



MINUTES
CITY COUNCIL WORK SESSION
September 17, 2024

CALL TO ORDER

The meeting was called to order at 5:04 pm.

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

Staff Present: City Administrator: Scott Weske; Finance Director: Amanda Nowezki; City Attorney: John Thames (partial attendance); and City Clerk: Jeanette Moeller

Absent: None

APPROVE AGENDA

A motion was made by Dyvik, seconded by Feldmann, 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

Continue Discussion of Preliminary 2025 Budget and Levy

City Administrator Weske indicated that not much had changed since the Council's last conversation about the proposed Preliminary 2025 Budget and Levy, and gave an overview of some of the items the Council could discuss in greater detail. He reviewed the proposal to maintain a flat City tax rate, the overall percentage of the levy's increase over the previous year, and reminded the Council that the numbers could come down when staff receives final numbers for financial considerations like health insurance costs. He recalled that at the Council's last meeting, he had also included a handful of 'wish list' type items at that time for their consideration.

Finance Director Nowezki clarified that of the four 'wish list' items that were previously identified, Administrator Weske's current budget proposal still includes \$200,000 for Fire Department legal fees and a portion of the original amount suggested for Emerald Ash Borer infected tree removals. Nowezki clarified that neither the legal fees nor the tree removal line items should be considered 'wish list' items as they were more realities to plan for, but noted that the other two items initially presented had been more 'wish list' items. She added that she had obtained more detail on the impact of adding solar to City Hall, which had made it clear that was more of a wish list item. From there, Administrator Weske had made necessary adjustments to the proposed budget in order to keep the City tax rate at the same level. The initial reason staff had been pushing a potential solar project was because of a grant opportunity, but after doing some research, she highlighted estimated project costs versus grant funds and tax credit, and pointed out that it would take about 20 years for the City to break even on the investment. It was her opinion that it may not be sensible to pursue a solar installation at this time, especially given the current state of the economy.

Staff and Council discussed a few budget line items, future uses of the capital improvements fund, and commented on making transfers into the capital equipment fund for fire in the future.

Council Member Kvale mentioned that it looks like Public Works would have \$9,000 less than last year.

Weske clarified that the reduction in Public Works expenditures was due to wages. The department had two long-term employees retire. The new employees started at lower levels of the pay scale, and wages would increase as time passes.

Weske stated that at the regular meeting, in addition to the two motions requested in the staff report for setting the Truth in Taxation date and adopting the Preliminary Budget and Levy, he would also like a motion giving staff direction on the fire utility/rescue vehicle commitment.

Council member Dyvik explained that Orono representatives had indicated they desire a commitment from Long Lake that they would buy the utility/rescue vehicle back at the end of the contract. He confirmed that both he and Fire Chief Heiland would be supportive of that commitment. He noted that the commitment request had been raised by Orono representatives at the Fire Advisory Board meeting as a condition of approving including the purchase in the current fire department CIP, but he was not confident that they would actually follow through with approval as they had indicated.

Council member Joyce asked what Council member Dyvik felt that Orono would not follow through on.

Council member Dyvik replied that he was unsure they would follow through on agreeing to purchase the vehicle through the contract and pay 85% now. Long Lake could pay for all of it now, which they had been planning to do, or they could pay all of it a year later if it was purchased under the terms of the contract.

Council member Feldmann asked if City Attorney Thames had weighed in on the issue, especially with the ongoing lawsuit and their history of denying capital budgets. He pointed out that a request of this nature was beyond the scope of the contract which sets forth that the City has first right of refusal at the end of the contract, and there was nothing in the contract that says at the end they have to commit to buying items. He added that he would see the request as an additional 'give' to Orono.

Council member Dyvik commented that the vehicle would be used for their community because it would serve two-thirds of their City, so it wouldn't be like Orono is doing Long Lake a favor and but rather would be following the terms of the contract for the purchase. He understood the point about checking with City Attorney Thames; however, he felt that if the City didn't offer the purchase commitment, it may just be another reason for Orono to communicate that Long Lake was not willing to work with them.

