



**MINUTES
CITY COUNCIL MEETING
August 7, 2024**

CALL TO ORDER

The meeting was called to order at 6:30 pm.

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

Staff Present: City Administrator: Scott Weske; and City Clerk: Jeanette Moeller

Absent: Council: Gina Joyce (with prior notice)

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENTS – LONG LAKE NEWS, MEETING REVIEW AND UPDATES

Mayor Miner offered the following comments and updates:

On July 27, the Long Lake Fire Department hosted their Red Hot Run 5K which was a great event and saw good turn out from the community. Mayor Miner and Council member Kvale were able to run side by side, and he thanked the Fire Department for all the hard work they put into the event.

Night to Unite took place on August 6 and the City had five different neighborhoods that held gatherings and participated. Mayor Miner thanked the Long Lake Fire Department, the Wayzata Police Department, and City staff for all the planning and work that went into this year's Night to Unite activities.

He stated that the City had received a letter from the League of Minnesota Cities letting them know that Representative Andrew Myers was selected as a Legislator of Distinction for 2024. He noted that he and Council Member Dyvik had participated in a Fire Advisory Board meeting prior to the Council meeting.

APPROVE AGENDA

Mayor Miner indicated that he would like to remove Item 5H from the Consent Agenda and move it to the regular agenda for discussion under Regular Business as Item 7C.

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

CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Approve Minutes of July 16, 2024 City Council Meeting
- B. Approve Minutes of July 17m 2024 City Council Special Work Session Meeting
- C. Approve Vendor Claims and Payroll
- D. Accept the Retirement of Firefighter Erik Palmer from the Long Lake Fire Department

- E. Adopt Resolution No. 2024-32 Appointing Simone Warner to the position of Firefighter for the Long Lake Fire Department
- F. Adopt Resolution No. 2024-33 Appointing Mitchell Neubauer to the position of Firefighter for the Long Lake Fire Department
- G. Final Acceptance of Building Improvements for Aava Vetta Development
- ~~H. Adopt Resolution No. 2024-36 Approving the Participation of the Hennepin County Housing and Redevelopment Authority in an Affordable Housing Project with Homes Within Reach (moved to Regular Business as Item C)~~

Mayor Miner gave thanks and recognition to firefighter Erik Palmer for his 13 years of service with the Long Lake Fire Department and congratulated him on his retirement. Mr. Palmer intends to serve the Mound Fire Department because he lives close to Station 2, and when faced with the predicament that location may be in next year, he made the decision that he would rather work for a different department that is not the Orono Fire Department. Mayor Miner mentioned that this was the second time the Department had lost a firefighter in that same kind of circumstances. He added that Mr. Palmer would be missed, but he was happy to note that the Consent Agenda also included approval for hiring two additional firefighters, Simone Warner and Mitchell Neubauer.

A motion was made by Feldmann, seconded by Miner, to approve the Consent Agenda as amended.

Council Member Dyvik asked for a short summary of Consent Agenda Item 5G.

City Clerk Moeller clarified that the City had already accepted the site improvements completed by JMH related to water, sewer, and infrastructure type items. The builder improvements under the Custom One Homes agreement are encompassing of everything related to the construction of the townhomes. The Aava Vetta townhomes all have their Certificate of Occupancy and the Council action requested essentially represents closeout of the project, but a maintenance bond would remain in place.

Ayes: all.

OPEN CORRESPONDENCE

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

BUSINESS ITEMS

Approve Liquor Licenses for LLORO, LLC (Katherine Stephens) DBA Bucks Pub

Moeller introduced the application for liquor licenses for LLORO, LLC DBA Bucks Pub restaurant. She mentioned that they had applied quite a while ago, however, they ran into some construction delays as a result of a lengthy wait for the state to complete their plumbing plan review. As of this time, the restaurant's owners are anticipating being able to open by mid-October and staff is recommending the City Council take action approving the requested the liquor licenses. She read aloud examples from a draft menu of various items that will be available at Bucks Pub.

A motion was made by Kvale, seconded by Miner, to adopt Resolution No. 2024-35 approving issuance of Liquor Licenses for LLORO, LLC, doing business as Bucks Pub, subject to conditions contained in said Resolution. Ayes: all.

Approve Issuance of a Request for Proposals (RFP) for Recycling Services and City Facility Refuse Collection

Moeller reported that the City's current recycling contract is due to expire at the end of 2024. Given that the last time the City issued an RFP for this service was 2011, she stated that staff felt that it was time to go out for an RFP in order to see if the City may be able to receive more competitive pricing. She pointed out that as part of the RFP, she had included an alternate for City-wide organics collection service.

