



**MINUTES
CITY COUNCIL WORK SESSION
February 6, 2024**

CALL TO ORDER

The meeting was called to order at 5:32 pm.

Present: Mayor: Charlie Miner; Council: Deirdre Kvale, Mike Feldmann, Jahn Dyvik, and Gina Joyce

Staff Present: City Administrator: Scott Weske; Public Works Director: Sean Diercks; Finance Director: Amanda Nowezki; and City Clerk: Jeanette Moeller

Absent: None

APPROVE AGENDA

A motion was made by Feldmann, seconded by Miner, to approve the agenda, as presented. Ayes: all.

OPEN CORRESPONDENCE

No one was in attendance to address the City Council during Open Correspondence.

BUSINESS ITEMS

A. Discuss 4th Quarter 2023 Financial Reporting Results

Finance Director Nowezki reviewed the fourth quarter 2023 financial report results and noted that they had not yet been audited. The auditors are currently working to complete and prepare the 2023 audit documents. She observed that the year-end numbers came in fairly well, including the enterprise funds and the Fire Department fund. She pointed out that the City had covered the costs for the Fire Department's duty crew pilot program that was ultimately reimbursed by grant money, but explained that was not included in the Fire Department calculations.

Council member Kvale mentioned that it appeared the City had budgeted for \$1,100 as revenue for animal licenses and the City received \$105.

Nowezki explained that was a carry-over from 2022 and clarified that the City issues animal licenses every other year, so the bulk of the revenue occurs in the first year of the license renewal period.

Council member Dyvik asked about Water Fund 601 and the interest earned.

Nowezki responded that she had asked City Administrator Weske if they could remove showing interest from budgeted items because the interest is based on the investment funds. In 2022, the City had about \$100,000 in unrecognized/unrealized losses, but that has to be recorded per the audit which was why she had asked that they not budget anything for this because they are unrealized numbers. She added

that she did not believe the City should be held to a budget for an unrealized gain. The \$46,000 Council member Dyvik referenced was being reinvested.

Council member Dyvik pointed out that the line item for water meter sales shows \$0 in the budget, but actual was \$14,000.

Nowezki clarified that the City does not anticipate water meter sales when budgeting as they are essentially an 'in and out'/pass-through item with income and expense. She'd spoken with City Administrator Weske about that as well because she prefers not to budget for items that the City does not control or that are a pass-through as it can get very confusing.

Council member Dyvik observed that the City had changed the utility billing and rates. For the last few years the Council has been talking about how deep in the hole the utility funds were, and he questioned whether the 2023 numbers show that the City is actually climbing out of the hole.

Nowezki reviewed and displayed a cash balance report and reported that as of January 31, 2024, the Sewer Fund balance is currently at \$122,818 and in the black, which is a change from being about \$250,000 in the red two years ago. The only fund that is negative right now is the Recycling Fund and staff is working very hard to get that back to the positive side.

Council member Dyvik stated that he would like to see a graph or chart that shows the last few years for the enterprise funds so that, for example, they can review the Sewer Fund and see if it has been trending up or down.

Weske noted that this information would be included in the auditors' Management Report.

Council member Dyvik questioned why the reporting shows such a big actual over the budget in the General Fund.

Nowezki replied that much of the difference was attributable to permit revenue.

Council member Dyvik understood that means the influx of revenue was a one-time thing that the City would not necessarily see again. He asked where the City's legal fees were coming from.

Nowezki explained that they were coming out of the General Fund and gave an overview of how she had separated the normal legal fees from the additional ones related to the fire services contract enforcement activities. She added that she was hoping those additional legal fees would also be a one time/one year situation for the City.

Council member Dyvik inquired whether any of the amounts depicted for legal fees were amounts the City would get back.

Nowezki confirmed that was the case and stated that she had been working with the attorneys for the audit purposes. She clarified how the amounts were allocated for City Attorney John Thames for regular City business versus fire related legal expenses, as well as Larkin Hoffman for their fire related legal fees. She noted that the Professional Services expenses were for the public relations firm's services. She indicated that she was planning to keep the City Council informed all year long about the state of the 101 Fund.

Council member Dyvik commented that he felt the City should use the 'turnback' fund for some of these expenses.

Nowezki mentioned that the fund Council member Dyvik was referring to has had a name change and was now called the Capital Project Fund. She encouraged the Council to keep in mind that those funds were earmarked for large road projects, and while the number may look big on paper, the funds can go pretty quickly.

