CITY COUNCIL WORK SESSION

September 02, 2025 at 5:00 PM

City Hall Council Chambers – 450 Virginia Avenue, Long Lake, MN 55356

AGENDA

1. **Call to Order**

2. **Approve Agenda**

3. **Open Correspondence**
   NOTE: Open Correspondence is an item on the agenda during which the public may address the City Council. **No formal action is taken by the City Council** and comments shall be limited to five minutes or less. *Open Correspondence comments may also be emailed to City staff by 12:00 noon on the date of the meeting.*

4. **Regular Business**

   A. Discussion Regarding City Administrator Position

   B. Continue Discussion of Preliminary Budget and Levy Considerations

5. **Other Business / Work Session Council Reports**

6. **Adjourn**

City of Long Lake

2026 Preliminary Budget

2026 Budget Factors

- **State Aid**
  - Local Government Aid (LGA) continues to be $0 in 2026.
- **License/Permit Revenue**
  - 2026 building permit revenues are expected to have slight increase in the remodel and upgrade category but also does the expense related to inspections.

2026 Budget Factors

- **Employee Headcount and Salary/Benefit Costs**
  - Public Works Maintenance Worker planned salary step increases, and a 3.0% salary range move for other staff.
- **Insurance Premiums**
  - Budgeted 10% increase in employee health and 0% increase in employee dental insurance premiums.

2026 Recommended Levy

	2026 Preliminary	2025 Final	2024 Final
Operating Levy	$1,697,421	$1,658,131	$1,490,925
Debt Service Levy	$87,981	$87,530	$86,665
Total Net Levy	$1,785,402	$1,745,661	$1,577,590
$ Increase	$39,741	$168,071	$170,850
% Increase	2.28%	10.65%	12.1%

2026 Levy

- Adjusted Net Tax Capacity increased $120,691 from $5,214,123 to $5,334,814
- The levy increase of $ 39,741 accompanied by a 2.31% increase in Adjusted Net Tax Capacity, results in a flat or no change of the local City tax rate for 2026

Tax Levy History

	Debt Levy	Operating Levy	Total Net Levy	% Increase Over Previous Yr.	Tax Rate
2018	$146,853	$917,726	$1,064,579	0%	37.15%
2019	$104,831	$959,838	$1,064,579	0%	36.42%
2020	$105,556	$1,013,030	$1,118,585	5.07%	36.57%
2021	$82,885	$1,140,498	$1,223,838	9.41%	36.056%
2022	$84,335	$1,213,573	$1,277,908	4.42%	35.957%
2023	$85,627	$1,321,113	$1,406,740	10.08%	33.4%
2024	$86,665	$1,490,925	$1,577,590	12.15%	33.4%
2025	$87,530	$1,658,131	$1,745,661	10.65%	33.4%
2026	$87,981	$1,697,421	$1,785,402	2.28%	33.4%

2026 Recommended Funding

- 2025 Comprehensive Plan
  - $10,000-Accounted for under Planning-Professional Services
- Seal Coating-Budgeted Transfer from GF to Coating Fund
  - $60,000
- Fire Department-Budgeted Transfer from GF to FD Capital
  - $50,000
- Removal of Emerald Ash Borer impacted/dead Ash Trees from Parks and City Right-of-Way
  - $40,000= $10,000 in Streets and $30,000 in Parks

Major General Capital Items for 2026 to Consider

- City Hall Building-Transfer Funds from Fund 401
  - $50,000
- Fund 401
  - Use or create existing fund accounts for CIP
  - Transfer funds from 401 to allocate starting balances
  - Create an annual transfer amount from 401

2026 Budget Overview

Fund 101-General Fund Expenses	2026	Difference	2025
Council	$ 19,000	$ (7,000)	$ 26,000.00
Elections	$ 8,000	$ 4,500	$ 3,500.00
Administration	$ 486,013	$ 25,814	$ 460,198.97
City Attorney	$ 45,000	$ -	$ 45,000.00
Planning/ Zoning	$ 31,600	$ 9,250	$ 22,350.00
City Hall Facility	$ 21,500	$ (47,000)	$ 68,500.00
Public Works Facility	$ 47,250	$ 1,300	$ 45,950.00
Police/Fire	$ 657,920	$ 70,348	$ 587,572.00
Protective Inspections	$ 22,000	$ (23,000)	$ 45,000.00
Public Works Administration	$ 252,875	$ (16,318)	$ 269,193.79
Public Works Fleet	$ 39,000	$ -	$ 39,000.00
Streets	$ 70,000	$ 8,500	$ 61,500.00
Parks	$ 56,615	$ 36,800	$ 19,815.00
Operating Transfers Out	$ 110,000	$ 50,000	$ 60,000
Total Fund 101-General Fund Expense	$ 1,866,773	$ 113,193	$ 1,753,580

