

**Red Wing Port Authority Board
Workshop Meeting
Community Development Building
October 20, 2025**

Members Present: Port Authority Board President Paul Reding; Commissioners Bethanie Flattum, Jay Wardle, Wylie Wilson, Thomas Drazkowski, and Donald Kliewer.

Members Absent: Commissioner Beise (excused absence)

Others Present: Shari Chorney, Business Development Manager / Staff Liaison, Kyle Klatt, Community Development Director, and Chris Heineman, City Council Administrator.

1. Call to Order

Port Authority Board President Paul Reding called the meeting to order at 7:30 a.m.

2. Roll Call

Roll call was conducted. President Reding and Commissioners Kliewer, Flattum, Wardle, Wilson, and Drazkowski were in attendance.

3. Workshop Items

3.A Welcome and Orientation

The members present each took a turn introducing themselves.

Community Development Director Kyle Klatt explained why the Workshop Meeting was called. Director Klatt reflected on the desires of the Commissioners towards the general issues of organization and efficiency. He further stated that there had been some individual coaching with the City Staff, and a survey was conducted. It was noted that there was a desire to see the organizational governance side of things further developed.

Managing Partner from Koliso, David Farrar, stated that the agenda is broken into two parts, and he explained how the day would be structured. The first part of the meeting will be focused on the Board's legal authority, and the second part of the meeting will be focused on oversight.

Farrar also noted a change in the agenda. During the Q&A / Wrap-Up, proposals for the coming year need to be added.

3.B Part 1: Core Roles, Boundaries, and Behavior

1. Legal Responsibilities of Commissioners

Attorney John Edison gave an overview of the legal responsibilities of the Commissioners, the law in general, and the specifics as they relate to the Port Authority.

Edison stated that with political subdivisions, under Minnesota Law, would be a state, a county, a city, a school district, etc. The Port Authority is a political subdivision. The courts say that the authority of a political subdivision is limited to what is prescribed by statute through the laws enacted by the legislature.

Edison stated that the Minnesota Constitution recognizes that cities operate with broad authority to act on local governance matters if what they are doing doesn't conflict with state law.

2. Governance vs Management in a City-Facing Authority

An explanation was given about the way the Port Authority came into being and its relationship with the City Council.

Edison explained that in the Minnesota Statutes, Chapter 469, there is a specific statute that discusses the authority that the Port Authority has. There are some specific additional parameters on the Red Wing Port Authority. The City Council has numerous ways to impose restrictions regarding what the Red Wing Port Authority can and cannot do without the City Council's prior approval.

Edison explained that in 2016, some changes were made, and the Community Development Director is now over the Red Wing Port Authority. The staffing for the Port Authority is now handled through the City of Red Wing. Contracting for professional services more than \$25,000 now requires the approval of the City Council. Additionally, if the Port Authority is doing something that involves "public activities," prior City Council approval is necessary.

President Reding expressed concern that there is no discussion of staffing or contracts; rather, the Board is told what the numbers will be. Edison finds it odd that the Port is the largest budgeted item, yet the Port Authority Board has zero input.

Farrar explained that the decisions regarding the budget are clearly the City Council's to make, but before the decisions, there is a discussion period. The Port Authority Board can be allowed to participate in the discussions.

3. Commissioner Conduct & Complaint Handling

Edison described the role of the Port Authority Board by stating that the Board acts as a body, and there is very little opportunity for an individual to act on their own. Individually, a Commissioner's biggest responsibility is to be prepared for the meetings.

Edison stated that the most important thing a member of the Port Authority Board can do is make sure that he or she is fully prepared for the meetings.

Edison further stated that candid discussions should happen before the body votes on a particular agenda item; and, once a decision is adopted by the Board, the discussion should cease. It is not prudent to continue discussions on items that have already been decided by a formal vote.

Edison thoroughly explained conflicts of interest. From a legal perspective, there are only two types of conflicts that are relevant. The first one is a statutory conflict of interest, and the second one is a common law conflict of interest.

Edison stated that the statutory conflict of interest is spelled out in Minnesota State Law in Section 471.87, which states that a Public Officer who takes part in any sale, lease, or contract cannot have any personal financial interest in said sale, lease, or contract. It is notable that if there is a violation of this Statute, it is technically a misdemeanor.

Edison explained that it is important to note that abstaining from voting does not clear the conflict of interest. Edison stated that the Port Authority Commissioner with the Statutory Conflict of Interest would have to be removed from the Board, or the Board could not move forward with the sale, lease, or contract.

