

City of Winsted
City Council Meeting
Council Chambers
Tuesday, December 1, 2015
6:00 p.m.

Present: Mayor Steve Stotko
Council Member Tom Ollig
Council Member Bonita Quast
Council Member George Schulenberg

Absent: Council Member Fasching

Staff Present: Mr. Dan Tienter, City Administrator
Ms. Deborah R. Boelter, 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.

2) Consent Agenda

Mayor Stotko read the Consent Agenda.

a) One (1) Day Temporary Consumption and Display Permit – Winsted Arts Council

Approved a One (1) Day Temporary Consumption and Display Permit for the Winsted Arts Council on December 18, 2015, at 141 Main Avenue West, Winsted, Minnesota.

b) Schedule Public Hearing – Fee Schedule Ordinance

Scheduled a Public Hearing for January 5, 2016 at 6:00 p.m. to consider adopting amendments to the Fee Schedule Ordinance.

c) Year 2016 Property and Casualty Insurance Renewal Contract: Liability Insurance Coverage – Waiver Form

Authorized the City of Winsted to not waive the monetary limits on municipal tort liability established by Minnesota State Statutes 466.04 for the year 2016 Property and Casualty insurance contract.

d) Year 2016 Property and Casualty Insurance Renewal Contract: No-Fault Sewer Back-Up Insurance Coverage

Authorized the City of Winsted not to purchase No-Fault Sewer Back-Up insurance coverage for the year 2016 Property and Casualty insurance contract.

e) Year 2016 Property and Casualty Insurance Renewal Contract: Excess Liability Insurance

Authorized the City of Winsted to purchase \$1,000,000 in excess liability coverage for the year 2016 Property and Casualty insurance contract.

f) Cancellation - Preferred One Health Insurance

Approved the cancellation of the City's health insurance for employees provided by Preferred One, with the last day of coverage from Preferred One being on December 31, 2015.

g) Blue Cross/Blue Shield –Small Group Employer Application

Approved a Small Employer Enrollment Form with Blue Cross/Blue Shield Health Insurance.

h) Delta Dental – Insurance Renewal

Approved the renewal of dental insurance with Delta Dental for full time employees of the City of Winsted.

i) Claims

Approved the Claims List for December 1, 2015.

Council Member Schulenberg motioned to adopt the Consent Agenda as presented. Council Member Quast seconded the motion. Motion carried 4-0.

3) Public Hearings

a) Truth-in-Taxation – Year 2016 Property Tax Levy

Mr. Tienter stated pursuant to state statute, the City is required to hold a truth-in-taxation hearing to discuss the City's preliminary property tax levy that was adopted on September 25. That levy is used to prepare truth-in-taxation statements that are sent out to the public prior to the City adopting its final 2016 tax levy, which will be used to determine someone's property taxes. The public hearing tonight is to provide an opportunity for members of the public to comment on the City's proposed levy and their taxes.

Mr. Tienter noted the City Council has made some budgetary decisions that may affect the final property tax rate but that the amount of the levy cannot be greater than the 3.89% that was approved as part of the preliminary tax levy. Mr. Tienter generally reviewed the revenue sources and major expenditures of the City. In addition to the tax levy, the City will occasionally make use of a debt levy, which allows the City to issue bonds to service any debt that is incurred as part of capital projects.

Mr. Tienter stated the budget process began back in August of 2015 and that the City Council has reviewed the proposed budget a number of times since that time. On September 15, the City Council certified the 2016 preliminary property tax levy. The general levy only supports the General Fund, which finances the City's ongoing operations, and does not reflect all of the City's revenue sources or expenditures. The majority source of revenue for the City is derived from property taxes, with the second largest source of revenue for the City being Local Government Aid, with no revenue being received from McLeod County or the Federal Government.

Mr. Tienter noted the proposed 2016 budget includes a projected \$61,000 increase in revenue. The budget also includes a projected increase in expenditures of \$64,000. The budget assumes a property tax levy of \$843,582, which is the number that was used to calculate the taxes on someone's truth-in-taxation statement. The property tax levy is divided into the general levy, which

is used to support the City's obligations and is comprised of the \$843,582, and then there is the portion that is levied to support the City's debt. As it relates to the 2016 General Fund budget, there is a 5.46% increase over 2015, with the City's debt service levy remaining flat, resulting in an overall increase of 3.89% percent.

Mr. Tienter noted in 2012 there was an item entitled refunding and was due to the City combining its bond obligations. That debt restructuring resulted in a savings to the City of approximately \$800,000.

