

City of Winsted
City Council Meeting
Council Chambers
September 1, 2009
6:00 p.m.

Present: Mayor Steve Stotko
Council Member Bonnie Quast
Council Member Dave Mochinski
Council Member Tom Wiemiller
Council Member Tom Ollig

Staff Present: Brent Mareck, City Administrator
Deb Boelter, City Clerk-Treasurer
Fran Eggert, City Attorney

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 removed item e) Royalty Float Storage – Lease Agreement from the Consent Agenda.

**Ollig motioned to adopt the Consent Agenda as presented. Mochinski seconded.
Motion carried 5-0.**

a) Minutes - City Council – Work Session – August 18, 2009

Accepted the minutes of the City Council Work Session of August 18, 2009.

b) Minutes – Regular City Council Meeting – August 18, 2009

Accepted the minutes of the Regular City Council Meeting of August 18, 2009.

c) Investment Policy – Resolution R-09-16

Adopted Resolution R-09-16 establishing an Investment Policy for the City of Winsted.

d) Parade Permit – Holy Trinity School

Granted a parade permit to Holy Trinity School for Friday, September 11, 2009 at 9:30 a.m. with the designated route as submitted to the Winsted Police Department.

e) Royalty Float Storage – Lease Agreement – REMOVED FROM AGENDA

f) Claims

Approved the Claims List for September 1, 2009 in the amount of \$69,109.97, check numbers 826E-830E, 7908-7917, 500362E and 15699-15738.

3) No Public Hearings.

4) No Old Business.

5) New Business

a) Skydiving Business – Winsted Municipal Airport

Mareck stated that Joe Johnson has submitted a proposal to the City of Winsted to open a Skydiving Business at the Winsted Municipal Airport. Johnson indicated in his proposal that

Winsted was his choice based on a list of airports presented to him by the Federal Aviation Administration (FAA) for this type of activity and its proximity to the metropolitan area. Johnson would operate his business out of an existing hangar at the airport and expects most of the skydiving activity to occur during the weekend.

Mareck continued by stating that the proposed drop zone would be situated in an open field between the current hangar buildings and McLeod County Road 5. The drop zone area is currently being leased to Winstock Country Music Festival, which will necessitate some type of arrangement to be made, should the proposal move forward.

Mareck stated that the City contacted other municipal airports, which currently have or have had skydiving operations at their facilities. Airport Managers at the Waseca, Luverne, Hutchinson and Owatonna Airports were contacted regarding skydiving operations at their facility. Below are the comments Mareck received:

Waseca Municipal Airport:

- Creates a lot more activity at the airport.
- Makes the airport more available to the public.
- The City gets three (3) to four (4) skydiver complaints a year which are primarily noise from the airplane used to transport the skydivers.
- If they did not have this type of operation at the airport, they would welcome skydivers.
- Reported as a high user of aviation fuel.

Hutchinson Municipal Airport:

- Felt pilots and skydivers worked well together.
- Had two (2) accidents over a fifteen (15) year period.
- Did not have their landing area on airport property and there were infrequent landings on airport property.
- Would welcome skydivers back to the airport. Did not leave due to any pressure from the City of Hutchinson or other pilots. Operation lasted almost twenty (20) years.
- Reported as a high user of aviation fuel.

Luverne Municipal Airport:

- Exposure of the airport has increased in the community.
- There have been no reported issues with pilots and skydivers.
- Skydivers land on airport property. There were no runway landings reported.
- There was one (1) report of a skydiver landing on a hangar.
- If they did not have this type of operation at the airport, they would welcome skydivers.
- Reported as a high user of aviation fuel.

Owatonna Municipal Airport:

- Operated three (3) or four (4) years at the airport.
- Skydivers occasionally missed their drop zone, but generally hit their mark in a drop zone that was similar to the one being proposed in Winsted.
- Reported as a high user of aviation fuel.
- Created more activity at the airport.
- There were no reported accidents.
- Operation moved to Waseca Municipal Airport; Owatonna has jet landings and is a higher use airport, which was not as compatible for skydiving. Would be open to skydivers coming back to their airport.