Edison stated that the common law conflict of office happens more often and applies when a public official has any direct interest in the outcome of a matter before the governing body. This usually refers to some sort of financial interest.

Edison described the notable differences between a common law conflict of interest and a statutory conflict of interest. A common law conflict of interest can be cured by the person who has a conflict abstaining. The person with the potential conflict should not take part in any of the discussions on the matter, and they should abstain from voting.

Commissioner Flattum asked how a conflict of interest works for an employer. The example given was that the employer may gain financially from a decision that the Port Authority Board makes. Should she abstain from discussions and voting?

Edison stated that there is likely no conflict of interest, but it would be perfectly acceptable for the employee to abstain from discussions and voting in an abundance of caution. The courts have held that if the public official is not personally gaining, there is no legal conflict of interest.

Director Klatt asked if someone believes they may have a conflict of interest; procedurally, what should they do? Should they come to Staff with those concerns? The answer is that the legal counsel should handle those concerns.

Farrar stated that there has been discussion about putting a packet of information together for new Port Authority Commissioners.

Edison expressed that the Port Authority Board is responsible for the big picture oversight. The Board acts as a body, and the individual Commissioners have limited authority to act on their own.

The specific roles of the Officers were described.

Edison stated that when it comes to responding to complaints or responding to the public in general, it is critically important that the chain of command is strictly followed. Edison stated that when dealing with a complaint situation, the complaint should be documented, and that documentation should be provided to the Community Development Director.

Edison stated that the same process should be followed if someone is having a conversation with a business owner in the community; that person should document the conversation and pass it along to the Community Development Director. Edison stated that if someone presents a complaint to a Commissioner, then that Member should document the complaint and pass it along to the Community Development Director.

Edison reiterated the importance of documenting information and passing it along to Staff to handle. It is incumbent upon all Port Authority Commissioners to be transparent with the community.

Edison stated that anonymous complaints are not all treated the same. If there is sufficient information to investigate, then it should be examined. If there is not enough information for an investigation, then there is nothing that can be done with it other than to pass it along to the most logical person to receive it.

Edison reminded everyone that communication is critical. Staff need to be informed about what Members are hearing in the community so that they can do their jobs to the best of their ability. Edison emphasized the importance of Commissioners not taking it upon themselves to personally investigate on their own.

Edison stated that a Commissioner should never make any promises to a member of the public. It is perfectly acceptable to explain that the Port Authority Board functions as a unit, and one's hands are tied as an individual.

Edison stated that Commissioners should never promise confidentiality. The reality is that there are circumstances where information will inevitably become public. There is a very strong presumption under Minnesota Law that information held by government entities is public. Edison stated that in the event of an

investigation, there are due process considerations that apply. Depending on the nature of an employee's contract, they have the right to be informed about any allegations against them and to respond.

Edison explained that a Garrity notice is a directive to answer questions and provide truthful information under pain of insubordination.

Edison further explained that the chain of command is important, especially as it pertains to bias issues or undermining issues.

Commissioner Flattum asked if there is a timeframe in which complaints must be submitted to Staff. Edison answered that there is no specific timeframe, but sooner rather than later is always preferred.

Edison stated that the Data Practices Act is found in chapter 13 of the Minnesota Statutes. In the Statute, government data is defined as all data collected, created, received, maintained, or disseminated by any government entity, regardless of its physical form. This includes hardcopy data and electronic data. Edison stated that the Data Practices Act presumes that all data maintained by the government is public data.

Edison shared a couple of cases to illustrate the fact that to be considered data, it must be in some written or recorded form. Thoughts and unrecorded speech are not considered data under the Statute. Edison stated that there are three classifications of data. The first type is public data, the second type is private data, and the third type is confidential data.

Edison stated that public data is data that is available to the public. Private data is data that the subject of the data is allowed to see, but it is not available to anyone else. Confidential data is not available to the public or to the subject of the data. Edison stated that most of the data that the Port Authority Board will deal with will either be public or private.

Edison stated that when discussing data on an employee, the presumption is that the data is private. Edison stated that it surprises a lot of people that salary information is public data. Someone's work history is public data. An employee's qualifications are public data.

Edison stated that if there is a complaint against an employee, that data is public. If an investigation determines that the employee did nothing wrong, the details would be private data. If an investigation produces a disciplinary action, the details are considered public data after the final disposition of the complaint has occurred.

Edison stated that the Minnesota Supreme Court issued a pair of decisions in 2016 that held that if information is being kept because someone is an employee,

then the information is considered personnel data. If information is being kept for multiple purposes, the information is not technically considered to be personnel data.

