



Watertown City Council
Work Session

Mayor Michael Walters
Kay Thul
Adam Pawelk
Fred McGuire
Dan Schuette

7/11/2023 - Minutes

1. Call To Order And Roll Call

Mayor Walters called the Watertown City Council work session to order at 5:30 p.m. on May 23, 2023, in the council chambers of City Hall.

Council Members Present: Michael Walters, Adam Pawelk and Kay Thul.

Council Members Absent: Dan Schuette and Fred McGuire.

Staff Present: City Administrator Jake Foster, Administrative Services Director Margaret Reisdorf, Fire Chief Tom Hanson, Doug Kammerer Public Utilities Superintendent, and Mike Dressel, Public Services Superintendent.

Others Present: None.

2. New Business

2.1. 2024 Budget Kick-Off

Foster introduced this item to the City Council. He explained that the goal of the discussion for the meeting is to have a high-level discussion on 2024 budget needs, wants and priorities.

He said part of the discussion will be him recommending items for review consideration and the City Council providing guidance on what items should be a focus priority.

He informed that the 2023 budget is on track.

Public Services Operator II Position/Scale:

Foster stated that within the public services department, staff is recommending that the City Council consider creating a second operator position within that department. He informed that the department currently has an Operator I position only. Foster explained that within the Public Utilities Department, there are two operator positions and recommends the same for the Public Services Department.

He stated that the recommendation is based on the desire to provide additional opportunities for employee growth and development. Foster stated that the two operator positions would have job descriptions that require different levels of experience, certifications, and knowledge.

Walters agreed that it is important to have growth opportunities for employees. He stated that the city has employees that are very valuable and have significant knowledge and experience with the city. He said that he wants to support employees and keep them working for the city.

Foster explained supporting employees is important and that employee turnover is very costly.

Public Services FTE:

Foster informed that staff would like to investigate hiring another FTE to the Public Services Department who would split their time between mechanic duties and public service operator duties. He informed that doing mechanic duties in house would be highly beneficial as it is getting tougher to service some of the city's equipment externally.

Pawelk asked if it would be possible to structure this position in a way that would balance mechanic duties and schedules versus public service operations. He asked staff to investigate the current costs related to external mechanic maintenance and work.

Firefighter Wages:

Foster informed that over the past several years, the City Council has been committed to doing gradual wage increases in firefighter wages. Foster stated that staff is looking to review again for 2024 additional wage increases.

Walters agreed that it was important to keep looking at this. He stated that Councilmember McGuire has in the past stressed the importance of this as well and that the fire department's wages need to be comparable to other cities.

Pawelk agreed that the city needs to review to be competitive.

On-Call Pay:

Foster stated that staff is looking into on-call pay for the public works' departments. He said that currently public work's employees rotate being on call but are not currently compensated extra for it and that staff is recommending looking into adding it.

Pawelk stated that it is a complex topic and asked staff to provide additional information on different scenarios, costs, and comparable data from other cities.

Premium Pay:

Foster explained that staff would like the City Council to consider implementing a premium pay model that would give staff time and a half when staff must work outside their regular working hours.

Pawelk expressed concern about timesheet tracking and asked if it would cause a lot of confusion and how it would be estimated within the budget.

Increase PTO Cap:

Foster stated that staff is asking the City Council to consider changing the current cap allowance of 240 hours PTO. He explained that staff can "cash out" up to 40 hours of PTO once a year if that employee has used 80 hours within the same year and has maintain a balance of 120 PTO hours

afterwards. Foster said that currently longer serving employees are continually reaching the maximum accrual level and therefore start to lose their benefit.

Pawelk expressed concern about it building up and that by increasing the allowance, it would just allow greater build up and liability for the city. He did not agree with increasing the cap.

Thul stated that many organizations have policies that you need to use it, or you lose it.

Walters agreed that the city doesn't want to create large payout liabilities.

Foster stated that he appreciated the feedback on this item.

Compost Site:

Foster explained that at a previous City Council workshop, staff notified the City Council of the significant increases in maintenance costs to the site as it relates to chipping and maintenance of the piles. He asked the City Council for direction stating that either the budget would need to be increased for the compost site maintenance, or services would have to likely be reduced.

Pawelk stated that he did not want to see services reduced and was in favor of increasing the budget to cover increased maintenance costs.

Increase CIP Transfers:

Foster stated that staff is looking at evaluating whether to increase CIP transfers from the general fund over the next few years. He informed that a significant amounts of fund balance was transferred into the funds this year, but that staff wants to make sure that the capital fund balances remain strong in future years.

Community Programming:

Foster informed that staff will also be looking at the policy related to the community programming disbursement eligibility requirements and funding.

Other:

Foster mentioned that employee benefit representatives told staff to budget for a 7-10% increase in benefit costs for 2024.

Foster stated that there will also be more discussion relating to potential changes to the Carver County Sheriff's Office contract. Foster asked if the City Council had any current recommendations for that contract at this time. He informed that the Office is looking to switch all shifts to 12-hour shifts due to staffing shortages.

Pawelk explained that he likes the current model, but also stated that he understands the need from the Sheriff's Office to consider a difference model to accommodate staffing shortages. He expressed concern about the city having a different model than the rest of the County and not being able to fill shifts because of the different model.

Walters expressed support for the model that would have the most presence of a deputy within the city limits.

Foster explained that the city is waiting on an analysis from the Sheriff's Office that would provide more information on the new model.

Pawelk expressed concern about reduced response times with the regional model.

Walters stated that he was open to continued discussion and review between the models.

Foster stated that he hoped to have a rough draft of the 2024 budget to the City Council at the July 25, 2023 City Council workshop meeting.

Pawelk stated that he wanted staff to keep in mind the differences between the preparation of the 2023 budget versus the 2024 budget as it relates to inflation and property values. He said that he would like to see the budget going back to the cost of living increases only.

3. Adjournment

The meeting was adjourned at 6:28 pm.

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

Mike Walters, Mayor

ATTEST: _____

Margaret Reisdorf, Admin. Services Director