

## **Transcript for The City Speak Podcast Season 3, Episode 1, “Jump-Starting Main Street”**

[Podcast theme music plays briefly and fades out]

### **Adriana Temali-Smith:**

From the League of Minnesota Cities, this is City Speak. I'm your host, Adriana Temali-Smith. Welcome back to season three of the City Speak. It's been a while and, you know, some things have changed in the world since season two ended in January, but I'm not going to lament on how difficult this year has been. We're all plenty aware of that. Instead, we're going to keep doing what we do, which is bring you interesting guests to tell you stories about the innovative and creative ways that city leaders make a difference to communities across our state.

And today we're going to start out with about \$150,000 worth of creativity, because our guest is Mayor Steve Washburn from Watertown. Some of you may remember seeing Mayor Steve on the news back in May for the innovative way that the city of Watertown responded to helping both Main Street businesses and residents alike. It came in the form of a stimulus check, not from the federal or state government, but from the city itself. Three \$20 checks were sent to every resident, whether they are a homeowner or a renter, which were all good at Main Street businesses in Watertown. [Podcast theme music plays briefly and fades out] Mayor Steve, where did you get the idea for the Chamber Checks program?

### **Mayor Steve Washburn:**

It was really the result of a lot of conversation that happened in our community. So right after the pandemic hit and the governor closed down the businesses, we were really concerned about a lot of our service businesses, the restaurants, that was where our first thoughts went to. And we, we called a meeting with the entire city council and the entire EDA, Economic Development Authority, and we sat down and we were talking about what the impacts were and as we were talking through it, and we understood that the impact was more than just four or five of our local restaurants. It was all of our businesses, it was all of our residents, and it wasn't in one meeting. It was probably, I think we had about three meetings when we were talking about different ways to approach helping our community.

And it was in one of the last meetings at the idea came forward about, "Well, could we leverage this idea that the chamber, the chamber does to stimulate and support local businesses?" And it was, it was a really big hit. Everybody on the council thought that was a great way to go about it. And, um, I think this has been a big hit for our community. It's, it's been, you know, everyone's gotten a lot of positive feedback, and I've just been very proud of how we've approached and, you know, really dealt with a very complex situation in our community.

### **Adriana Temali-Smith:**

Yeah, it's a really, it was a really neat story when I originally saw it, and I kind of have two spinoff questions from that. One is, do you have any sense of how hard Watertown's Main Street was hit by the pandemic? And then, the second is really have you guys partnered with the chamber closely in the past?

### **Mayor Steve Washburn:**

Yeah, we've done other things with the chamber in the past, but nothing of this magnitude. I mean, this was a, a huge effort for our community. You know, we, I think we delivered over 1,200 Chamber Checks in, in, in a result of this program. Um, but it was, it was important to, you know, your first question about the

impact, a lot of our small service businesses, uh, restaurants were, were hit really hard. You know, they had 70% reduction in sales and, you know, we're a small community, the city of Watertown, while we're in the Twin Cities metropolitan area, we're really at the very edge.

And so we're a small service, a small rural service center of 4,200 people about, and you know, the good thing about Watertown is we're very self sufficient. We've got everything that you need from a business perspective, but the challenge is, in situations like this, the businesses are small, they don't have a lot of capital. We don't have a Target, we don't have a Walmart, right. So they're all very small owner operators that run their businesses. And we saw it, the downtown was completely empty when this was starting. And it's normally very busy. That's one of the blessings in Watertown is there's just a lot of activity downtown, a lot of service businesses.

So it was, it was a big hit to our community and I really think the Chamber Checks program helped out immensely with both, you know, the reality from the financial perspective, but also just the morale in the community and the sense of pride and, you know, just the ability to, I'll say to weather the storm.

**Adriana Temali-Smith:**

So this started about a month ago and the checks are good until the end of the year. Do you have any idea what sort of impact this has made so far on Main Street?

**Mayor Steve Washburn:**

We'd mailed out a little over 95, \$96,000 of checks. As of about a week ago, about 30,000 of those have already gone through circulation. And, you know, in essence, been cashed at some local businesses.

**Adriana Temali-Smith:**

Wow.

