projects
 - The Winsted Municipal Airport Pavement Rehabilitation project was bid in the year 2011; but, the work was delayed until the year, 2012 due to a late Federal Aviation Administration (FAA) grant offer. The project has now been substantially completed. The work included crack sealing of airport pavement, parking lot seal coat, airside taxiway and/or taxi-lane slurry seal application, and pavement markings. The Contractor will be back on-site to touch up some of the slurry seal areas in mid-September, 2012 at no cost to the City.
 - The Arrival/Departure (A/D) building project was bid in the year 2011 and construction work has been completed and accepted by the City. The project final payment has been issued. Total construction contract was 5.7% below the as-bid cost.
 - Closure of the FAA grant for the two (2) projects described above is expected by the end of the calendar year.
2. Capital Improvement Plan (CIP) Update
 - The Winsted Municipal Airport CIP outreach meeting with the Minnesota Department of Transportation/Office of Aeronautics (MN DOT/OA) and the FAA for Winsted has been scheduled for October 16, 2012 in St.

Cloud, Minnesota. In preparation for this meeting, we have distributed a preliminary draft CIP for the City's consideration. This version has been modified from previous years to focus upon Airport preservation.

- **Wastewater Treatment Plant:**
 - On behalf of the City, Bolton and Menk, Incorporated applied for inclusion on the year 2013 Intended Use Plan for the improvement project outlined in the year 2010 Facility Plan. As in the past, the project did not have enough points to be in the fundable range. In addition, a phosphorous grant was applied for again and the application has been accepted; so, it will be presented to the City Council in the future for discussion on whether they would like to proceed.
 - The phosphorous reduction improvements project has been substantially completed and the system is operational. The only remaining item of work is to bury the chemical feed piping. This work needs to be completed prior to winter, 2012 freeze-up.
 - The City's revised permit also requires steps be taken to decommission the old ponds. We have collected sludge samples and completed the testing on those samples. The next step is to complete a decommissioning report which is underway. This report is due to the Minnesota Pollution Control Agency (MPCA) by December 1, 2012.
- **Westgate Neighborhood Improvements:**

This Project includes street, storm sewer, and lift station rehabilitation items in the Westgate neighborhood.

 - The construction contract was awarded to Mid-Minnesota Hot Mix in the amount of approximately \$588,000.
 - Lift station and utility work was completed on August 17, 2012.
 - Paving and street restoration work was completed on September 6, 2012.
 - Remaining work includes minor driveway restoration work, retaining wall near lift station, turf restoration, and bituminous wearing course.
 - A preliminary punch list will be prepared in the near future and submitted to the contractor.
 - The assessment hearing is proposed to be scheduled for November 20, 2012.
- **Miscellaneous Items:**
 - Proposed trail to Howard Lake, Minnesota – The preliminary layout and cost estimate items have been completed. Potential grant applications will be discussed in the coming years.
 - Casey's General Store Expansion – Miscellaneous coordination and inspection items have occurred for the construction of this project.
 - Herald Journal Publishing, Incorporated Building – There have been some preliminary steps completed in the Herald Journal's request to bring sanitary sewer and water lines to their property.

Council Member Schulenberg stated that he has been told by several residents in the Westgate neighborhood that Bolton and Menk, Incorporated did an exceptional job of keeping them informed on what was happening with the project. He thanked Mr. Saulsbury for the effective communication with the residents of the Westgate neighborhood.

- 7) **No Organization Report.**
- 8) **No Open Forum.**
- 9) **No Announcements.**
- 10) **Adjournment**

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

The meeting was adjourned at 6:30 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Deborah R. Boelter

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