Council and staff discussed the cost of the utility/rescue vehicle, vehicle needs, and the budget impact if Orono chooses not to participate in the vehicle being purchased through the contract.

Additionally, Council and staff discussed salary studies and wage comparisons of similar communities to Long Lake, particularly with regarding to salary ranges for the Finance Director and Public Works positions. Weske also raised the issue of changes that may occur depending on the outcome of the Presidential election, for example, related to taxing overtime pay.

Returning to the matter of the fire utility/rescue vehicle, Mayor Miner and Council member Dyvik reviewed conversations that occurred at the last Fire Advisory Board meeting as well as at the City Council level regarding the purchase of a utility/rescue vehicle within the contract terms to City Attorney Thames, and asked him to weigh in on whether there would be any legal concerns.

City Attorney Thames stated that with CIP purchases, there is budgetary authority for Orono to decline, but noted that this vehicle purchase was an established need. He indicated he would view the request by Orono as sort of agreeing to a contingency on Orono's endorsement of the CIP purchase. Long Lake does not have an obligation to agree to Orono's request regarding a commitment to purchase the vehicle at the end of the contract, but he would agree that it would be a reasonable request under the current circumstances.

Council member Dyvik observed that even if Long Lake makes the statement that they will buy the vehicle at the end of the contract, he suspected that Orono may still not follow through with the purchase under the contract terms.

City Attorney Thames believed that the issue could fall under damage consideration if Orono were to refuse to fund the CIP at all simply because the contract was coming to an end, as that is not a reasonable basis for not funding CIP purchases. He reiterated that he felt what had been discussed at the Fire Advisory Board meeting was fair and reasonable.

Nowezki asked if Long Lake would be guaranteed to receive the truck at the of the contract.

Council member Feldmann replied that at the end of the contract, Long Lake has the first right of refusal.

City Attorney Thames reminded the Council of Orono's position regarding approval of placing items on the CIP and then requiring a second action later when it comes to actually writing the check for the purchases. He added that he did not believe this was necessarily the framework that was included in the contract, but that was the position Orono had taken in 2018 related to the purchase of a fire truck.

Weske asked that the Council make a third motion during the regular Council meeting to give staff direction on how to proceed related to the purchase of the utility/rescue vehicle. He returned to reviewing the proposed preliminary budget and levy and reiterated that right now the tax rate would be the same as 2024, but he mentioned numbers may come down a bit once health insurance costs and possible wage adjustments are fully known.

Council member Kvale questioned whether the budget had accounted for replacement of the Public Works mowers.

Weske replied that they had not accounted for those by specifically identifying them, but there is capital available inside the line items. He noted that if Public Works was under budget by December, they may try to find a line item or two to complete purchase of mowers inside the 2024 budget.

Nowezki indicated that another matter she and Weske had discussed is that in 2024, Public Works building windows were replaced utilizing funds from the capital improvements fund; however, for budget purposes, she had not completed that capital transfer yet so the funds were still sitting in Fund 101. She stated that she planned to look at that fund at the end of the year and see how it was sitting because, as Weske had said, there are some Public Works areas that look like they will be coming in

under budget and if the transfer wasn't necessary, she was not planning to do it and pull from the capital fund.

Mayor Miner asked about the contract for police services which runs through 2028 and questioned whether there was anything that may change if, for example, the officers were to receive a large pay increase from Wayzata.

Weske explained that the City's annual fee was based on the current contract, and any increase to the annual contract amount stays within a certain minimum and maximum percentage.

The Council discussed the upcoming election for Mayor in the City of Wayzata; League of Women Voters candidate forums in Wayzata and Orono; and the Zvago grand opening ceremony.

OTHER BUSINESS/WORK SESSION COUNCIL REPORTS

LMCC Update - Council member Kvale stated that she had to miss the most recent LMCC meeting. Mayor Miner shared that the last he had heard was that their move was still on hold for the time being as they try to sell their existing building.

Planning Commission Liaison Report - Council member Feldmann reported that he had attended the September 10 Planning Commission meeting and commented that the Commission had reviewed and recommended denial of the application on their agenda. City Clerk Moeller reminded the Council that the Planning Commission was a recommending body, and action to approve or deny an application lies with the Council. She mentioned that Planning Commission Chair Adams was planning to attend tonight's regular Council meeting in case the Council had questions about the Planning Commission's recommendation.

