



**MINUTES
CITY COUNCIL WORK SESSION
October 3, 2023**

CALL TO ORDER

The meeting was called to order at 5:00 pm.

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

Staff Present: City Administrator: Scott Weske; Finance/Utilities Officer: 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 appeared to address the City Council during Open Correspondence.

BUSINESS ITEMS

Continue Discussion of Proposed Utility Billing Schedule and Rate Changes

Finance/Utilities Officer Nowezki advised that this agenda item represented is a continuation from the Council's discussion during an August meeting about proposed utility billing schedule and rate changes. She noted that staff recommended considering moving to monthly billing regardless of what the Council decides about possible rate changes.

Council and staff discussed the potential need for additional equipment to better facilitate the meter reading process on a monthly basis.

Nowezki reviewed staff's utility rate proposals in detail, including the addition of a dedicated Metropolitan Council sewer treatment fee; changes to water and sewer rates and tiers; changes to how stormwater charges are calculated; and shared examples of various scenarios how the proposed rates would impact residents and businesses in the City under a variety of usage categories.

Council and staff explored the best ways to communicate utility billing information to residents as well as commercial users.

Council member Dyvik asked about the impact to the funds and mentioned that he did not think the new rates would get the City's enterprise funds 'out of the hole' right away.

Nowezki confirmed that Council member Dyvik was correct; however, positive progress would be made. With SAC and WAC funds received from development activity over the past year, the water

and sewer debt situation had been greatly improved, though the funds would continue to operate at a cash loss if rate adjustments did not occur. The rate changes recommended would result in a healthier position for the funds moving forward. Nowezki added that she'd worked very closely with Public Works Director Diercks in order to go over the budgets for each utility fund for 2024 and commented on expenditures that had been reallocated away from the utility funds.

Council member Dyvik inquired about the column titled 'approved 2023 budget'.

Nowezki explained that the intent of that data was to show how much had been approved in the budget for 2023 losses in the utility funds. She also displayed exhibits from the 3rd quarter financial reports highlighting enterprise fund balances.

Council and staff continued to address detailed questions about the proposed billing rate changes and discussed comparisons with rates charged by other cities in the area.

OTHER BUSINESS

LLFD Budget Action - Council member Dyvik reported that Orono's City Council had tabled approval of the Long Lake Fire budget. He outlined some of the subsequent communication that had gone on between the cities following that action. He shared a few of the things that concerned him about what Orono appears to be planning particularly with regard to the Station 2 side, and voiced his worry that their efforts may negatively impact the City and the ability of the Long Lake Fire Department to do their jobs.

Long Lake Waters Association - Council member Joyce advised that the Long Lake Waters Association would be meeting later in the week.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 6:27 pm.

Respectfully submitted,

Scott Weske
City Administrator