

Councilpersons:  
First Ward: Gallenberger, Friedmeyer  
Second Ward: Schmidt, Hiers  
Third Ward: Meurer, Bricher

Mayor: Rollin Hall  
Clerk-Treas. Susan Schamaun  
City Adm: David Schmidt  
City Atty: Peter Ekstrand  
Date: February 28, 2011

**SPECIAL MEETING  
PROCEEDINGS OF THE CITY COUNCIL**

The special meeting of the City Council of the City of Wabasha was held on Tuesday, February 28, 2011, and was called to order at 4:30 pm by Mayor Rollin Hall to discuss the City Administrator's Contract.

Pledge of Allegiance was recited.

Mayor Hall announced all Councilpersons were present.

Mayor Hall stated he had 3 goals for the meeting:

- 1) Give each Councilmember ample opportunity to address the issue.
- 2) When decision is made on an agreement, we have the feeling that we've done our best in the decision making process.
- 3) After reviewing the contract, the City Administrator job description, the accomplishments of the City Administrator, to extend the current agreement for two additional years without a salary or benefit increase.

Attorney Peter Ekstrand stated the contract runs from July 1, 2008 until June 30, 2011 and explained the two types of termination to Council.

Mayor Hall asked Councilpersons to give their input.

Councilperson Schmidt stated due to the financial hardships faced at the federal and state levels at this point in time, and due to getting RFP's for City Engineer and City Attorney, he stated he asked Mayor Hall to ask David Schmidt what was the least amount of money he would work for. He stated the City can't afford to have Molly, and David and Phil. In December Council told the taxpayers they needed more money and that was tough. He stated the City has streets falling apart and they need to be fixed and the City needs to downsize. He said the City can't maintain 'as is'.

Councilperson Friedmeyer stated he felt the City needs to look at every avenue to cut as much outgoing from the budget as we can. He stated having worked with Molly on the Planning Commission and working with David on a couple of projects, he has a stronger opinion of their positions and what they do for the community. He stated he would like to hear from David if he would consider a salary reduction and his goal is to leave with some type of a plan to continue to reduce the payroll as part of the City's expense over a period of time as the City moves forward. He stated he feels David is an incredible asset to the community and one of the situations was the Medicare incident and it is nothing short of a miracle for this community to still have that funding. He concluded by stating David Schmidt does an incredible job and is an asset.

Councilperson Gallenberger stated at the Financial Meeting Council learned the median income for Wabasha was \$34,000-\$35,000 and not one City employee makes under \$40,000 so our employees make more than the average person in the City that is paying their salary and it is unacceptable personally. She stated on the City Administrator's contract, she will vote for nothing less than ending the contract. She stated end this contract and decide what to do next, whether it is combining people or whatever it takes because we need to bring the highest paid person in this City down to \$55,000 so we are in the same range as all the other people in the City who pay the wages. She said the City is totally out of line and the City Administrators in 32 cities that have the same population, David is the highest paid. The City employee average salary is \$51,000 and the City resident average is \$34,000 and this is not fair or equitable. She concluded by stating she will vote for nothing less than closing the City Administrator's contract and developing some position that can be shared and will bring the top wage in the City down to \$55,000 and \$60,000.

Attorney Ekstrand reminded Council that the special meeting is to discuss David's contract and it is not to discuss any other employees. They can be referenced but no action can be taken.

Councilperson Meurer stated he has been through four City Administrators and he doesn't know any of those four that would have taken the job for \$55,000. He stated he is in favor of renewing the contract 'as is'. It has been quite clear that David has saved the City a tremendous amount of money and he's paid for himself. He questioned Councilperson Gallenberger's statement of bringing down the City Administrator's salary down so far and the City would not have quality department heads working for the City and the City has worked very hard to get quality people in here. He stated his recommendation is to extend the City Administrator's contract for two years with no increase.

Councilperson Gallenberger stated he is the highest paid City Administrator and the median for similar sized cities is approximately between \$73,000 to \$76,000 and the City could use that money and do streets and if we handled that problem with these high paid salaries, we could do our streets.

Councilperson Bricher stated David is doing the job and will continue to do the job to keep the City in a good financial standpoint. He saves the City in many ways and he's done it over the years. He has seen in the past where there were four people before him and they were very unsuccessful with that and he further stated you get what you pay for. He concluded by stating he is in favor of renewing David's contract for two years 'as is'.