**Mayor Steve Washburn:**

So that, that's huge, right?

**Adriana Temali-Smith:**

Yeah.

**Mayor Steve Washburn:**

That's that was, that was one of our goals and one of our hopes was to get this money back into our local businesses as quickly and early as we possibly could. And, you know, it was really fun the first week after everybody got them in their hands, you would be walking out, you know, predominantly down our Main Street corridor and you'd see people with their Chamber Checks and you would see Dawn at the floral shop say, "Oh, this person just came in and they just gave me \$60 of Chamber Checks, and they just gave it to me, they didn't want anything in return."

**Adriana Temali-Smith:**

Oh my goodness.

**Mayor Steve Washburn:**

Yeah, it was incredible goodwill that was being spread and, you know, just people smiling and, um, you know, being very happy in a time where there was not a lot of happiness going around.

**Adriana Temali-Smith:**

That's really wonderful. So the businesses obviously have had a huge impact. Have you heard from individual residents at all, or groups of residents; what's been the impact for the people who are spending the checks?

**Mayor Steve Washburn:**

Yeah. So the impact from the residents and I've, I have heard from a number of them is, is, "Wow, we're so proud of our city for doing this. We're just thank you for watching out for our businesses." It hasn't been a position from the residents where they felt like they personally needed this to, you know, get through the day. It was more of this, "We're really proud of what our community has done. We're happy that we're, you know, helping out these ..." you know, because again, everybody's friends and neighbors. We're a small town, so we're helping out our neighbors, we are helping out our friends, and that feedback again, just really, you know, you get really proud, you, your chest swells up, you know, all those types of things. It was very ... honestly, it's something I've never experienced before in my six years as being mayor. You know, usually we get some negatives and we get some, um, you know, "Why did you do that?" type of thing.

**Adriana Temali-Smith:**

Right.

**Mayor Steve Washburn:**

But this one, it was, it was across the board just really positive feedback.

**Adriana Temali-Smith:**

That's so great. So the total stimulus that each resident received was for \$60, but they received it in the form of three \$20 checks. Can you tell me a little bit about the thinking behind this method?

**Mayor Steve Washburn:**

So, the checks are printed on one eight and a half by 11 sheet of paper. And we had, we didn't really think about this that much as we were talking about the logistics of handing out checks to people, but you know, what works out really well? Is three checks on one sheet of paper. And if there are \$20 each that's \$60, and what's really cool about it is, you know, \$20 is a pretty good amount of money. So you can do a lot with \$20. So you could, in essence, tear one check off, you could spend it at the grocery store. You could tear another check off and spend it at the Italian restaurant. You could use the third check at the, at the NAPA Auto Parts store, right? So, it worked out super, super well and it was a little bit by accident because we didn't think about it that way. It was just, "Okay, hey, let's get these checks out to people. Let's let them get the money into the local economy and just, you know, do their thing." But it worked out.

**Adriana Temali-Smith:**

Well, I think it sounds really clever, in all honesty, and I wish you could take more credit for thinking through, because that was my first thought is "That's so neat." As a resident, I could spend it at a local restaurant, I could spend it at the flower shop, I could spend it at the, the gift store. Um, and it could go a little further that way, by going to multiple businesses.

**Mayor Steve Washburn:**

When we were discussing this item, one of the big questions we had, and it was really how can we get this money to the actual people that are, that are in need. So as in any community, we have not only homeowners, but we also have a lot of renters. So we spent a lot of time about that question. How do we get it to the renters? How do we get it to the people that, you know, really we normally don't interact with from a city perspective, and then likewise with that as well, what happens if that person doesn't want or need that money? What can they do with it? Can they donate it? Can they give it to the food shelf? What, what are all those things? So we really discussed that in great length.

**Adriana Temali-Smith:**

Yeah. You know, you said something interesting just now, which is about the challenge of getting it to not just homeowners, but to residents. So people who are also renting, what was your solution on that?