Mr. Tienter stated people's property taxes are calculated based upon the City's tax capacity and levy. If the value of someone's home did not change, the property owner would experience a decrease in their property taxes. Mr. Tienter stated since the City's tax capacity increased by \$224,000, it is likely that most people's property values increased slightly. Mr. Tienter noted the City's 2016 tax capacity is the lowest it has experienced in six years.

Mr. Tienter noted taxes for commercial and industrial properties are taxed differently than residential properties. Those properties are taxed at 1.54% up to \$250,000 and then 2.0% on anything over \$250,000. Mr. Tienter noted that most commercial and industrial properties also experienced an increase in their property valuations, which likely resulted in their property taxes increasing as well.

The City Council should open the truth-in-taxation public hearing and obtain public comments. Mr. Tienter noted any questions or contestations of property valuations should be directed to the County Assessor's Office.

Council Member Ollig noted the City's tax rate cannot increase from today and that the City Council will be meeting on December 8 to finalize the City's budget.

Council Member Ollig motioned to open the Truth-in-Taxation public hearing. Council Member Quast seconded the motion. Motion carried.

Glen Wiebel, 540 North Street North, asked what the termination dates are for the four items listed under the City's debt service.

Mr. Tienter stated he is unable to provide all of that information at this time but that the debt incurred in 2008 will expire in 2017. The other bonds have significantly longer debt service schedules and will likely go past 2025.

Council Member Quast motioned to close the Truth-in-Taxation Public Hearing. Council Member Schulenberg seconded the motion. Motion carried.

Mayor Stotko noted the City Council will not be taking any formal action on the 2016 budget this evening outside of the public hearing and that the City Council will be discussing the budget in more detail on December 8.

4) **No Old Business.**

5) **New Business**

a) **Winsted Volunteer Fire Department – Officer Selection**

Mr. Tienter stated every two years the Winsted City Council appoints volunteer officers to the Winsted Fire Department. Each officer is required to meet the member eligibility requirements, position training requirements, be certified as either a Firefighter I or a Firefighter II, be certified as a First Responder, and have five years' experience as a volunteer member of a fire department.

As part of the selection process, the City Administrator, in consultation with the Fire Chief, appoints a selection committee. That committee this year was comprised of Mayor Stotko; Council Member George Schulenberg; Retired Fire Department Member Todd Kieser; current Fire Department Members Charlie Fiecke, Rose Heimerl, Jim Koch; and Police Chief Justin Heldt.

The committee held formal interviews on November 10, 2015, and is recommending the following candidates:

Fire Chief:	Chad Engel
First Assistant Fire Chief:	Brian Langenfeld
Second Assistant Fire Chief:	Jon Davidson
First Captain:	Troy Scherping
Second Captain:	Justin Hertzog
Third Captain:	Todd Koch

The City Council should make a formal motion appointing the candidates for a term beginning January 1, 2016, and ending December 31, 2017.

Council Member Ollig motioned to appoint a Fire Chief and Officers to the Winsted Volunteer Fire Department from January 1, 2016 to December 31, 2017, as recommended by the selection committee. Council Member Schulenberg seconded the motion. Motion carried 4-0.

6) Organization Report

a) Winsted Lions

Mr. Paul Gatz, Winsted Lions, reported on the following:

- History of Winsted Lions organization development in the year.
- Overview of donations that were given in the Winsted Community and to other area organizations, individuals and/or businesses. Over \$12,000 has been donated, including \$3,000 to the McLeod County Sheriff's Department for dog training.
- Overview of the activities and/or events that the Winsted Lions participated in, including the vision and hearing foundation, diabetes programs, Easter baskets for the shut-ins, handing out dictionaries to third graders, a Peace Poster contest, and donations to the food shelf.
- Fundraising activities, including selling tickets to the MN State Fair.
- Overview of Regional Lions meeting that was held at the Blue Note Restaurant. Over 100 attendees were present.
- Silver Lake, MN celebrated their 25-year anniversary.
- To become a member of the Winsted Lions, a person simply needs a sponsor, and currently there are 36 members.
- Future project is to purchase park benches for the downtown area, with the goal of purchasing at least one park bench per year.
- Membership fees are \$60 for an individual and \$100 for a couple.

Council Member Schulenberg noted a free lunch program for veterans was started in 2015.

Mr. Gatz stated the Winsted Lions also prepared a number of care packages for the veterans this year.

Council Member Ollig commented the Lions have been a wonderful asset to the City of Winsted and that he is glad to see the organization is growing.

7) **Open Forum**

No public comments were received.

8) **No Announcements**

9) **Adjournment**

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

The meeting was adjourned at 6:50 p.m.

Steve Stotko
Mayor
City of Winsted

ATTEST:

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