



**MINUTES
CITY COUNCIL MEETING
July 16, 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; Finance Director: Amanda Nowezki; Public Works Director: Sean Diercks; 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 reported that the annual 'Buckhorn Days' celebration took place the previous Saturday and was a great event, despite the rain. He thanked the Long Lake Area Chamber of Commerce and the Orono Lions Club for their work to make the event a success. Mayor Miner also had recently participated in the Grand Opening Celebration for the Panoway Lakewalk in Wayzata.

APPROVE AGENDA

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

CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Approve Minutes of June 18, 2024 City Council Work Session Meeting
- B. Approve Minutes of June 18, 2024 City Council Meeting
- C. Approve Vendor Claims and Payroll
- D. Accept the Resignation of Firefighter Paul Bullemer from the Long Lake Fire Department
- E. Appointment of Matthew Fahrman to the Position of Full-time Public Works Maintenance Worker I
- F. Adopt Resolution No. 2024-31 Appointing Election Judges for the 2024 State Primary and General Elections and Establishing an Absentee Ballot Board
- G. Adopt Resolution No. 2024-28 Accepting a Donation to the Long Lake Fire Department in the Amount of \$2,500 From Centerpoint Energy

Mayor Miner pointed out that Consent Agenda Item D for acceptance of the resignation of firefighter Paul Bullemer was really a retirement after his completion of 20 years of service with the Fire Department. The Mayor conveyed that the City appreciated Mr. Bullemer's service and dedication to the community, and that he will be missed.

Mayor Miner voiced his gratitude to Centerpoint Energy for their donation to the Long Lake Fire Department as part of a Community Safety Grant that they had applied for. The donation will allow the Department to add CPR mannequins, AED trainers, and additional supplies for growing the Department's CPR education program. He expressed his appreciation to Training Chief Scott Spinks for his work in putting together the grant application.

A motion was made by Kvale, seconded by Dyvik, to approve the Consent Agenda, as presented. Ayes: all.

OPEN CORRESPONDENCE

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

BUSINESS ITEMS

A. Approve Special Event Permit Request for the 2024 LLFD Red Hot Run 5K

City Clerk Moeller indicated that the Long Lake Fire Relief Association had submitted a request for a Special Event Permit in order to hold their annual Red Hot Run 5K that will also include a 1K Fun Run on July 27, 2024 based out of Fire Station 1. She shared a few details about the event and route and encouraged people to consider participating in and supporting the run/walk.

Mayor Miner shared that he planned to run in the Red Hot Run 5K this year and invited other members of the Council to join him.

Moeller advised that an updated quorum notice will be posted that will cover Council attendance at all the upcoming events in the City.

A motion was made by Kvale, seconded by Miner, to adopt Resolution No. 2024-29 approving issuance of Special Event Permit #S2024-06 for the LLFD Red Hot Run 5K to be held on July 27, 2024, subject to conditions contained in the Special Event Permit approval letter. Ayes: all.

B. Receive 2nd Quarter 2024 Revenues and Expenditures

Finance Director Nowezki provided an overview of the City's fund account balances, including a cash summary report. She reported that all funds appear to be on track for the year's budget and highlighted that as the Council would see on the cash summary report, the City has been able to get almost all of the accounts they had been watching closely back into the 'black'. She explained that there were two accounts - debt service bond and CSAH 112 - that currently had negative balances, but those will both resolve during audit adjustments. Calling out a few significant expenditures, she recalled that Fund 101 was used for replacement all of the Public Works building windows as well as for the implementation of the SCADA system for well monitoring.

Council member Dyvik asked if the City would ever pay for upgrades to the Public Works building out of the Enterprise Funds.

Nowezki responded that the City could do so in the future, and commented that her current focus with the Enterprise Funds, specifically 602 and 603, had been to achieve healthy balances and work towards utility billing revenue covering costs and expenses for operations first.

Council member Dyvik noted that the City would also need those funds when they do road projects.

Nowezki referenced the cash report and pointed out that the City had established a separate Pavement Management Improvement Fund in order to separately track franchise fees. She mentioned that the fund balance was currently sitting at \$200,000.

Mayor Miner inquired about the Charitable Gambling Fund.

Nowezki explained that the Charitable Gambling Fund is the 10% portion of money that the City receives from gambling revenue generated at permitted locations in the City. The City has a very specific way that it can spend those funds, and she shared examples of how the City had used those funds in the past, such as annually donating portable restrooms for Buckhorn Days.

Nowezki commented that in 2024, the City implemented a new line item in revenue, reflected in utility bills, called the Metropolitan Council Sewer Treatment Fee and clarified that her goal for that change was to start letting residents know how much of their payments are going directly to the Metropolitan Council. She stated that the City had received notice that its 2025 Metropolitan Council bill would be increasing substantially, and she felt it was important to let residents know that the fee was not the City keeping their money as that revenue doesn't even cover one-tenth of the City's cost.

Council member Feldmann was supportive of having a separate line item for the Metropolitan Council Treatment Fee as it helps with transparency so residents can see what is happening.

Nowezki acknowledged that staff has a goal of maintaining transparency with what money the City is collecting and where it is going.