**Mayor Steve Washburn:**

Yeah, so, so we have some of that information from some other activities that we've done, um, as a city level. I, I don't know the answer to them right now anymore, but we would go through a rather extensive mailing list that the staff spent probably an extra week to maybe even two weeks calling to apartment buildings, calling to our trailer parks, asking for information. We, we have gotten some checks back as, "Hey nobody's here, hey, this is non-deliverable." And we've also printed out and sent more checks out to people that we've missed. We've really tried to be very, I'll say open, you know — if somebody feels like they didn't get a check, that's fine. Call us, we'll send you out another batch of 60 bucks.

**Adriana Temali-Smith:**

I love that. That's so cool. So in addition to the Chamber Checks program, the city also provided a three month rebate on utilities for businesses. Can you say a little bit more about this?

**Mayor Steve Washburn:**

Yeah. That, that's actually where the Chamber Checks programs sprung from. So, as I mentioned earlier, our first thought was about, "Well, how can we help our businesses that are being, in essence, forced to be shut down beyond, you know, outside of their will or control?" And all of a sudden they have all these costs. A lot of people think about EDA as attracting new businesses, which is, which of course is a function of any, any EDA. But from our perspective, the EDA, EDA also needs to support the local businesses that are already here. And so we've got a fairly large EDA fund, and we started talking about it going, "Well, how can we help these local businesses?" And the idea was, well, let's do this three month rebate on, on utilities for the businesses. The EDA would cover those costs and in essence, do an interfund transfer from the Economic Development Authority over to our enterprise funds.

And then as we were working through that, the real, I would say the passion for everybody in the community was we want to help out everybody. And so then we pivoted to the residents and we started talking about, "Well, how do we help the residents?" And we had a lot of conversations around that. Again, even throwing the idea out about just doing some rebate programs for the residents, not this Chamber Checks idea, but as we talked through it, it's like, "Well, geez, if we could make that into a, an additional stimulus package to get people to spend money locally," you know, while this is happening, what a, what a benefit, you know, what a really great way to approach it.

**Mayor Steve Washburn:**

And obviously that's how things turned out. It was unanimous support across, you know, the EDA, the council, every single time — really our discussions were about the mechanics. How do we do this? What is the impact? You know, how do we make this happen and how do we make sure we're being as fair and, and really giving everybody that, that needs the support that they can get, the support that they want and need.

**Adriana Temali-Smith:**

You know, one of the things that I hear often that I find frustrating is that, uh, people say that the government sector, local government, is slow too respond to things and not all that innovative. And this, if ever there was anything that proves that wrong. I mean, you guys moved quickly, you took a really creative idea through the EDA conversation and you grew it into the Chamber Checks. Um, I just, I think that your city has really been a leader here and it's really cool.

**Mayor Steve Washburn:**

Well, thank you. It's, it took us a week to confirm addresses so we could get a good address count, and then an extra week to print the checks. So it did happen very, very fast. And like you say, I mean, normally things do move a little slow at the city level, but it did happen very quickly. I was very happy with how fast we, we discussed it, how quickly we got some ideas out and, you know, and, and again, like I said, the reaction from the community has just been overwhelmingly supportive.

**Adriana Temali-Smith:**

Let's take a quick break to hear from a member of the League's Business Leadership Council.

**Message from a member of the League's Business Leadership Council:**

[Music] At Bolton & Menk we believe all people should live in a safe, sustainable, and beautiful community. Since 1949, we've continued to take care of our clients infrastructure needs and we'll continue to do so during these tough times. To help future engineers and planners learn about what we do, we released a children's book series to highlight some of our service areas. Follow along as Lindsey, Sam, Parker, and their friends share what they love most about helping their communities. Visit Bolton-Menk.com/library to check out our books. [Music ends]

**Adriana Temali-Smith:**

All right, we're back. Let's move on to our next question. So if we talk money for just a minute here, you said that there was about \$100,000 of the Chamber Checks and about \$50,000 in the utility rebate for businesses. So you're up around \$150,000 right now. How is Watertown able to pull this off financially?

**Mayor Steve Washburn:**

So the EDA, every year, we, we levy for approximately 40, 46 to \$48,000 for annual levy to support our Economic Development Authority, which is its maximum amount. We've got a healthy balance inside our EDA account. So as we looked at that, it's like, well, if we're, if we're not going to use this money this year to support our local businesses, when are we ever going to use it, right? So, so we took in essence that annual, um, you know, what would be the 2020, um, EDA money and, and that's really what fed the EDA piece.