Mareck stated that the City has been in contact with our insurance carrier in regard to the necessary coverage requirements for a skydiving business. The requirements are listed below:

1. Applicant must carry a minimum \$1,000,000 in liability coverage.
2. Applicant must have the City of Winsted listed as an additional insured.
3. Applicant must have their insurance company defend and indemnify the City for any claims against the City.
4. All skydiving jumpers must sign a waiver acknowledging risk involved, acknowledging the City makes no representations as to the acceptability of this activity, and waives their rights against the City.
5. The League of Minnesota Cities would like to review all insurance documents.

Mareck stated that Jesse Carriger, from the FAA, confirmed that the City has no risk of losing future grant funding due to skydiving operations being conducted at the airport. Carriger did state that the City could risk losing future grant funding should the FAA not agree with the factors the City Council used in denying the activity at the Airport.

Mareck stated that the Winsted Municipal Airport Commission recommended unanimously that the City Council not enter into an agreement with Joe Johnson to allow his Skydiving Business, citing concerns over the size of his landing area and the proximity of the landing area to the runway.

Mareck presented *FAA Order 5190.6A – The airport owner is not required to permit (parachute jumping) if, in their judgment, it creates a safety hazard to the normal operations of aircraft arriving or departing from the airport...*

In addition, the Commission had auxiliary concerns regarding additional aircraft noise, the number of operations on the runway, pilot safety and the possibility of making the airport less desirable for general aviation.

Marcus Watson, Bolton and Menk, Incorporated, addressed the City Council. Watson stated that the FAA is involved because the drop zone for the skydivers is on the Winsted Municipal Airport property. Watson stated that skydiving is an approved aeronautical activity by the FAA. The entitlement grants that the City has obtained for improvement projects at the Winsted Municipal Airport do require that we allow aeronautical activities like skydiving; however, Watson stated that the FAA does permit cities to disallow aeronautical activities if there are legitimate safety concerns. Watson recommended that the City Council consider maintaining compliance with the grant assurances when making their decision whether to allow or disallow the Skydiving Business.

Joe Johnson presented his proposal to have a Skydiving Business at the Winsted Municipal Airport.

Quast asked if the aforementioned municipal airports that were contacted are near homes. Johnson stated that some have homes in close proximity and others do not.

Quast asked Johnson how many airplanes would be flying for the skydiving jumps. Johnson stated two (2) airplanes.

Quast asked Johnson how many times the airplanes would be taking off in one day. Johnson stated that there would be approximately thirty (30) take offs on a busy day.

Wiemiller asked Johnson how many years has he been skydiving. Johnson stated nine (9) years. Wiemiller asked Johnson how many times he has had to contact emergency services in that nine (9) years. Johnson stated that he has contacted emergency services two (2) or three (3) times each year for sprained or broken ankles. Johnson stated that the skydiving operation would have minimal strain on Winsted's emergency services.

Mochinski asked Johnson if he would be opposed to the City requiring that he purchase all of his aviation fuel at the Winsted Municipal Airport. Johnson stated that he would purchase his fuel at the Winsted Municipal Airport if the type of aviation fuel he needs is available and prices are similar and/or less than other airports.

Ollig asked Johnson how pilots landing and/or taking off at the Winsted Municipal Airport will be made aware that there are skydiving jumps taking place. Johnson stated that there will be radio contact with pilots and they will be responsible for being aware of what is happening at the airport. Johnson also stated that he will have an employee on the ground monitoring air traffic and contacting his pilots to inform him if it is safe to jump.

Ollig asked Johnson how much he will have to invest to start a Skydiving Business at the Winsted Municipal Airport. Johnson stated that he will make a \$250,000 to \$350,000 investment.

Ollig asked Eggert if the City can enter into a one (1) year agreement with Johnson so that the City Council can evaluate how the Skydiving Business has impacted the Winsted Municipal Airport, the hangar owners, pilots and neighboring homes after one (1) year of operation. Eggert stated yes.

Russ Paschke, Winsted Municipal Airport Commission Chairman, addressed the City Council regarding the Skydiving Business proposal. Paschke presented the concerns of the hangar owners, the Airport Commission members and area property owners.

Wiemiller asked Paschke how he feels about the agreement being for one (1) year. Paschke stated that a one (1) year agreement would be a good idea.

Mochinski asked Johnson how he felt about the agreement being one (1) year. Johnson stated that it would not be ideal for him because he would be making a large investment in marketing and equipment, and it would be difficult for him to find a new airport location after one (1) year.

Ollig stated that he believes that a one (1) year agreement is a good idea because the City owes it to the area property owners and hangar owners at the Winsted Municipal Airport to give their input on how the Skydiving Business is working and what impact it is having on the Airport and its users.