Council member Dyvik clarified that he did not intend to tap out the fund, but he felt it could be used as a 'rainy day' fund to be used when necessary.

Weske added that they had used the fund a bit in the last few years for purchases like the payloader.

Mayor Miner thanked Finance Director Nowezki and shared that the Council really finds this information helpful.

B. Public Works Department Staffing Discussion

Public Works Director Diercks reported that he was looking at promoting one of the City's current employees from a Maintenance Worker II to a Lead Maintenance Worker position. He reviewed the recent history of staffing within the Public Works Department and pointed out that the Department is currently down to two regular staff. They have hired back one of the seasonal employees who'd worked last summer and has applied for the Maintenance Worker I position – he will be interviewed later this week. Don "Luke" Laakkonen has been with the City for 40 years as of May 1, 2024. Diercks stated that Mr. Laakkonen is a responsible worker who is always at work when he is supposed to be, does not complain too much, and has been dedicated to the City the entire time he has worked here.

City Clerk Moeller added that when Mr. Laakkonen works with new employees and seasonal workers, he has been incredibly patient and does an amazing job communicating with them.

Diercks indicated he is requesting that the Council consider promoting Mr. Laakkonen to the Lead Maintenance Worker position which would be reclassified to a salary position. He reviewed salary details for the proposed position, as well as on-call and time off expectations.

Mayor Miner asked if the time off expectations reflected what Mr. Laakkonen wanted or what the City wanted.

Diercks explained that they were looking at reducing the liability that the City pays for being on call.

Moeller noted that the proposed salary would not have a giant impact on the budget, because in Mr. Laakkonen's current position, he was budgeted to earn a salary that was about \$1,200 less, because it included overtime.

Diercks assured the Council that Mr. Laakkonen has signed off on what he was proposing and was just awaiting Council approval.

Moeller reiterated that she feels Mr. Laakkonen has the ability to be a great mentor to incoming staff and has always been reliable and consistent.

Dyvik asked if Public Works Director Diercks was confident in Mr. Laakkonen's capabilities.

Diercks confirmed that he was confident in his abilities and noted that he is a really good Public Works employee. He stated that there will be a learning curve, including the new SCADA system, but he feels that they will be able to attack it together. He stated that he would agree with the comments made by City Clerk Moeller that Mr. Laakkonen is patient with the employees during training and observes and corrects rather than scolding them.

Moeller noted that if approved by Council, this action would empower Mr. Laakkonen to do what he has already been doing in serving as Public Works Director Diercks' right hand. In his current position, he doesn't necessarily have that power and authority.

Diercks confirmed that was correct because Mr. Laakkonen is just one of the regular co-workers.

The Council discussed the open Public Works positions and details/requirements and differences between the Maintenance Worker I and Maintenance Worker II positions.

Diercks reported that they have received three external applications and one application from an internal candidate. He had spoken with Orono Public Works staff as they'd had a similar position open. Orono apparently received 23 applications, though their starting wage is a bit higher at \$32/hour. He mentioned that City Administrator Weske had found a Public Works apprentice program that is being offered by the City of Red Wing which he'd found intriguing, and he believed it may be worth looking at more closely. He shared some details of his understanding of how an apprenticeship program could work, with the goal of preparing an apprentice for a Maintenance Worker I position.

Mayor and Council members were supportive of exploring a potential Public Works apprenticeship program.

Mayor Miner reflected that outside of this proposed promotion for Mr. Laakkonen, he felt the City should do something to honor his 40 years of service to the City.

C. Discussion Regarding Hanging Planters for Downtown Area

Diercks advised that the City had budgeted between \$3,000 and \$4,000 for the hanging baskets downtown and staff had the idea of possibility of spending some of the money that they had allocated for the hanging baskets for use to help beautify the BP lot with help from the Long Lake Garden Club.

Weske clarified that the idea would essentially be to reallocate some of the funds to beautify the BP corner with someone that wants to do the work, such as the Garden Club.

Council member Dyvik stated that he had gotten a lot of comments from people who really love the hanging planters, though he was aware that watering them can be a pain for the Public Works Department.

Diercks shared that there is a former Council member who has indicated a desire to potentially become a seasonal worker, so his idea would be to try to make watering the planters part of that person's duties.