And then when we're looking at the city side, um, the more native city budget, the ... we're extremely conservative as we're forecasting our annual budgets. Um, we've been blessed in our community to have some fairly consistent, um, new home constructions. And we've been averaging around 36 new homes a year for the last four or five years, but we only, when we, when we build our budget, we only build it around 17 new home construction starts. So at the end of each year, we end up with an excessive amount of money, um, in our, in our fund balance. And so then we start to, you know, push that to where it belongs.

And that typically goes into our enterprise accounts because we're collecting additional, you know, water and sewer hook-up fees. We have our own wastewater treatment facility, so all of those fees come into the city. So as we were looking at the pandemic started to hit March, we had yet to make any of those, um, fund, fund adjustments. And we were like, well, again, you know, yes, we could push those into those funds, but if there's not an immediate need, if there's not something of any more urgency than what's going on right now for this, this probably makes sense to do something, to help out our community. And it wasn't a hard decision, there wasn't really a lot of argumentative discussion around that.

It was "No, this, this is a good use of this money today. And then next year, if construction continues to build, if, if everything continues to go well, you know, our budgets are completely sound. We can support that." And that's, that's how we've been able to do it. We have talked since about, "Well, can we do another one?"

**Adriana Temali-Smith:**

(laughs).

**Mayor Steve Washburn:**

I don't know if we would be able to support another package that would be that, that generous ...

**Adriana Temali-Smith:**

Yeah.

**Mayor Steve Washburn:**

... but hopefully we'll continue to open up, we'll continue to have more normalcy coming into our lives. And, and this bridge, this lifeline that we throw to our community will have done its purpose and we'll be able to, to weather the storm without losing any businesses, without residents feeling stressed or having to worry about, "Hey, can I pay my water bill?" That's one of the other things that didn't get reported that, you know, we did waive and stop all water and sewer shut offs. We've stopped all late fees, and we've been dealing with those on a case-by-case basis. So if somebody was under economic hardship, we didn't, we didn't want to add that extra stress to them. So it's, that's, that's also been taken care of, too.

**Adriana Temali-Smith:**

Yeah, especially in a time when we're all supposed to be washing our hands so much more frequently. I mean ...

**Mayor Steve Washburn:**

(laughs)

**Adriana Temali-Smith:**

... if ever there was a time that water is essential, it is absolutely now. I know it's always essential, but during a pandemic, um, I, I'm sorry that I missed that when I was doing my research for this conversation with you, because I think that, that's huge and that absolutely is something that, um, the city should be congratulated upon, because giving people access to water is, uh, is vital.

**Mayor Steve Washburn:**

Yeah. You know, it's been so interesting. I've talked to so many people about the, um, the morale, the mental health challenges, the, you know, just the stress of being in this situation. And I think that's one of the biggest, I guess, benefits, or, you know, the reactions is so much relief coming from people that, you know, "Wow, this is what you guys are doing." You're, you know, kind of like you said earlier, "You're acting quickly, you're acting decisively." And, and I've had people from all over the state that have, you know, called me or sent me messages. And, you know, have said how proud they are of our city and that, that's a pretty cool feeling.

**Adriana Temali-Smith:**

So Mayor Steve you've been mayor for six years, and you were on the council before that. What's it been like to be in a leadership position during a pandemic? And what have you learned during this time?

**Mayor Steve Washburn:**

Oh, boy, you know, it's, it's been an interesting, uh, interesting six years. So I first got elected to office, we had a, had a tornado. I thought, "Wow, that's bad." And, and then I, then I have a flood, because we're along the Crow River, and we have a flood, and I'm like, "Well, that's bad, but it's not as bad as a tor, tornado." And then 2020 rolls around ...

**Adriana Temali-Smith:**

(laughs)

**Mayor Steve Washburn:**

... and I'm like, "Well, great. Now we got a whole pandemic going on." It, it has been, um, nothing like I've ever experienced to be. And you know, and I, I know everybody can say this, right? What, what experiences have been, have just been amazing, just incredible, what we have been working through. It's been very hard as a leader, the emotions that our community is going through, both on the highs and lows have, you know, you feel those emotions you're, you become the lightning rod. So we've been, uh, I've been working very hard to stay positive and to be advocating for our community and, you know, really listening to people a lot, letting them express their frustration and, and not judging.