Mareck stated that he, Eggert, Johnson and the Winsted Municipal Airport Commission could work together to prepare a list of acceptable behaviors applicable to the staff and clientele of the Skydiving Business while they are at the Airport.

Ollig stated that he sees the Skydiving Business as an opportunity to showcase the Winsted Municipal Airport.

Scott Lindquist, 3378-230th Street, addressed the City Council and Johnson. Lindquist asked Watson what is the required distance between the drop zone and the runway. Watson stated that the requirement is that the drop zone cannot be directly on the runway.

Lindquist asked Johnson why he decided to have his Skydiving Business at the Winsted Municipal Airport and not the Hutchinson Municipal Airport. Johnson stated that the Hutchinson Airport wanted too much money and it is not in close proximity to the metropolitan area.

Lindquist stated that he currently has his home for sale and is concerned that a Skydiving Business may deter potential buyers due to safety concerns.

Lindquist stated that he is a pilot and through his flying experience, he believes it is difficult for pilots to see the skydivers. Johnson stated that pilots do need to educate themselves on skydiving operations if there is a Skydiving Business located at the airport they fly in and out of.

Lindquist asked Johnson how many fatalities the State of Minnesota has experienced in the past ten (10) years due to skydiving accidents. Johnson stated one (1).

Lindquist expressed his concern about the drop zone being so close to his home and the other homes near the Winsted Municipal Airport.

Daniel Mahon, 3429-230th Street, addressed the City Council and Johnson. Mahon expressed his concern about the increased noise from the skydiving planes taking off and landing. Johnson stated that when the airplanes take off, they will make a loop away from the homes to reduce noise.

Mahon also shared his concern about the landing safety of the skydivers if there is a wind factor and they land on the area homes and/or trees. Johnson stated that there are wind factors that do not allow for skydiving jumps. Johnson stated that skydivers are trained before landing but there are some occasions that they may accidentally land in areas other than the drop zone.

Mareck stated that the draft agreement will be prepared by Mareck, Eggert and Watson. After it is completed, it will be presented to the Winsted Municipal Airport Commission and then the City Council.

Ollig stated that if the City Council does decide to prepare a draft agreement for the proposed Skydiving Business, it does not necessarily mean that the City Council has to approve the agreement. Eggert stated yes.

Ollig motioned to direct the City Attorney, Fran Eggert, to draft an operation agreement for a Skydiving Business at the Winsted Municipal Airport with Joe Johnson, including a monthly Maintenance Fee and no operations from Wednesday through Sunday during the Winstock Country Musical Festival and Higher Ground. Wiemiller seconded. Motion carried 5-0.

b) 2010 Preliminary Levy – Resolution R-09-17

Mareck stated that the City Council must certify a Preliminary Levy to McLeod County by September 15, 2009. Over the last couple of months, the City Council has reviewed draft budgets and levy totals; arriving at a Preliminary Levy of \$1,088,974. The proposed 2010 Preliminary Levy is a .6% or \$6,831 increase over the 2009 certified levy. The Preliminary Levy can be reduced after September 15, 2009 but cannot be increased.

To date, McLeod County has been unable to furnish the City with any estimated tax capacity numbers for the City of Winsted. These calculations will be critical in determining the impacts of the tax levy and meeting the City Council’s goal of creating minimal tax impact on property owners. Based on the calculations, the proposed 2010 levy may be revised to meet the City Council’s tax impact goals.

The City will hold a Truth-in-Taxation Hearing on the Preliminary Levy in December, 2009 and then set the certified levy for 2010.

Mareck presented the 2010 Preliminary Budget and Levy information.

Bond	Levy Amount
2006 Public Works	<i>\$56,000</i> (paid off in 2027)
2007 City Hall	<i>\$156,000</i> (paid off in 2036)
2008 Equipment Certificate	<i>\$29,250</i> (paid off in 2016)
2008 City Hall	<i>\$40,000</i> (paid off in 2027)
2008 Refunding (Fire Hall, 2000, 2002 Street Projects)	<i>\$75,000</i> (paid off in 2012)
Total	\$356,250

General Fund	2006	2007	2008	2009	2010 Proposed
Revenues	\$1,706,375	\$1,558,139	\$1,535,928	\$1,547,338	\$1,475,344
Expenditures	\$1,576,375	\$1,558,139	\$1,535,928	\$1,546,778	\$1,475,344