Edison stated that if any Commissioners use any personal devices to text any Port Authority Board business, those personal devices may be subject to legal requests. Edison stated that any personal email accounts that are used for Port Authority Board business may also be subject to legal requests.

Edison stated that data issues often present themselves with contract issues. Contracts are generally considered to be public data. Edison stated that the Port Authority Board doesn't trade secret information. The Statute says that to be protected as trade secret information, the legal threshold is difficult to meet.

Edison stated that when someone requests financial assistance, the financial data provided to the Port Authority Board by the requester is considered private before the financial assistance is approved. Once the financial assistance is approved, some of the information becomes public.

President Reding asked what happens if something ends up in a Port Authority Board meeting packet, it is published online. He asked if it is then considered public data. Director Klatt confirmed that it is correct.

President Reding asked if something is handed to a Port Authority Board Commissioner during a Committee Meeting, then what type of information would it be considered? Edison stated that the scenario would be considered non-public information.

Edison began the explanation of open meeting laws. Edison stated that there is a presumption of openness when the government does business. Edison further stated that if it is a close call, the courts will almost always rule in favor of the public.

Edison stated that the definition of a meeting comes from a Supreme Court Case in Minnesota, in which the Court defined a meeting as a gathering of a quorum or more of the governing body where members discuss information related to official business. Many disputes exist regarding whether certain "gatherings" fall into the Court-defined term "meeting."

Edison defined serial meetings as a "game of telephone" where one person talks to another person, who talks to another person, and it continues. Before anyone realizes it, a quorum is involved, and consensus is gained outside a public meeting. Edison stated that serial meetings are not legally allowed. In addition to oral discussions, emails, chats, and text messages can also become serial meetings.

Director Klatt stated that when an email is sent to the Port Authority Board, there is always a note that reminds the Commissioners not to “reply all.” Edison stated that one-way communication sent to the entire Board is not a violation of the Open Meeting Law.

President Reding asked if there is a violation by having several Commissioners at a non-Port Authority Board function. Edison stated that this is called a chance or a social gathering. If there is no public business being discussed, there is no violation.

There was a recess called at 1:47:19.

The meeting resumed at 1:57:40.

3.C Part 2: Tools for Effective Governance & Strategic Alignment

Farrar stated that the second part of the Workshop will be largely about oversight and how to transfer the Port Authority Board’s expertise to the Staff.

1. Decision Rights Matrix

Farrar stated that the Decision Rights Matrix is a method of determining who gets to decide what. Farrar stated that there will be discussions about what freedom people have to make decisions. Farrar emphasized the importance of how well people work with each other. Farrar stated that trust is the basis of all good business relationships. Building and maintaining trust is essential.

Farrar gave the group an exercise to complete. Farrar stated that each exercise would be based on actual work from the Port Authority and gave instructions. The exercise was focused on the budget. There was a group discussion centered on what transpired in the small groups.

Farrar reiterated the importance of the discussions that were considered prior to decisions being voted upon. Farrar gave the group an example of a budget scenario and opened the floor for discussion.

Farrar stated that the Port Authority Board is a support organization. It is important that the members of the Board not derail the work of the Board by “revisiting” previously made decisions. The Port Authority Board has input, but the City ultimately makes certain decisions.

President Reding stated that words matter when it comes to understanding the Port Authority Board’s role.

There was consensus that the Staff is clear with the Board regarding expectations. Staff’s job is designed to execute, and the Port Authority Board is designed to be the “ear” of the community.

Farrar asked about the level of involvement for the Port Authority Board in creating the Annual Work Plan.

Commissioner Flattum stated that it was a much bigger deal a few years ago. More recently, it is more a matter of discussing whether the Annual Work Plan still aligns with the Port Authority Board's vision.

President Reding stated that the relationship between the Port Authority Board and City Council is somewhat cumbersome because the Board can't do anything without the Council's direction. To put together the Port Authority Board's Work Plan, it requires stronger communication with the City Council.

President Reding expressed concern that in the past few years, a lot of the Work Plan has been largely driven by outside forces. A developer comes to town and is willing to invest significant resources into the community, and this seems to drive the Work Plan.

Farrar stated that the best protection against being reactive is to have a firm Work Plan in place with goals, outcomes, and progress.

2. Freedom Scale

Farrar used the analogy of a ship with a captain to explain the difference between the stakeholders. The Port Authority Board is much like the captain of a ship in that the final decision about completing the mission comes from the Port Authority Board or from the City Council. Some people are navigators in that they are the people with whom issues are discussed. The engineers represent the support staff on a ship. The Staff are a bit like the cabin crew and passengers in that they don't report to the Port Authority Board.

