

City of Winsted
City Council Work Session
Lewis Room
Tuesday, August 5, 2014
5:00 p.m.

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

Staff Present: Mr. Clay Wilfahrt, City Administrator
Ms. Raquel Kirchoff, Deputy City Clerk-Treasurer
Mr. Dave Meyer, Maintenance Supervisor
Mr. Justin Heldt, Police Chief

I. Call to Order

Mayor Stotko called the meeting to order at 5:00 p.m.

II. Police Officer Hire Update

Mr. Wilfahrt stated that the City conducted two rounds of interviews for a Patrol Officer for the Winsted Police Department and explained the process of the interviews. He stated that through this interview process, Tyler Bruns is recommended for the position and that an employment offer letter will be considered under New Business at tonight's City Council Meeting. He continued by stating that there are conditions to the employment offer; such as, passing a background check, a psychological exam, a drug test, etcetera.

Council Member Schulenberg stated that he was a member of the interview panel and stated that Mr. Bruns has a great personality and answered the questions in the interview, to the point.

Council Member Ollig asked Police Chief Heldt if he was comfortable with Mr. Bruns as a Patrol Officer for Winsted. Mr. Heldt stated that he was, and that he thinks he will be a good fit for the City of Winsted.

Mr. Wilfahrt extended a thank you to members of the interview panel, including; Council Member Quast, Council Member Schulenberg, McLeod County Deputy Sheriff Tim Langenfeld, Fire Chief Chad Engel, Maintenance Supervisor Dave Meyer, and City Clerk-Treasurer Deborah Boelter for the first round of interviews, and Mayor Stotko and Police Chief Justin Heldt for the final round of interviews.

III. 2015 Budget Discussion

Mr. Wilfahrt stated that the City Council determines a budget for the City annually, and that a preliminary levy must be set by the first City Council Meeting in September each year. He continued by stating that once the preliminary budget is set, the City cannot raise the budget; however, it can be lowered.

Mr. Wilfahrt provided information regarding a draft general fund budget for 2015, and explained the expenditure and revenue changes from the 2014 budget compared to the proposed 2015 budget. Mr. Wilfahrt noted the following items:

- the proposed budget has a tax levy of \$799,904, which is a 3.1% increase in the General Levy
- the proposed debt levy is \$322,750
- the combined tax levy and debt levy for the proposed budget is \$1,122,654 which is a 1.7% increase in the total budget from the year 2014.
- the 2015 Compensation Plan has been increased by 2.1% based on the Consumer Price Index

- Sewer rates should increase by 8% for 2015
- Water rates should increase by 2% for 2015

Mr. Wilfahrt noted that the proposed budget does not include funds for the following:

- Improvements to the skate park, the installation of a hockey rink, or the installation of a BMX park
- Funds requested by Southwest Initiative Foundation or Pioneerland Libraries
- An estimated payment for new debt service related to purchase of land and infrastructure for expanding the Industrial Park.

Mr. Wilfahrt presented information regarding how the City of Winsted compares to other cities pertaining to medical insurance provided to employees.

The City Council Members discussed the proposed 2015 budget and requested more information on the following items.

- Impact of the proposed budget on property taxes for residential and commercial properties
- How future debt projects like the Industrial Park, Kingsley Street, the Waste Water Treatment Facility, etcetera will affect the future levy
- How the proposed budget could be reduced to a 0% increase

Mr. Wilfahrt stated that he would follow up on the items that the City Council mentioned and bring more information regarding these items to a future City Council Work Session.

IV. Personnel Policy Discussion

Mr. Wilfahrt stated that at the last City Council Work Session, staff brought forward a revised version of the City's Personnel Policy for discussion. Most of the items that were changed were to the satisfaction of the City Council, but some items required additional research.

Mr. Wilfahrt stated that the Council discussed the option of utilizing Paid Time Off (PTO) vs. Sick and Vacation Time. Mr. Wilfahrt stated that staff researched PTO and had more information to share, both in favor and not in favor of this system.

The favorable points of the PTO system are that it is less restrictive. It allows anyone to use PTO for any reason, giving employees greater flexibility. The flexibility could help attract and retain employees. It would also require less time to track the hours taken off and why they were used, saving the City a small amount of hours worked that could be spent elsewhere.

Mr. Wilfahrt continued by stating that a less favorable point of the system occurs when converting existing sick and vacation hours to the PTO system. He stated that most cities that have switched to a PTO system have converted existing sick hours on a one to one (1:1) to three to one (3:1) basis and vacation on a one to one (1:1) basis. Mr. Wilfahrt explained that there are a number of employees for the City that have nearly 500 hours of sick time, and at least a week of vacation. If that time was to be converted with sick time being converted on a two to one (2:1) ratio, it would mean approximately six to eight (6-8) weeks of PTO would be available instantly to those employees. That would likely lead to staffing problems.

Another less favorable point of the PTO system is that several employees of the City have reached their maximum sick bank and do not accrue additional hours. With a PTO system, they could conceivably use this time for anything, meaning that they would be taking additional time off.

Mr. Wilfahrt stated that since the main benefit of PTO is for the staff and ease of use, and because a switch would create confusion and animosity among employees, staff thinks a conversion to PTO time is not advisable.

Mr. Wilfahrt stated that the second item that needed more research has not yet been discussed at the City Council level. Currently, City employee reviews are conducted to coincide with their anniversary dates. Staff would like to change the review dates to all occur at the same time of year, by July 1st. Making this change would save management staff a considerable amount of

time, and reviews would not be conducted late, as they occasionally have been in the past, because of the confusion caused by this system.

Mr. Wilfahrt stated that Pay Step increases would then coincide in the future with the annual review date. Staff recommends that employees who currently receive Step increases prior to July 1st to continue to do so until they reach the top of the Step Scale, which would be in three (3) years.

Mr. Wilfahrt stated that staff would like to make a similar adjustment to carrying over vacation. Rather than going by anniversary date, which is difficult to inform employees of, enforce, and administer, staff would like vacation turnover to be done on a calendar year basis. This would eliminate staff time of sending out reminders to use vacation, tracking vacation, and administering transfers. Instead, everything could be done at one time. This change should not cost the City anything and should actually save on staff time to administer vacation leave.

The City Council Members asked if City staff agreed with the recommendations of not switching to a PTO system and with changing review dates and vacation carry over dates. Mr. Wilfahrt stated yes.

V. Other

a.) Holiday Pay

Mr. Dave Meyer, Maintenance Supervisor, provided examples of timesheets completed for Public Works employees that work on a holiday. He explained how those employees get paid according to how the Personnel Policy currently reads. The City Council Members discussed pay for hours worked by a Public Works employee on a holiday and discussed that an employee's time away from their family on a major holiday is worth fair compensation.

b.) Winsted Municipal Airport Fee

Council Member Schulenberg stated that there was a lot of paperwork created for the transfer of Winsted Municipal Airport hangars on tonight's City Council Consent Agenda. He asked if there was a City fee pertaining to this type of transaction. Ms. Kirchoff stated that there is not a fee established at this time, but that a fee could be added to the next City Fee Schedule update.

VI. Adjourn

Council Member Quast motioned to adjourn the meeting. Council Member Fasching seconded the motion. Motion carried 5-0.

The meeting was adjourned at 6:00 p.m.

Steve Stotka

Steve Stotka
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff

Raquel Kirchoff, CMC
Deputy City Clerk-Treasurer
City of Winsted