The Council shared examples of experiences with haulers, what services were being used, and the resulting truck traffic even though the City has a limit of three haulers.

Moeller commented that there are ways in which she could make an argument for a closed system rather than an open system, but the intent of the open system was to allow for competition so residents could shop haulers and find advantageous pricing.

Mayor Miner pointed out that even though there is a limit of three licensed haulers, it could actually mean 10 different trucks are traveling City streets on pickup days.

Moeller added that she would not make the argument for a closed system currently because that change would require a lot of notification to the haulers and would be a time consuming, detailed process.

Mayor Miner personally felt it would be nice for the City to have a single hauler at least for the compost, like they do for recycling.

Moeller responded that was actually what she is hoping for as a result of the RFP, because some of the haulers have indicated they may be able to offer better organics collection pricing with a City-wide contract.

Council Member Kvale asked if all the haulers put an automatic charge for the organics hauling.

Moeller reviewed the County ordinance and state law that mandate the organics collection availability and charge, regardless of participation. She commented that the organics requirement is unique to Hennepin County and was something that has been very frustrating for the cities and residents. She emphasized that this was not something the City had voted in favor of and was enacted by the Hennepin County Board of Commissioners.

Anita Secord, 114 Brown Road, asked about the size of the bins for compost material.

Mayor Miner replied that the bin was smaller, but he was uncertain of the exact size.

Ms. Secord voiced her thoughts on the organics requirement. She further observed that she would also prefer that the City not go to just one refuse hauler in the future because she would prefer to be able to have a choice.

Council member Kvale commented that she also thinks it is nice to have multiple choices because if people get frustrated with one hauler or their customer service, they can just choose another hauler.

Moeller shared that she has heard comments from residents on both sides of the issue of refuse haulers and could make arguments for either a closed or open hauling system. She suggested that the subject be a conversation for the Council to have on another day, but at a minimum, she felt that requesting pricing for a City-wide organics contract as a bid alternate would be a good idea.

Council Member Kvale questioned who currently receives the funds from the organics charge required to be on residents' bills.

Moeller replied that the City was not involved and those funds are collected by and go to the licensed haulers.

Council Member Kvale stated that was essentially mandating price fixing.

Moeller explained that state law requires that anyone who recycles cannot be charged more than someone who does not recycle, and the legal interpretation is that organics is considered to be a form of recycling. Everyone pays for it whether they participate or not, and she reiterated that those fees go to the haulers right now. If the City took on an organics collection as a City contract, and if the bids came in favorably, then the City would collect those fees through City utility bills and would pay the hauler, following the same process as the single sort recycling contract.

Mayor Miner mentioned Plymouth has a dumpster dedicated for people to drop off cardboard boxes and noted that he felt it would be nice for the City to have something like that, perhaps at Public Works. He recognized that there may be drawbacks and a camera may be necessary to monitor it, but he would like to know if that was something that the haulers or anyone had ever suggested.

Moeller had not received the suggestion or comment before. The haulers are willing and do take as much cardboard as anybody drops as long as it is in three-foot by three-foot bundles.

Council member Kvale asked if cardboard was supposed to be in bundles and not just in the recycling bin.

Moeller responded that cardboard can be placed in bins if it fits, but if it doesn't, it needs to be broken down and tied into bundles.

Weske suggested that the Council may want to visit the Hennepin County Recycling Center, because everything goes to the same place, but they charge people differently.

Moeller pointed out that there is language under the proposed RFP that says that the City can designate more refuse and recycling at their own facilities, so they may have the opportunity to add something like Mayor Miner was suggesting, and at no additional charge, through the terms of the RFP. She reminded the Council that the discussion tonight was just about issuing the RFP and not taking action on a contract.

A motion was made by Dyvik, seconded by Feldmann, to approve the Request for Proposals (RFP) for Recycling Services & City Facility Refuse Collection as presented, and to authorize the release of the RFP effective August 8, 2024. Ayes: all.

Adopt Resolution No. 2024-36 Approving the Participation of the Hennepin County Housing and Redevelopment Authority in an Affordable Housing Project with Homes Within Reach (Formerly Consent Agenda Item 5H)

Weske explained that the Hennepin County Housing and Redevelopment Authority (HCHRA) has approved a home ownership assistance program loan for the West Hennepin Affordable Housing Land Trust, doing business as Homes Within Reach. In order for Homes Within Reach to be eligible for County funding for any homes in Long Lake, the Long Lake City Council must consent by resolution to the HCHRA's participation in the Homes Within Reach project. Under the Homes Within Reach land trust program, the land trust would purchase a home inside the City, find a qualified individual that will just purchase the home part of it, and they would have a ground lease on the land. The intent of the program is to reduce the burden of the land on a home's sale price to bring it down to a more affordable dollar amount.

