



Watertown City Council  
Work Session

Mayor Steve Washburn  
Lindsay Guetzkow  
Adam Pawelk  
Michael Walters  
Dan Schuette

6/28/2022 - Minutes

1. Call To Order And Roll Call

Mayor Steve Washburn called the Watertown City Council work session to order at 5:30 p.m. on June 28, 2022 in the council chambers of City Hall.

Council Members Present: Steve Washburn, Dan Schuette, Adam Pawelk, and Michael Walters.

Council Members Absent: Lindsay Guetzkow, and Dan Schuette.

Staff Present: City Administrator Jake Foster, Administrative Services Director Maggie Reisdorf, Public Services Superintendent Mike Dressel, Fire Chief Tom Hanson, and Accounting Officer (PERA) Sharyn North.

2. New Business

2.1. June 2022 - PERA Fire Benefit And Compost Site Operation

Mayor, Steve Walters, introduced this item to the City Council and invited Fire Chief, Tom Hanson, to start the discussion.

Hanson informed that the reason this was coming to the City Council was because of the current opportunity to review the Fire Department firefighter pension level. He said that this discussion started in 2021.

Sharyn North, Accounting officer with MN PERA, introduced this item to the City Council. Specifically, North presented on the City of Watertown's Fire Pension Fund and respective benefit levels.

North reviewed and presented several reports to the City Council. She started by reviewing the Statewide Volunteer Firefighter Retirement Plan Annual Funding Requirements calculation document that mathematically explains how the funding of the plan works and is sustained.

North informed that in accordance with Minnesota Statutes 353G.08, PERA provides an annual report that determines the following year's contribution to cover the volunteer plan. The current pension level is

set at \$3,100.

North went over the different sources of funding that fund the pension plan including Fire State Aid, Investment Revenue, Supplemental Aid and Municipal State Aid. She received how liability is calculated and how the calculation works to determine what and if the city owes in to support the plan on an annual basis.

Walters suggested that the City Council review the provided information on an annual basis to review the numbers and market conditions in which the plan is impacted by. He added that he wants good benefits for the firefighters and that reviewing it on an annual basis would support decision-making.

North stated that the report is provided to the City on an annual basis and agreed that the City Council should review that information on an annual basis.

Washburn expressed concern over the State's pension data and algorithm. He stated that he is nervous about how current negative market trends could continue and as a result impact the contribution numbers. He stated that if the contribution numbers drop, the city could have unplanned for expenses in the future. He said he supports the benefit program, but was concerned about the sustainability of the numbers.

Pawelk acknowledged Washburn's concerns. He agreed that this report should be reviewed by the City Council on an annual basis.

Washburn asked Hanson what the Fire Department's assessment of the report is.

Hanson stated that part of the plan is funded through Fire State Aid money. He said that at the \$3,100 pension level, the Fire State Aid is not currently being fully utilized (based on the algorithm). He recommended moving the pension level up to \$3,400 as a way to fully utilize the Fire State Aid money. He stated that it is important to show the state that the city is fully using the funds for its pension plan and that it is appreciated.

North explained that the City of Watertown Fire Department started on the plan in 2018 and in 2023 will be hitting the 5-year mark.

The City Council agreed to continue to review this and expressed commitment to determining a higher pension level that fully utilized Fire State Aid and was in line with current market conditions. They asked that it be brought back in the fall for additional review with the goal of deciding on an increase before January 1, 2023 (which is the PERA deadline for annual changes). They also agreed this should be reviewed on an annual basis.

City Administrator, Foster, introduced this item to the City Council. He stated that the city's compost/wood chipping pile is growing as the site is popular throughout the summer months. He explained that there has been an increase in illegal dumping from contract companies and other non-residents.

Dressel stated that the City usually budgets between \$3,000 - \$5,000 on an annual basis for chipping and removal services. He said that he solicited cost proposals for this year and the costs came in significantly higher than in the past. He said the estimates came in between \$15,000 - \$20,000. Dressel asked the City Council for direction on how to proceed with illegal dumping concerns and if hours should be restricted to try and reduce the use of nonresidents.

The City Council directed staff to put together a report and more data on what is happening at the compost site as far as illegal dumping, the cost associated with maintenance and a recommendation to the City Council on how to proceed.

Foster asked if the City Council wanted the site to be gated in the interim or if hours should be

restricted to temporarily curb illegal dumping.

The City Council agreed not to make any changes to operations at this time and that when it is brought back for additional discussion, that a decision will be made at that time.

3. Adjournment

**The meeting was adjourned at 6:29 pm.**

**309 Lewis Avenue South; P.O. Box 279, Watertown, MN 55388**

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Steve Washburn, Mayor

ATTEST: \_\_\_\_\_

Maggie Reisdorf, Admin. Services Director