[redacted]

General Fund Total	**$ 1,866,773**	**Levy Amount**	**$ 1,785,402**	2.28%	
		Levy Operations	$ 1,697,421		$ 1,785,402
Tax Levy Revenues	$ 1,697,421	Levy Debt Payments	$ 87,981.00		
General Fund Revenues	$ 192,400.00	*2016-A*	*$ 45,457.00*		
General Fund Revenues	**$ 1,889,821**	*2017-A*	*$ 42,524.00*		

	Total	**$ 1,889,821**	
Difference From 2025	$ 39,741	$ 23,048	**Keep for Audit Compliance**

2026 Budget Overview

Utility Fund Budgets	Proposed	With Depreciation	Cash +/-
Fund 601-Water Revenues	$ 375,000	$ (147,326)	$ 34,674
Fund 602-Sewer Revenues	$ 760,775	$ 10,097	$ 135,097
Fund 603-Surface Water Revenues	$ 90,000	$ (26,700)	$ (3,700)
Fund 604-Recycling Revenues	$ 93,000	$ 7,000	
Utility Revenues	**$ 1,318,775**	**$ (156,930)**	

Utility Fund Budgets	Proposed	Difference
Fund 601-Water Expenses	$ 522,326	$ (42,645.78)
Fund 602-Sewer Expenses	$ 750,678	$ 112,550.41
Fund 603-Surface Water Expenses	$ 116,700	$ 14,917.66
Fund 604-Recycling	$ 86,000	$ 36,000.00
Utility Expenses	**$ 1,475,704**	**$ 120,822**

Considerations	**Transfer From** Fund
CityHall Exterior	401
Sealing Trails	401
trail signs	210
garbage cans	210
Street Project Debt	
Fire Capital	101-42110-3
Water Project Debt	
Sewer Project Debt	
Engineering fees	

2026 Revenue Budget

			2026 Proposed		2025 Budget	Budget Change
	General Fund Revenues					
R 101-31010	Current Ad Valorem Taxes	$	1,685,661.00	$	(60,000.00)	1,745,661.00
R 101-31020	Delinquent Ad Valorem Taxes	$	2,500.00	$	-	2,500.00
R 101-31030	Current Personal Prop	$	-	$	-	0.00
R 101-31040	Fiscal Disparities	$	71,000.00	$	60,000.00	11,000.00
R 101-31900	Penalties and Interest DelTax	$	-	$	-	0.00
R 101-31900	Liquor Licenses	$	37,000.00	$	37,000.00	0.00
R 101-32180	Other Licenses/Permits	$	1,500.00	$	1,500.00	0.00
R 101-32181	Tobacco Licenses	$	750.00	$	750.00	0.00
R 101-32182	Refuse Haulers	$	1,200.00	$	800.00	400.00
R 101-32210	Building Permits	$	45,000.00	$	40,000.00	5,000.00
R 101-32222	Plan Check Fee	$	15,000.00	$	10,000.00	5,000.00
R 101-32230	Plumbing Permits	$	5,000.00	$	5,000.00	0.00
R 101-32235	Heating / Mechanical Permits	$	5,000.00	$	5,000.00	0.00
R 101-32240	Animal Licenses	$	100.00	$	100.00	0.00
R 101-32271	Sign Permits	$	100.00	$	100.00	0.00
R 101-33422	Other State Aid ?Small Cities Grants	$	8,000.00			
R 101-34780	Park Fees	$	1,250.00	$	1,250.00	0.00
R101-39452	Public Works Rent	$	15,000.00			
R 101-35100	Court Fines	$	10,000.00	$	10,000.00	0.00
R 101-36221	Cell Tower Leases	$	46,000.00	$	46,000.00	0.00
R 101-36250	State Permit Surcharge	$	1,500.00	$	1,500.00	0.00
	TOTAL 101 (Less Tax Rev)		**$192,400.00**		**$159,000.00**	33,400.00

Section 4B.