Farrar shared an image with the group, and he said that the Freedom Scale is a good set of language tools. Some key questions are, is this for discussion, for a decision, or for support?

Commissioner Flattum stated that she is very comfortable that there are no secrets between the Port Authority Board and Staff, but she would like more clarity on the relationship between the Port Authority Board and City Council.

The discussion shifted to the budget, and the focus was on how much control the City Council has over the Port Authority budget.

It was clarified again that the Port Authority Board is simply an advisory board for the City Council.

Commissioner Flattum reiterated her original question and asked when the Port Authority Board can act independently, and when the Port Authority Board needs the City Council's approval to act.

Koliso Representative Genevieve stated that the Freedom Scale vocabulary gives one the tools to speak clearly and intentionally communicate up and down as well as take in information.

Farrar gave some pointers as to how to use the Freedom Scale language tools to tame unnecessary confusion.

President Reding stated that a major focus of the Work Plan last year was to streamline things to prevent additional work for Staff.

3. Four Dimensions of Trust

Farrar stated that trust is the basis of all positive human interactions. Things go quicker and easier where trust exists. Farrar stated that where trust exists, there is a premium, and where trust does not exist, there is a penalty.

Farrar stated that there are four dimensions of trust. The first dimension of trust is competence. The second dimension of trust is reliability. The third dimension of trust is openness. The fourth dimension of trust is principled.

Farrar explained that the way to measure competence is to ask oneself the question, "Can this person do what is being asked of them?" Farrar explained that the way to measure trust is to ask oneself, "Will this person do what they say they will do?" Farrar opined that the way to measure openness is to ask oneself, "If I can't see what this person is actually doing, am I willing to believe they are doing the right thing?"

Farrar shared that principled people have the right standards of behavior. Farrar suggested that when people are doing what is expected of them, they are deserving of positive feedback. Catching people doing something right is one of the best ways to build trust. Unless people are intentional about this, they seldom call out the things that go well.

Farrar asked the group to discuss people whom they trust deeply and the characteristics that manifest that trust.

Commissioner Flattum stated that a phone call reminding someone of what's coming up often helps to build trust. The feeling of partnership was helpful.

A few personal stories were shared regarding positive and negative feelings of trust.

4. Strategic Alignment & KPIs

Farrar spoke of the importance of goal setting. Goals need to be relevant, specific, measurable, and attainable. Farrar gave instructions for the group to work on goal setting outside of this meeting. Additional discussion ensued regarding future goals for the Port Authority Board.

City Council Administrator Chris Heineman stated that when a City Council Member sits on the Port Authority Board, they are no more important than any other Port Authority Commissioner. They are one of seven, nothing more and nothing less.

3.D Q&A and Wrap-Up Discussion

1. Reflect on Group Norms and Working as a Team

Farrar pointed out that a Work Plan is a significant undertaking, requiring a lot of effort, and suggested that prioritizing and focusing on one task at a time helps when there is a large project to complete.

Commissioner Wardle focused on just a few limited projects at a time.

City Council Administrator Heineman suggested that a separate annual Work Plan be created each year so that it isn't so overwhelming.

2. Outline of Next Steps

Concerns were raised about future large-scale development projects and the potential need to re-prioritize or add additional staff.

President Reding expressed his concern about the potential for Staff to bring forth a project and says the City can take it on, but it means that something else is going to have to be removed from the list of priorities.

President Reding stated that a thirty-million-dollar waterfront project is a big opportunity that the City can't afford to neglect.

3. Proposals for the Coming Year

Commissioner Don Kliewer stated that there appear to be sixteen or seventeen projects for 2026. He asked what would happen if the next developer came to ask for six to eight projects. It was stated that the options are to re-prioritize or add more staff.

Commissioner Kliewer asked if the City is close to needing more staff. Staff confirmed that it was correct.

Port Authority Manager Chorney reminded the group that in 2017, the City turned to the Community Development Model. She asked why the Board has not looked at the processes and technology regarding the Community Development Model over the past eight years.

Manager Chorney believes there is a lot of wasted brain power in the Community Development Department.


Commissioner Kliewer asked how far behind the City Building Inspector is currently. Director Klatt stated that the City Building Inspector is not behind.

Commissioner Kliwer asked if an additional City Building Inspector would be needed if the workload doubled. Director Klatt stated that if the workload doubled, there may be a need for an additional City Building Inspector.

4. Adjournment

President Reding adjourned the meeting at 11:04 a.m.

ATTEST:


Shari Chorney, Secretary