Council member Kvale asked what would happen if these homeowners defaulted on their taxes.

Weske believed that the land trust would be the responsible financial fiduciary for any default.

Council member Kvale recalled that there had been a recent Supreme Court decision where Hennepin County kind of lost. They had foreclosed on a property where there ended up being a windfall of \$40,000 on the property. The previous owner owed \$15,000 in back taxes, but the County kept the full windfall amount. The Supreme Court ruled that they could not do so because it was unconstitutional. She noted that she was bringing this up because if a homeowner doesn't pay the taxes and it goes into foreclosure, Hennepin County could take over the property and she would like to know who would get the money.

Moeller clarified that the County is a funding source for the program, but the properties would fall under the land trust.

Council member Kvale reflected that she understood that, but it would appear that the program was basically a revenue stream into perpetuity for the land trust because at no point will homeowners ever own the land. She asked what would happen when the non-profit goes out of business or if the homeowner defaulted on their taxes and the property ends up getting seized.

Weske responded that would be the County's problem in that scenario and if the taxes would be in default, the County would handle it like all the others.

Council member Kvale reiterated her question about who would get the money as the County can only keep what is owed to them. She stated that properties purchased by the trust would have two different owners - one who owns the land and the other would own the home. She sees their arrangement as basically a hybrid rental agreement and questioned why a homeowner would do something like plant flowers in their front yard if they don't own the front yard. She questioned who would end up doing improvements to the yard or the home if they're unable to gain the equity out of it. She shared that another thing she was worried about is why the City would be endorsing this and why the City's approval was needed.

Weske indicated that it wasn't unusual for the County to require a resolution of support for funding programs. He had asked the same question though and the only answer he had received is that they need a resolution from the Council.

Council member Kvale observed that legally the trust can go and buy a piece of property. She had looked into their financials and found that they have grants of \$3 million. They basically buy a property and sell it to the new owner at home value. The question of equity was unclear to her, and she wondered if the homeowners pay down their mortgage, would they at least get that appreciation. She reflected that it seems as though the City may be endorsing something that she would not feel comfortable endorsing. There were things that raised some questions in her mind, such as whose attorney the homeowners would be meeting with after they had selected a home.

Moeller interjected and added that she thinks it is important to say that staff is aware that the non-profit can buy houses in Long Lake without the City's approval, but they would not be eligible for County funding for the purchases that they would make in the City. She informed Council that there is already one in town that the trust had already purchased. Council member Kvale had raised the question of what would happen if an owner violated the terms of the ground lease, and Moeller observed that the ground lease is fairly extensive and from a zoning and City code perspective, the ground lease binds homeowners to adhere to all provisions of local and state law. If there are junk problems, for example, that could put an owner in violation of the ground lease. She read aloud terms of the contract related to default, and indicated that homes go back to the land trust because they are investing in the property.

Council member Kvale reiterated her question about whether this was something that the City wanted to actually endorse.

Moeller clarified that the City is not obligated to endorse the program.

Council member Dyvik recalled that City Clerk Moeller had advised that they were already purchasing in Long Lake without the City's endorsement.

Weske stated that the 10,000 foot view of this is that the program is trying to acquire grant funds from the County, and the City's endorsement would support them in obtaining County funding assistance.

Council members and staff held extensive discussion on the Homes Within Reach program; how the land trust operates and benefits; whether the homes had to be purchased by qualified individuals or could be used for rental purposes; grants, contributions, and other revenue already benefiting the program; how homeowner purchases would be financed through lenders; the scope of energy efficiency and rehab improvements Homes Within Reach makes to the homes they acquire; how changing home values financially benefit the non-profit; other homeownership assistance programs available in Hennepin County; whether community land trust properties are taxed the same as residential homestead properties; and whether Council members were interested in seeing a presentation by Homes Within Reach program representatives.

Anita Secord, 114 Brown Road, commented that if the goal is to have affordable housing and get people into homes, she would suggest letting them purchase a home and for the City to find other ways to help them. She views the program proposal as being similar to a trailer park where owners are on leased land with a trailer, but in that scenario, they could actually take the trailer with them when they leave. A property owner in the program doesn't own the land, they don't own the white picket fence, and the American Dream is to own your own home and land. She suggested that the Council not even waste their time having the land trust come give a presentation and just say 'no' because they are already purchasing homes in the City on their own initiative. As a homeowner and a landowner in the City, she would not appreciate having a form of trailer park system in the City. She would also feel sorry for the homeowners if they were not able to achieve the ultimate American Dream by making both the home

and land their own and also making a profit when they sell. She stated that she was a single parent who had put in the work, gotten her own mortgage, and now she has her home and a beautiful piece of land that she considers her own little piece of heaven. She reiterated that she would urge the Council to skip further conversations with this program.