2026 Expense Budget

FUND 101 GENERAL FUND

	2026 proposed	2025	Budget Change	
DEPT 41110 Council				
E 101-41110-1040 Council Salaries	$ 15,600.00	$ 21,600.00	-$6,000.00	
E 101-41110-1220 FICA	$ 1,250.00	$ 1,650.00	-$400.00	
E 101-41110-1510 Workers Comp Ins	$ 125.00	$ 125.00	$0.00	
E 101-41110-3000 Professional Srvs	$ 400.00	$ 500.00	-$100.00	
E 101-41110-3350 Education / conferences	$ 750.00	$ 1,000.00	-$250.00	
E 101-41110-3500 Printing/Binding	$ 250.00	$ 500.00	-$250.00	
E 101-41110-3510 Legal Notices Publishing	$ 200.00	$ 200.00	$0.00	
E 101-41110-4300 Miscellaneous	$ 50.00	$ 50.00	$0.00	
E 101-41110-4330 Dues and Subscriptions	$ 250.00	$ 250.00	$0.00	
E 101-41110-4600 Recognition Expenditures	$ 125.00	$ 125.00	$0.00	
TOTAL	$ 19,000.00	$ 26,000.00	-$7,000.00	
DEPT 41410 Elections				
E 101-41410-1045 Temp Election Judge Pay	$ 4,750.00	$ -	$4,750.00	
E 101-41410-2100 Operating Supplies (GENERAL)	$ 1,500.00	$ 1,500.00	$0.00	
E 101-41410-3510 Legal Notices Publishing	$ 750.00	$ -	$750.00	
E 101-41410-4040 Equip Maint & Repair	$ 1,000.00	$ 2,000.00	-$1,000.00	
TOTAL	$ 8,000.00	$ 3,500.00	$4,500.00	
DEPT 41500 Administration				
E 101-41500-1000 FT Admin Office Salaries	$ 296,978.44	$ 279,931.00	$17,047.44	
E 101-41500-1130 Insurance Opt Out Pay	$ 16,703.15	$ 15,184.68	$1,518.47	
E 101-41500-1210 PERA	$ 22,275.00	$ 21,505.00	$770.00	
E 101-41500-1220 FICA	$ 22,700.00	$ 22,059.27	$640.73	
MN Paid Leave Tax	$ 3,500.00			
E 101-41500-1310 Employer Paid Health	$ 9,755.92	$ 8,869.02	$886.90	
E 101-41500-1510 Workers Comp Insurance Prem	$ 3,000.00	$ 3,000.00	$0.00	
E 101-41500-2010 Office Supplies	$ 1,500.00	$ 1,500.00	$0.00	
E 101-41500-2030 Printed Forms	$ 750.00	$ 750.00	$0.00	
E 101-41500-3000 Professional Srvs	$ 4,000.00	$ 8,000.00	-$4,000.00	
E 101-41500-3010 Auditing and Acct g Services	$ 35,000.00	$ 35,000.00	$0.00	
E 101-41500-3090 Software Support	$ 20,000.00	$ 11,500.00	$8,500.00	Iwork
E 101-41500-3095 Computer Network Support	$ 500.00	$ 100.00	$400.00	
E 101-41500-3230 Cellphone	$ 1,500.00	$ 1,500.00	$0.00	