Levy	2006	2007	2008	2009	2010 Proposed
General	\$744,433	\$743,036	\$712,573	\$725,093	\$732,724
Bond	\$193,700	\$193,700	\$298,800	\$357,050	\$356,250
Total	\$937,133	\$936,736	\$1,011,373	\$1,082,143	\$1,088,974

Quast motioned to adopt Resolution R-09-17 certifying the 2010 Preliminary Levy in the amount of \$1,088,974. Wiemiller seconded. Motion carried 5-0.

c) Landscape Escrow – Establish Public Hearing

Mareck stated that recently the City has dealt with an increase in property owners of new construction failing to landscape their yards, per the City’s requirements, within one (1) year of the issuance of the Certificate of Occupancy. The only enforcement mechanism currently available to the City is through the Public Nuisance Ordinance; however, the authority and follow-up maintenance required to “keep” the landscaping through the nuisance abatement process can be very difficult.

A Landscape Escrow payment provides an alternative method to ensure landscaping occurs on new construction projects in the City. An escrow payment of cash, certified check, letter of credit, or some other acceptable term of an approved dollar amount is presented to the City at the time a building permit is applied for and then subsequently released upon the required landscaping being finished. The escrow serves as an incentive to the property owner and/or builder to construct the landscaping or risk forfeiting the payment to the City. Requiring an escrow for landscaping will not totally eliminate the problem, but will most likely decrease the amount of time the City spends working to enforce landscaping requirements under the current system. The current language has no other enforcement procedures beyond the forfeiture of the escrow to the City.

Proposed language:

Landscaping Required. In all zoning districts, the lot area remaining after providing for buildings, parking areas, driveways, loading areas, sidewalks or other structures must be planted and maintained in grass, shrubs or other acceptable vegetation or landscaping techniques.

Residential – New residential construction building permit applicants shall submit a cash, certified check, or credit escrow payment of \$1,500 to secure installation of required landscaping.

Commercial and Industrial – Shall submit a cash, certified check, or credit escrow payment in the amount of 125% of the estimated landscape costs for the site to secure installation of required landscaping.

Refunding of Escrow – The escrow shall be returned in full to the applicant upon the building or zoning official certifying that the landscaping improvements have been made and fully established on the property. Escrow funds will be forfeited to the City of Winsted in the event the required landscaping is not completed within twelve (12) months of the issuance of the Certificate of Occupancy.

Mareck presented the Landscape Escrow amounts from three (3) local cities that have Landscape Escrow Ordinances:

Annandale:	\$2,000
Montrose:	\$1,500
Mayer:	\$1,500

The proposed language would require \$1,500 for residential projects and \$125% for commercial and industrial projects. Other cities contacted use “Developer’s Agreements” to enforce landscaping requirements for commercial and industrial properties.

Ollig motioned to establish a Public Hearing for October 6, 2009 at 6:00 p.m. to consider adopting an ordinance setting requirements for landscaping. Mochinski seconded. Motion carried 5-0.

d) Luce Line Trail

Mareck stated that in 2006, the Winsted City Council adopted a Resolution of Support to pave the Luce Line Trail from Winsted, Minnesota to Hutchinson, Minnesota, through the use of State Bond proceeds. The project gained momentum in the area, but ultimately failed to be included in the State Bonding Bill.

Mayor Steve Cook of Hutchinson, Minnesota has resurrected support for the paving project by coordinating meetings with the City of Winsted, City of Silver Lake and McLeod County. An informal “committee” has met with local legislators and the Minnesota Department of Natural Resources (MN DNR) to discuss financing for the project through State Bond proceeds, as well as the possibility of using the newly created “Legacy” money, which is available through the voter approved State Sales Tax increase.

Wiemiller motioned to adopt Resolution R-09-18 supporting the pavement of the Luce Line Trail from Winsted, Minnesota to Hutchinson, Minnesota. Quast seconded. Motion carried 5-0.

e) Zion Avenue Repair

Mareck stated that there are severe signs of street distress in the area of Lake Drive and Zion Avenue at the south entrance to Winsted on the Lake. If the road is left in its current condition, it will continue to deteriorate and will eventually affect traffic and safety in the area.