I think that's one of the most important things that I, I wish everybody would keep in mind is ... you know, 'cause I've had people that have, that have been, "No, we need to stay closed, we can't be opening up. We, this is a matter of life and death." And I've had other people coming to me saying, "We got to open up as soon as we possibly can." And I've, I've always told everybody I respect everybody's positions, I understand it all. And what we're trying to do is, you know, just a pragmatic approach. We're all gonna work together, it's, it's not going to be something that we can solve and it's not something that's going to go away.

So really having that, that balanced, um, nonjudgmental, listening and keeping other people's fears in mind 'cause some people are truly terrified about what's happening to us. And, and I think it's important we respect their concerns. It's also important to respect the concerns about other people that, some of our local business owners that we've talked about that, literally their whole life's work was, they're watching it go up, vanish in front of their eyes. And that's, that's equally as traumatic. So being that non-judgmental listener, the counselor, and then trying to find creative solutions that you can help out, and, you know, just being there for them.

And sometimes it's, you know, I wish I could do more, but you know, I, I think that's been the, the biggest thing that's been going on this year is much more of that rather than just the city budget, rather than just running a city meeting rather, than just, you know, seeing people at social events around town. It, it's really been their, I guess, for lack of a better word their spiritual leader, and just helping them stay positive and, you know, marshal through this just amazing time that we're going through as best as we can. And let's hope it never happens again because, its it's been hard.

**Adriana Temali-Smith:**

Yeah. It's definitely been a difficult time to be a leader. And, uh, from everything that I've seen you and your council and the city staff in Watertown have just done a really tremendous job. So I'm on behalf of the League, a huge congratulations to you.

**Mayor Steve Washburn:**

Well, thank you I, I end, I get a little emotional, I'm sorry, but uh, the last few meetings I've ended with immense thank yous to the community and immense thank yous to the council and the staff. It's just been, um, it's been so impressive to watch while, you see the rest of the world falling apart and you're sitting there going, "What's happening to our, to our society, this great country that we live in?" And then to see the community rally around everybody and just push forward.

And I, I appreciate the time to talk about our lovely little town and I just, uh, you know, as you know, it's truly, it takes everybody to make these things happen and the council's just been amazing, staff's been amazing and the Chamber's been amazing in helping us all with all this. You know, so thank you for all that, but I really have to give the credit out to everybody else because they've been the ones that have really, um, you know, kind of helped us all make it through together.

**Adriana Temali-Smith:**

[Podcast theme music plays briefly and fades out] Here at City Speak, we like to wrap up by reflecting on the important lessons our guests bring us. And I absolutely loved our conversation with Mayor Steve today. The first thing I heard was don't over-design. Be pragmatic and move quickly as you respond to the needs of your community. The second thing I heard was to leverage your partnerships, uh, the council and the City of Watertown, certainly wouldn't have been able to do it alone. They were benefited by the strong work of the EDA and also their partnership with the Chamber. And that is how this program was so successful. And the third thing that I heard was that you need to stay open and, and that means both being a good listener, being open to hearing what all of your different residents need, what your businesses need, and being there to listen and respond to the emotional needs of your residents and community as well.

**Adriana Temali-Smith:**

As always we want to wrap up by thanking everyone for listening to City Speak, a podcast for city leaders of short takes on the city issues, [podcast theme music begins] brought to you by the League of Minnesota Cities. I want to give a huge thank you to Mayor Steve for joining us on our show and sharing the exciting story of how the Chamber Checks program is working to help save one of our Main Streets in Minnesota. As a quick reminder, you can find our episodes on iTunes, Google Play music and other podcast applications. Episodes are released regularly and posted on the League's website and via Twitter. If you have any ideas for an episode or just feedback, or want to get in touch, you can connect with us at [podcast@lmc.org](mailto:podcast@lmc.org). Until next time, take care.

[Podcast theme music ends]