



Watertown City Council  
Work Session

Mayor Steve Washburn  
Lindsay Guetzkow  
Adam Pawelk  
Michael Walters  
Dan Schuette

9/27/2022 - Minutes

1. Call To Order And Roll Call

Mayor Washburn called the Watertown City Council work session to order at 5:30 p.m. on September 27, 2022, in the council chambers of City Hall.

Council Members Present: Steve Washburn, Adam Pawelk, Lindsay Guetzkow, and Dan Schuette.

Council Members Michael Walters.

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

Others Present: Kay Thul.

2. New Business

2.1. 1 - 2023 Preliminary Levy Workshop

City Administrator, Jake Foster, introduced this item to the City Council. Foster started by reviewing 2022 valuation impacts. He explained that the overall taxable market value increased 31.94% between the valuation years for 2022 and 2023. He added that it was only 8.88% between the years 2021 and 2022. Foster explained that the median home value in Watertown increased 23.6% from an average of \$247,600 in 2021 to \$306,000 in 2022. He stated that large increases such as this can have significant impact on tax rates.

Foster reviewed comparison data between the cities in Carver County between the years 2020 and 2022 to provide data on where Watertown has compared over the previous years.

Foster reviewed the City of Watertown historical tax rates between 2017 and 2022.

Foster informed the City Council that the staff recommended 2023 preliminary budget is a 7.85% dollar increase between the years 2022 and 2023. The stated the tax rate would go from 53.32% in 2022 to \$45.35% in 2023 based on the preliminary budget proposed.

Foster provided information on changes to the average household based on the tax rate changes from 2022 and the proposed preliminary levy.

Foster reviewed budget highlights for the 2023 budget cycle including the addition of a full-time fire chief effective July 1, 2023, the continuation of the part-time permit technician/planning and zoning assistant, the increase of firefighter wages, COLA increases for staff and policing contract cost increases.

Foster recommended the City Council consider the staff recommended 2023 preliminary levy of \$2,974,322.

Guetzkow asked if the EDA budget would be presented to the EDA for review before the final budget approval process in December. Foster explained that the EDA would review it and provide additional information and recommendations to the City Council before December.

Pawelk referenced the Special City Council budget workshop meeting that was held on September 17, 2022. He informed that at that meeting, the City Council discussed the importance of keeping the EDA budget "flat" at \$68,500 and to not increase the levy in 2023. He mentioned that the City Council usually sets the levy at the maximum, but that the City Council felt it could stay the same as 2022 for 2023 at \$68,500.

Guetzkow expressed concern about cutting any EDA funding. She explained that it is important to keep the EDA funded to be prepared for potential redevelopment opportunities that may arise in the future.

Foster explained that the EDA budget would stay fully funded at the same levy as 2022 for 2023.

**Councilmember Schuette entered the meeting at 6:42 pm.**

There was discussion between councilmember about the preliminary levy being good where it is at and that there will still be opportunity to discuss additional decreases if needed before December.

Reisdorf said that in the next few weeks, the third quarter report will come out and that will be helpful in further analyzing 2022 data and trends. She also stated that the employee benefits are currently based on a recommended 10% increase for planning purposes and that the final percentages will be coming out in the next month.

Washburn asked when the EDA would be meeting to discuss the EDA Budget.

Foster stated that that meeting will be planned for after the preliminary budget approval.

Foster went into detail about why there is a staff recommendation for a full-time fire chief starting on July 1, 2023.

He mentioned that operations within the fire department continue to increase to a point where a professional level management personnel is needed soon to start managing those increased needs. In addition, other items that need increased priority include recruitment of personnel, management of capital items, code and safety enforcement, and more. Foster explained that the community continues to grow with new buildings increasing each year and that means more service needs can increased call volumes.

Hanson added that the Watertown Fire Department has already reached the same call volume in September 2022 as the total for 2021. He explained that the calls are about 60% medical/40% fire/car accident/alarms. He said that the trend is usually 75%/25%.

Foster went into detail about why the permit technician/planning assistant position staying as a parttime position was so important. He mentioned that with growth comes increased permitting. He

said that goal is to continue to increase permit turnover time and take some of the simpler planning permits from the current planning consultant.

Pawalk referenced that there has been a lot previous and good discussion on the addition of a full-time fire chief. He mentioned that over time, the City Council has been about to gather more and more data in support of a full-time fire chief. He said that for all the reasons mentioned, it makes sense to move forward with this. He thanked the City Administrator for their review and explanation of the need for the position. He said that there needs to be a greater focus on efficiencies and priorities. Pawelk informed that the current part-time fire chief already spends between 5-20 per week at the fire station performing duties. He felt that this would be a positive change. He mentioned that he was comfortable with the preliminary budget number.

Guetzkow asked about the 7.6% increase in the Carver County Sheriff's Office contract. She stated that over the past couple of years, the Sheriff's Office was experiencing a staffing shortage and had to make temporary shift changes to meet coverage needs. She asked if staff felt that the Sheriff's Office would be able to fully cover the shifts in 2023. She also asked if the city should continue to budget extra for future needs and inquired as to whether more information was provided by the school district as far as their increased needed as far as safety personnel.

Foster explained that the contract increases for 2023 is a combination of costs spread between incidentals, overtime, community officer support, etc. He highlighted that the Sheriff's Office recently did a wage study that showed that their wage/benefit offerings were as competitive as other departments in the region. He mentioned that policing in general as a profession has hit turbulent times as people are retiring or leaving the profession in general. He said that in 2023, the city will see an increase in the contract because of wage increases mainly. He included that the wage increases have helped with recruitment and that the Sheriff's Office should be continuing to close the gap on vacant roles. He stated that he didn't see the need to increase the current budget amount for 2023, but suggested looking at it again for 2024. He stated that the school district hasn't reached out recently as far as their public safety needs.

Guetkow recommended continuing to reach out to the school district and monitoring their needs. She expressed concern about the school district taking away levels of service for the community. She stated that at some point the school district, if needed, would need to find a solution and pay for safety personnel within the school if it got to that point.

**The meeting was adjourned at 6:12 pm.**

3. Adjournment

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

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Washburn, Mayor

Steve

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

Lynn Tschudi, Admin. Services Director