Council member Dyvik indicated that he does not want to see the baskets go away. He reminded the Council that they'd initially said that the City would pay for them at the start, but then would try to get the businesses to participate in the cost, and he did not recall there being follow through with getting participation from the businesses. He reiterated that he really likes the baskets and does not want to eliminate them.

Council member Joyce asked if the baskets were located on every pole.

Diercks responded that there are two on every pole so there is total of 32 baskets.

Council member Joyce suggested the idea of only putting them on every other pole which would cut the total number in half.

Moeller wondered whether another idea would be to not water them on the weekends.

Nowezki mentioned that would also be her recommendation.

Diercks pointed out that if they were not planning to water them on the weekends they may as well not water them at all.

Nowezki explained that there can be times where the City ends up paying a Public Works staff member \$60 an hour to water plants on a weekend day.

Diercks confirmed that they truly need to be watered every 24 hours because otherwise they are bone dry.

Council member Dyvik noted that he had been speaking to the person who had designed the banners for the downtown area and had asked if she had any new ideas for the City. She had been speaking with the school art department about the possibility of incorporating local Long Lake kids art. He reported that he had asked her to send him some examples.

Moeller and Council member Joyce commented that the person the City worked with for the new logo may also have some ideas or be another option for banner design.

Mayor Miner asked how long the Council had before they would need to make a decision regarding the planters.

Diercks explained that Gregor Farms would like an answer as soon as possible.

Council member Dyvik sought a reminder on what the baskets would cost.

Diercks replied that the cost is around \$3,400.

Council member Joyce reiterated her suggestion that they just put the hanging baskets on every other pole and cut the costs in half.

Nowezki asked if there may be a way to put artificial plants in them so there wasn't a need to water.

Diercks added that watering the baskets takes one hour.

Nowezki noted that Public Works is paid a minimum of two hours if they come in on a weekend.

Diercks added that they end up combining watering with other duties on weekends to fill the two hours.

Council member Dyvik emphasized that he would like to continue having the planters, and expressed interest in finding a way to improve the appearance of the BP lot.

Diercks responded that staff could take a look at options and see if they can find a way to do both.

Mayor Miner suggested that perhaps businesses would be able to step in and help.

Council member Dyvik indicated that he did not understand what the BP lot concept would end up looking like and asked if the idea was just to hand over the money to the Garden Club and let them do whatever they want. He asked if staff had examples of what other cities have done with similar lots.

Diercks stated that he cannot answer that because he didn't know what the City wanted to see in that lot.

Council member Dyvik questioned whether this was a request from the Garden Club.

Diercks replied that it was not, and planters for the BP lot had been an idea that staff was bringing up for consideration.

Moeller observed that the City could just buy a planter for the BP lot and task the Garden Club with maintaining it.

Council member Joyce asked if the City could task the Garden Club with watering the baskets.

Moeller stated that they could not use the necessary equipment.

Weske added that the City would not want the Garden Club volunteers to be vulnerable in the right-of-way.

Council member Joyce voiced support for cutting the number of baskets in half to reduce costs a bit and using what is left to partner with the Garden Club on beautifying the BP lot.

Council member Kvale commented that she likes the baskets as they are and believes that flower pots can get very expensive.

Weske believed that the Garden Club probably would have spare pots available in their garages that could be used and may be willing to donate them for the cause.

Council member Dyvik pointed out that if they were going to do something like for the lot, it should be planned and designed.

Moeller suggested the Council determine what they want to do about the baskets, and then consider asking the Garden Club to propose a concept for some type of planters at the BP lot.

Diercks confirmed that from what he was hearing from the Council, they would prefer to keep all the hanging baskets.

Mayor Miner noted that for the BP lot, they would not want to do anything too permanent and any planters would need to be removable.

Nowezki added that when the City does something like that for a community and later takes it down for development, they may run into a situation where the residents think that the City has taken away their 'park'.

Moeller recalled that one of the deed restrictions that stayed with the property was that it could not be used for park purposes.

Nowezki indicated that she believes the City needs to find a way to improve the lot's appearance without making it look permanent so that residents don't end up thinking that the City is tearing down parks in order to put up a building.

Weske stated that he thought perhaps at the end of the season, planter flowers could be planted somewhere else in the City permanently if they selected perennials rather than annuals.

OTHER BUSINESS/WORK SESSION COUNCIL REPORTS

No other business was discussed.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 6:25 pm.

Respectfully submitted,

Scott Weske
City Administrator