Councilperson Hiers stated she doesn't know how to compare the different salaries and the quality of work done and she doesn't have enough experience to do that. She said she thinks David's work is very good but doesn't know how to compare it to others who might be working for a lesser salary. She stated she can't see the City functioning without a City Administrator. She would be very opposed to that work being done by an elected official. A very not-

capable person could be elected at some point. She stated she can't picture the City trying to run without a City Administrator and further believes government is more than just streets and safety. She stated the committee she serves on that is looking at City positions will be presenting their findings later and she stated she believes picking out the biggest number and going after that position is not the best way to approach things. She stated she is in favor of extending David's contract for two years.

Councilperson Meurer recognized someone in the audience and Council extended an invitation to speak.

Mr. Michael Wills, 6700 Bruegger Valley Road, came forward and introduced himself and stated he has resided in Wabasha for nearly five years. David Schmidt asked if he was Attorney Ekstrand's son-in-law in which he stated he was. He questioned why the meeting was at 4:30 in which Mayor Hall informed him the Mayor gets to call a special meeting by charter and after looking at his schedule and after hearing people comment they would like to have meetings earlier and the fact this was Council's third meeting this month, this time was selected. He informed Mr. Wills that public comments are not intended to be a dialogue so if we do not respond, do not feel badly.

Mr. Wills stated he talked to his Councilperson a couple years ago, and he has watched this circus go on long enough and feels the ring master is Mr. Schmidt. He stated in the past the City has went year by year by contract for City Administrator and now all of a sudden it is a two-year contract. He stated this past year the City had several employees who took furlough and pay cuts and working for UPS and for two years on management side, they have taken salary pay freezes and did elect to not cut from hourly employees. He also stated he knows Mr. Schmidt took furlough but felt other employees took bigger cuts who are making less. He said the City's population is going down and he drives back and forth to Rochester and with gas prices every month more comes out of his pocket. He stated comparing Rochester taxes with Wabasha taxes, he wonders if it is worth coming back here. He stated his taxes went up 15% and yet Mr. Schmidt wants a two-year extension for the same pay. He stated some cities of similar size either don't have a City Administrator or are making less than what we are paying. He asked why the City can't put the City Administrator out on bids and stated he would like to hear back on that and maybe his Councilperson could get back to him on that. He stated he would agree with Councilperson Gallenberger on the salary of \$55,000.

Mayor Hall stated he did not want to comment on statements on Molly or Phil due to today this meeting is about David's contract. He stated they are looking at the salary structure and budget. He stated he will be asking Mr. Bubany to give an understanding of how his presentation came up with the Wabasha median wage at \$35,000. He wondered if subsidized housing drives down the City's median income. He stated he would be afraid of a City Administrator wage of \$55,000 because the first day a better offer comes in, they will be gone. He reminded Council they had four City Administrator's in five years and now David has been here for eight years.

Councilperson Gallenberger stated David has been rude to people and has hung up on people. Councilperson Meurer stated he has been in David's office when he has had people call and there is no other option except to hang up on them and he has witnessed that. Mayor Hall stated in moving forward evaluations should be held to get feedback and it should be on all employees.

Councilperson Friedmeyer stated that before the vote is taken, this is the opportunity for Council to adjust or consider adjusting this contract. Councilperson Hiers stated Council could ask for an Administrator's Report so Council and the public could have an idea of what this position does. Councilperson Gallenberger stated she feels a plan for salaries and reducing them should be made. She said the City doesn't have a long-time goal to address what City employees are earning and developing a plan.

Police Chief Kruger stated he has been with the City for 27 years and worked with a lot of administrators. He stated due to various issues, he has a lot of contact with David. He stated David is always here and always takes time to sit down and answer our questions and is always fair. If you drive by City Hall at 6:00 am, you can find David here and if you drive by at 6:00 pm, you can find David here and if you break it down by hourly wage, how much does he really get paid? He stated he doesn't think a lot of people realize what he does or how much time he puts in. He stated one City Administrator made \$55,000 and he was here five days.

Councilperson Bricher and Schmidt moved to approve extending the City Administrator's contract for two years 'as is'. Adopted by the following vote:

Ayes: Meurer, Hiers, Bricher, Friedmeyer, Mayor Hall

Nays: Schmidt, Gallenberger

Councilpersons Gallenberger and Bricher moved to adjourn at 5:33 pm.

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Susan Schamaun, City Clerk/Treasurer