After further discussion, Mayor Miner summarized that the Council is generally not supportive of the land trust's request for a resolution of support. He indicated that he would put it back to their organization, and if they decide they want to present to the Council, he would not be opposed to them making a presentation because the City was currently guessing about some of the facts.

A motion was made by Miner, seconded by Dyvik, to deny adoption of Resolution No. 2024-36 approving the participation of the Hennepin County Housing and Redevelopment Authority in an affordable housing project with Homes Within Reach. Ayes: all.

OTHER BUSINESS

Night to Unite - Council member Feldmann expressed his appreciation to the Wayzata Police Department and the Long Lake Fire Department for coming out for the Night to Unite events.

Wayzata Boulevard W, Phase 1 Invoice - Council member Dyvik asked for details regarding the Wayzata Boulevard W Phase 1 project invoice that had just been received, noting that the project occurred seven years ago. Weske responded that the Council had gotten the same email that he had received, and the County's explanation was that they entered an agreement in 2016, made the final payment in 2017, then they had to go through litigation for easements. The litigation and easements had finally been resolved, so the County was sending their final invoicing. Weske added that this issue will have to go through legal review and recalled that when the project was accepted as being completed, they had 45 days to invoice the City, which they did not do. He had reached out to Orono to see what they may have been billed for. Additionally, he had also just received another bill for \$14,000 from the County for the Phase 2 portion of the project which closed in 2018. He assured the Council that he was planning to get to the bottom of the invoicing issue and was working with both WSB and City Attorney Thames on it.

Fire Advisory Meeting - Council member Dyvik reported that there had been a Fire Advisory Board meeting earlier in the day at which they had reviewed the Fire Department's operational budget for 2025. There seemed to be consensus reached among the members of the Board regarding the budget, but there was one suggestion from Orono for a change that they had agreed to. He expressed his hope that the operational budget would be approved by all the member cities. One thing came up related to the CIP, and Council member explained that he had asked City Administrator Weske to put the utility vehicle that they were scheduled to receive in February of 2025 onto the CIP. His reasoning for doing so is that regardless of who would be paying for it, it is a capital need for the Department and had been for many years. He reviewed some of the discussion that had taken place at the Fire Advisory Board meeting regarding this issue, specifically with Orono, regarding its possible purchase through the contract rather than Long Lake making the purchase. He felt strongly that it should be included on the CIP because it identifies the need regardless of who would be paying for it. Council member Kvale asked if there had been any analysis done on whether the Department would need the utility truck if they end up partnering with the other entities that they were considering. Mayor Miner believed the Department would need it anyway due to the age of the other similar vehicles. Council member Dyvik commented that even if Long Lake ended up partnering with Wayzata or were to make some other arrangement, it would probably be a vehicle that they would need going forward. He added that personally, he would like to see it bought through the terms of the contract with communication confirming for Orono that

Long Lake would buy the cities out at the end of the contract. Council member Feldmann noted that per the contract, if it goes into the CIP, Orono would have the choice to accept it or reject it. If they reject it, Long Lake would be in the position of buying this vehicle. Council member Dyvik clarified that Long Lake has already said that they will purchase it outright. Council member Feldmann stated that the request from Orono for Long Lake to commit to purchasing it at the end of the contract is a separate thing. Mayor Miner noted that Orono had not approved the CIP for the last year or two, but there was an indication from at least one Orono Council member that they may be willing to approve it if Long Lake agreed to this request. Council member Dyvik noted that he was not sure the CIP would be approved by Orono's full Council, but the idea was presented during the Fire Advisory Board as a condition in which they may approve the CIP budget. Council member Feldmann observed that he wanted to make it clear that this request was above and beyond what the contract says. Council member Dyvik indicated that if the Long Lake Council would not be willing to make the commitment, then the CIP would be presented as it is now. Orono would most likely reject that, and then the City would just buy the vehicle as planned. He pointed out that the Council did not need to make the decision now, but he would encourage deciding soon. Weske noted that preliminary budget approval was scheduled for September and final budget approval would be in December.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 8:03 pm.

Respectfully submitted,

Scott Weske
City Administrator