Local Government Aid (LGA) - Council member Dyvik stated that the Local Government Aid issue still confuses him and he had dug into the formula a bit more because he wanted to see why the City of Long Lake did not receive anything, while larger cities like Rochester did. He outlined details of the formula for the small cities and noted that when he looks at the list, he did not think it made sense that Long Lake was lumped in with cities like Wayzata and Orono. Council member Feldmann agreed that it was a pretty convoluted system. Moeller suggested that it may be time for the City to submit some type of letter of objection regarding the fact that they have not been deemed eligible for any LGA funds. Council member Kvale observed that a letter may be a good idea and added that it could even be signed by a consortium of cities. Moeller wondered how many members of the Northwest League of Municipalities may be in the same situation as Long Lake. Council member Dyvik indicated that there is \$680 million being distributed to cities every year throughout the state, and gave the example of Richfield being given \$4 million. Weske recalled that Mankato gets around \$10 million. Mayor Miner questioned whether there may also be some sort of small city versus big city bias at play. Moeller reiterated that she felt it may be time to consider submitting a letter of objection to the LGA formula. Council member Kvale asked if the LGA formula was established in statute or whether a state agency had come up with the formula to distribute funds. Weske replied that he did not believe the formula was statutory.

Social Media Interactions - Council member Dyvik shared that he had received a call from an Orono Planning Commissioner who told him that one of the City's paid social media people was being uncivil and attacking him and his family. He had immediately known which individual the person had been referring to, and had informed him that the individual was not a Long Lake employee and that she was

speaking for herself. The Orono Planning Commissioner stated that this person was married to a Long Lake firefighter so she represented Long Lake; to which Council member Dyvik replied that she did not represent Long Lake, and reiterated that she represented herself. He reported that the Orono Planning Commissioner had apparently made a post on social media that essentially said that people should get the facts on candidates and then vote. He noted that he had told the Orono Planning Commissioner that he didn't really know what he wanted him to actually do other than to make a statement that everyone should be more kind and civil to each other on both sides. He added that the Orono Planning Commissioner indicated that he felt like this individual was attacking his family because she posted a picture from his Facebook profile that showed him and his kids, which hadn't sat well with him. Staff and Council members discussed examples of recent social media commentary, recognition that the First Amendment allows these forms of expression, and the City's policy of not responding to or engaging with negative comments on social media. Moeller observed that to say that a firefighter's wife 'represents the City' in all of her communications is basically saying the same thing as the Council's significant others represent the City in all of their communications. Nowezki agreed and added that the only time the City should address an individual's comments is if they were to say that they were a representative of the City in their posts.

Fire Department Response Times Presentation - Mayor Miner advised the Council that Council member Feldmann would be giving a presentation during the regular meeting related to the Fire Department and call response times.

Orono Levy Statement - Council member Dyvik reported that at Orono's last Council meeting, Orono Councilmember Crosby had stated at the 1:20:48 mark that 'we have not raised our tax levy at all'. He stated that it speaks to his point that when Orono Mayor Walsh uses what he feels is a 'tax rate' smoke screen, people do not understand it, and his own Councilmember also did not understand it. He mentioned that they also had one of their social media people making posts that said something like 'eight years and no tax increases'.

Technology Changes - Moeller informed the Council that she had been investigating Laserfiche and what the annual cost of implementation may be to the City. Having Laserfiche would be a very big step towards enabling the City to be able to move a lot of things into a paperless environment. She added that she realized that it may be a wish list item, but reiterated that she was looking into costs at this time. Mayor Miner encouraged Moeller to keep looking into possibilities with Laserfiche. He noted that the new website was great, was much more user-friendly, and had so much more information available. Moeller encouraged people to contact her if they had suggestions for possible changes to the website, and commented that she was always open to taking a look to see what things can or cannot be done.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 6:17 pm.

Respectfully submitted,

Scott Weske
City Administrator