Council member Feldmann asked whether it was too soon to see what effect the City's I&I improvement projects may have had on Metropolitan Council billing to the City.

City Administrator Weske believed that unfortunately the Metropolitan Council bill had increased by about 38-39% for 2025.

Council member Kvale questioned if the Metropolitan Council offered any justification for such a large increase.

Weske replied that their response is that the increase is solely about flow.

Council member Dyvik asked about rules for checking private service lines for homes when they are sold.

Moeller replied that the City did not currently have a point of sale ordinance.

Council member Dyvik stated that he felt that was something the City should look into at some point.

Public Works Director Diercks clarified that the City has to ensure that their mains are in the condition they should be in before moving in that direction.

Council member Dyvik asked about the legal fees pertaining to fire contract enforcement activities and where they were being paid from.

Nowezki answered that the legal fees related to the Fire Department had been separated out from the City's regular legal fees so they could be tracked more easily.

Council member Kvale inquired about the Fire Department contract and noted that the budget was for \$94,747, but so far the City had paid 69% of that. She wondered whether that was just due to timing.

Nowezki responded that 2024 was unusual for the Fire Department contract because the contract amounts had changed for 3rd quarter due to Orono's service area changes. A restructure in rates had been necessary and unfortunately, in this situation, the percentages were not going to be 50/50.

Council member Kvale asked if that meant that there would be a shortfall.

Weske stated that it would be over budget by a little bit.

Nowezki added that she believes the numbers will come out pretty good as far as where they are on the contracts for Long Lake for revenue. She observed that there was a possibility that Long Lake had paid their portion during the 2nd quarter and because of her recent vacation plans, she had billed everyone early. She explained that the \$28,000 reflected actually represents 4th quarter funds.

Council member Dyvik asked about TIF district 1-9.

Nowezki indicated that TIF district 1-9 was a brand-new TIF district for The Stax project.

The Council asked questions about the status of the other TIF districts in the City.

Mayor Miner reflected that he was glad to see that the balances in the Water Fund and Sewer Fund were picking up.

Weske noted that the Surface Water Management Fund was also beginning to make money as well.

Council member Dyvik questioned how the City's current fund balances compared to the same time last year.

Nowezki stated that she could not say for sure, but she did feel that they were pretty much on track. She recalled that at the end of last year the City had been able to put money into their investment accounts and that had not been missed within the operating fund, which is why she felt that they are at least 'on par' or even a little bit above where they were last year.

Council member Dyvik commented that the City had not yet seen the real tax revenue from projects like Zvago, Aava Vetta, or The Stax as of yet.

Moeller agreed that the City would eventually start to see that revenue coming in.

Nowezki assured the Council that she was watching all of the funds closely and committed to let the Council know if she observed any issues. She added that unrealized gains for this year, so far, are around \$105,000.

A motion was made by Feldmann, seconded by Dyvik, to receive the 2nd Quarter 2024 revenues and expenditures as of June 30, 2024, as presented. Ayes: all.

C. Updates Regarding Fire Department Matters

Mayor Miner reiterated that the Red Hot Run was coming up at the end of the month. He informed Council that Hennepin County District Court Judge Miller issued her order that morning related to the City's request for attorney fees resulting from the case of City of Long Lake v. City of Orono. Judge Miller had ordered that the City of Orono pay the City of Long Lake just over \$81,000 in attorney fees, but the amount would not need to be paid until Orono's appeal has been completed. The Judge's order did not completely cover the City's legal fees, but it did reflect a majority of fees incurred. He advised that the next Fire Advisory Board meeting will be held on July 17, 2024 at which they plan to discuss the preliminary 2025 budget and also some dispatch issues that have taken place since the switchover when Orono took over covering a portion of their city on July 1, 2024.

Council member Dyvik asked about the Forest Lake Bay and North Arm Bay issue. He understood that the Long Lake Fire Department was intending to cover those areas, but he asked if there would be a modification to the contract that would make that clear.

Council member Feldmann inquired whether Orono had come back and officially requested to have that service area covered or if there was just an assumption that the Long Lake Fire Department would cover those areas.

Weske stated that he thought the recent letter Orono had written to Long Lake had indicated that Orono had those areas taken care of by another provider.

Mayor Miner confirmed there had been reference to Weske's comment in the letter, but the City was uncertain how 'rock solid' that was and was working through confirming that. He added that the Council will be having a Closed Session meeting during their special work session tomorrow night to discuss fire service contract issues, and encouraged everyone to read through Judge Miller's order which was available on the City's website.

OTHER BUSINESS

Dome Under New Ownership - Council member Dyvik shared that he had received an email from the Orono Westonka Soccer Club announcing the exciting news that they had purchased the dome property in Long Lake. His understanding was that the dome will become their main practice area as well as their headquarters, and he believes that they will have to get caught up on some things that the dome has been deficient on. Moeller confirmed they will need to be advised on the status of code related issues such as the parking lot, property maintenance, and signage requirements; however, staff has not yet had the opportunity to connect with the new owners and had learned about the purchase from a social media post. She stated that she hoped that the new owners will get in touch with the City and looked forward to a positive relationship in the future. Council member Dyvik indicated that the dome facility will be a great improvement over the facility that they were using in Mound.