The proposal is to correct the nineteen (19) feet by seventy (70) feet distressed area by excavating down eighteen (18) inches and replacing the material with fabric and Class Five (V) gravel and four (4) inches of blacktop. The specifications for the project were devised by staff in consultation with the contractors who provided pricing for the project.

There is not a “traditional” road bed underneath Zion Avenue, as the existing gravel road was overlaid with blacktop. The lack of a traditional road bed on Zion Avenue will most likely cause the need for additional repairs in the future. The City performed similar work at the intersection of McLeod County Road 6 and Zion Avenue approximately three (3) years ago.

Mareck stated that the project would be paid out of "Street Repair" in the Public Works Department budget.

Mareck presented the following quotes for the street repair at the intersection of Zion Avenue and Lake Drive:

Mid-Minnesota Hot Mix	\$8,950
K.A. Witt	\$9,000

Mareck stated that the City Engineer was not consulted on a specification for the project due to the overall condition of Zion Avenue. The long term approach to Zion Avenue would be to do a full reconstruction of the street, which could cost approximately \$1,000,000 and include street, curb and gutter. The full reconstruction of Zion Avenue is the optimal solution to the existing problem; however, until more development occurs in the area the current proposal appears to be more financially feasible.

Wiemiller asked if the City completes the project without engineering, who will continue to evaluate and oversee the progress of the project. Mareck stated that the Public Works Department's Maintenance Leads will supervise the project.

Mochinski motioned to authorize Mid-Minnesota Hot Mix to perform street repair work, as specified, on Zion Avenue for \$8,950. Ollig seconded. Motion carried 5-0.

6) Department Report

a) Fire Department

Chad Engel, Winsted Volunteer Fire Department (WVFD) Chief, reported on the following:

- Year-to-Date the Winsted Volunteer Fire Department has had 111 emergency response calls.
- Held their annual Spaghetti Dinner during Winstock Country Music Festival.
- Were available for emergencies during the Winstock Country Music Festival.
- Held their annual Pancake Breakfast during the Winsted Summer Festival.
- Participated in the Winsted Summer Festival parade.
- Were available for emergencies during Higher Ground.
- Participated in National Night Out with the Winsted Police Department on August 6, 2009.
- Completed and adopted the WVFD Personnel Policy.
- Will be conducting the annual fire hose testing.
- Will be participating in an Emergency Response drill with the Winsted Police Department.
- Will be conducting the annual Ladder Truck inspection for certification.
- On September 11, 2009, retired Fire Fighter Ken Fitchwell will ring the fire bell at the time the Twin Towers fell in New York City, New York, in recognition of the Fire Fighters who died.
- There are currently three (3) Fire Fighter positions open on the WVFD and staff will be moving forward to fill the positions in accordance with the newly adopted Personnel Policy.

7) Open Forum

a) McLeod County Road 1 – Speed Limit and Four (4) Way Stop Signs

Lenora Kubasch, 210-6th Street North, addressed the City Council. Kubasch distributed an article stating that Minnesota Counties can now change speed limits on County Roads without obtaining permission from the State of Minnesota. She asked the City to please conduct their own speed study on McLeod County Road 1 and consider changing the speed limit from forty-five (45) miles per hour to thirty (30) miles per hour from McLeod County Road 5 to McLeod County Road 56.

Kubasch also shared her concern about the crosswalk not working properly at the intersection of McLeod County Road 1 and Main Avenue West.

Kubasch asked the City Council to consider installing four (4) way stop signs at the intersection of McLeod County Road 1 and Main Avenue West.

Mareck stated that the McLeod County Board would have to decide the speed limit on McLeod County Road 1 and whether or not to install four (4) way stop signs.

The City Council directed Mareck to prepare and send a letter to McLeod County Board Member, Ray Bayerl, and ask them to consider reducing the speed limit on McLeod County Road 1 from forty-five (45) miles per hour to thirty (30) miles per hour from McLeod County Road 5 to McLeod County Road 56, to install four (4) way stop signs at the intersection of McLeod County Road 1 and Main Avenue West, and to have the McLeod County Highway Department evaluate the existing crosswalk at the intersection of McLeod County Road 1 and Main Avenue West to verify that it is working properly.

8) Announcements

a) Small Cities Development Grant

Mareck stated that the City of Winsted held a public informational meeting on the Small Cities Development Grant application process and is currently accepting applications at City Hall.

9) Adjournment

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

Respectfully submitted,

Deborah R. Boelter
City Clerk-Treasurer