Holbrook Park / Long Lake Creek Improvements Grant – Council member Dyvik reported that when he was at the Long Lake Waters Association booth at Buckhorn Days, he had seen a pamphlet from the Long Lake Creek Subwatershed Partnership that had included information about a Holbrook Park stormwater treatment project. The pamphlet referenced a grant that had been received. Diercks recalled that there had been discussions about it but he was unsure how far along it was. Council member Dyvik stated that the pamphlet says that the Minnehaha Creek Watershed District (MCWD) and

the City had secured grant funding. Weske explained that the MCWD received grant funds and the portion to be allocated for the City's project was rolled up inside of that. The funds would not come to the City because the MCWD would be the managing entity on behalf of the partnership. Council member Dyvik mentioned that there was also a report called the Long Lake Creek Roadmap that was about the current state of the watershed. He observed that the water in Long Lake this year is as clear as he has seen it in a long time, but there have also been a lot of weeds. Council member Kvale asked if the MCWD was planning to present information to the City. Council member Dyvik suggested the City invite them to an upcoming Council meeting for a presentation to potentially include a summary of the roadmap report as well. He noted that it may be a good idea to have an annual update from the MCWD.

Highlighting Comments in Judge's Order - Mayor Miner stated that he had neglected to mention one other thing during his Fire Services update. He read aloud a few sentences contained in Judge Miller's order regarding Orono contesting the rate Long Lake's attorney was charging, and explained that the rate was because they were not using a typical City Attorney and instead were using a litigator. The Judge upheld the City's decision to contract with a litigator as being appropriate given the nature of the legal actions. He repeated his encouragement for residents to read the entire order issued by Judge Miller.

Review of Meetings Attended – Mayor Miner reported that he and Weske had met the previous week with the new Metropolitan Council District 3 representative to discuss various issues, and a week or so before that, they had also met with new County Commissioner Heather Edelson. Lastly, Mayor Miner he had recently met with the developer from The Stax project in the City who was very complimentary about his work with City staff on the project.

Concept for Former BP Site - Moeller had been in communication with someone local who has been working on a concept for the former BP site, and she was anticipating she would have something in hand either this week or next. She added that whatever she received would first be sent to the City's Planning Consultant for initial review and comment before coming to the EDA.

Night to Unite / Reschedule August 6 Council Meeting – Moeller advised that Night to Unite is coming up on August 6, 2024. As that date conflicts with a regularly scheduled City Council meeting, she wondered if the Council would want to reschedule that meeting.

A motion was made by Miner, seconded by Dyvik, to reschedule the August 6, 2024 City Council meeting to August 7, 2024 due to a conflict with Night to Unite. Ayes: all.

Retirement of Luke Laakkonen - Moeller shared how much she would miss Public Works employee Luke Laakkonen who will be retiring as of July 31, 2024. She stated that Luke has been very special to many at the City and as the years have gone on, he had become quite a warm and wonderful guy to work with. She reiterated that she would sincerely miss him and his sense of humor.

Well Emergency Repairs - Diercks indicated that as work was wrapping up on the completion of the SCADA system installation a few weeks ago, it had been noticed that Well #2 was having an issue with ratcheting. Staff had brought in a well expert to try to address the issue in order to extend equipment life long enough for the City to develop a plan to get things rebuilt in order to be proactive instead of reactive. Unfortunately that plan only lasted three weeks. When the well was restarted after running it for two weeks and shutting it down for one, it locked up and would not start. The well will need a complete rebuild and he projected that the repairs would cost between \$50,000 to \$60,000. The rebuild

will include both the motor and the pump and should take about two weeks to complete. Council member Kvale asked about the costs for a whole new well rather than rebuilding it. Diercks stated that the costs would double. Council member Kvale questioned whether it would better for the City to just install a whole new well. Diercks recommended proceeding with the rebuild because Well #1 is probably not too far behind Well #2 in upcoming repair needs due to its age. Well #1 will cost around \$100,000 to rebuild because it is a different kind of well. His original plan had been to put out an RFP over the winter for both wells, but because Well #2 had a complete failure, an emergency pull is necessary in order to get it back up and running. He added that he had reached out to Orono and in a worst case scenario situation, they will be able to get water from them. Council member Kvale asked how long the well would be offline and if the other well would be able to compensate for the difference. Diercks estimated that it would be offline for a few weeks during the repairs, and confirmed that the other well should be more than adequate to handle the demand. Mayor Miner asked if the cost for fixing Well #2 would come from the Water Fund. Nowezki confirmed that the repair expense would be allocated to the Water Fund and noted that while this was an unexpected expense, she was thankful that the City was in a situation where they could take care of it right away. Diercks noted that Public Works had four generators running yesterday for different power failures that had throughout the City following storms.

Maintaining Flowers - Council member Kvale mentioned that the flowers downtown look nice and thanked Public Works for taking care of the watering.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 7:38 pm.

Respectfully submitted,

Scott Weske
City Administrator