E 101-41500-3220 Postage	$ 600.00			
E 101-41500-3310 Travel / Mileage Reimbursement	$ 100.00	$ 100.00	$0.00	
E 101-41500-3350 Education / conferences	$ 1,200.00	$ 1,200.00	$0.00	
E 101-41500-3500 Printing/Binding	$ 250.00	$ 250.00	$0.00	
E 101-41500-3510 Publications	$ 2,000.00	$ 2,000.00	$0.00	
E 101-41500-3550 Codification	$ 2,250.00	$ 2,250.00	$0.00	
E 101-41500-3610 General Liability Ins	$ 25,000.00	$ 34,000.00	-$9,000.00	
E 101-41500-3700 Insurance Broker Fee	$ 3,500.00	$ 3,500.00	$0.00	
E 101-41500-4130 Postage Machine Maint	$ 1,000.00	$ 1,000.00	$0.00	
E 101-41500-4135 Copier Maintenance	$ 1,500.00	$ 1,000.00	$500.00	
E 101-41500-4140 Folder Inserter Machine Maint	$ 500.00	$ 500.00	$0.00	
E 101-41500-4145 Bottled Water Service	$ 200.00	$ 250.00	-$50.00	
E 101-41500-4330 Dues and Subscriptions	$ 3,500.00	$ 3,000.00	$500.00	annual fees
E 101-41500-4450 Food & Beverage (Mtgs/Trng)	$ 750.00	$ 750.00	$0.00	
E 101-41500-5710 Computer/Printer Replacement	$ 5,500.00	$ 1,500.00	$4,000.00	new comps
TOTAL	$ 486,012.51	$ 460,198.97	$25,813.54	
DEPT 41610 City Attorney				
E 101-41610-3040 Legal Fees - Criminal	$ 12,000.00	$ 12,000.00	$0.00	
E 101-41610-3120 Legal Fees - Civil	$ 33,000.00	$ 33,000.00	$0.00	
TOTAL	$ 45,000.00	$ 45,000.00	$0.00	
DEPT 41910 Planning and Zoning				
E 101-41910-1040 Planning Members Pay	$ 4,200.00	$ 4,200.00	$0.00	
E 101-41910-1220 FICA	$ 300.00	$ 300.00	$0.00	
E 101-41910-2010 Office Supplies	$ 50.00	$ 50.00	$0.00	
E 101-41910-3000 Professional Srvs	$ 10,000.00	$ 750.00	$9,250.00	2050 comp Plan street project?
E 101-41910-3030 Engineering Fees	$ 5,000.00	$ 5,000.00	$0.00	
E 101-41910-3032 General Planning	$ 12,000.00	$ 12,000.00	$0.00	
E 101-41910-3500 Printing/Binding	$ 50.00	$ 50.00	$0.00	
TOTAL	$ 31,600.00	$ 22,350.00	$9,250.00	
DEPT 41940 City Hall Facility				
E 101-41940-2200 Repair/Maint Supply (GENERAL)	$ 250.00	$ 250.00	$0.00	
E 101-41940-3000 Professional Srvs	$ 1,500.00	$ 1,500.00	$0.00	
E 101-41940-3210 Telephone	$ 1,000.00	$ 1,000.00	$0.00	
E 101-41940-3275 Internet	$ 6,000.00	$ 3,000.00	$3,000.00	
E 101-41940-3810 Electricity Expense	$ 3,000.00	$ 3,000.00	$0.00	
E 101-41940-3820 City Utilities (Wat,Sew,Storm)	$ 750.00	$ 750.00	$0.00	
E 101-41940-3830 Natural Gas Expense	$ 2,750.00	$ 2,750.00	$0.00	
E 101-41940-3840 Custodial & Waste Removal	$ 4,000.00	$ 4,000.00	$0.00	

E 101-41940-4010 Bldg Maint & Repairs	$ -	$ 50,000.00		
E 101-41940-4015 Grounds Maintenance	$ 250.00	$ 250.00	$0.00	
E 101-41940-5700 Office Equip and Furnishings	$ 2,000.00	$ 2,000.00	$0.00	
TOTAL	$ 21,500.00	$ 68,500.00	-$47,000.00	
DEPT 41942 Public Works Facility				
E 101-41942-2230 Bldg & Grnds Maint Supplies	$ 1,000.00	$ 1,000.00	$ -	
E 101-41942-3000 Professional Srvs	$ 2,000.00	$ 2,000.00	$ -	
E 101-41942-3210 Telephone	$ 300.00	$ 300.00	$ -	
E 101-41942-3235 Cty 800mhz Radio Admin Fee	$ 1,100.00	$ 1,000.00	$ 100.00	
E 101-41942-3275 Internet	$ 3,000.00	$ 4,000.00	$ (1,000.00)	
E 101-41942-3810 Electricity Expense	$ 14,000.00	$ 14,000.00	$ -	
E 101-41942-3820 City Utilities (Wat,Sew,Storm)	$ 2,200.00	$ 2,000.00	$ 200.00	
E 101-41942-3830 Natural Gas Expense	$ 12,000.00	$ 10,000.00	$ 2,000.00	
E 101-41942-3840 Custodial & Waste Removal	$ 1,650.00	$ 1,650.00	$ -	
E 101-41942-4010 Bldg Maint & Repairs	$ 10,000.00	$ 10,000.00	$ -	
TOTAL	$ 47,250.00	$ 45,950.00	$ 1,300.00	
DEPT 42110 Police & Fire				
E 101-42110-3120 Legal Fees - Civil	$ 50,000.00	$ 150,000.00	$ (100,000.00)	(Fire Dept Contract I
E 101-42110-3130 Subcontracted Police Svcs	$ 350,170.00	$ 341,960.00	$ 8,210.00	
E 101-42110-3135 Fire Department Services	$ 250,000.00	$ 94,747.00	$ 155,253.00	
E 101-42110-3180 Adult Corrections	$ 250.00	$ 615.00	$ (365.00)	
E 101-42110-4040 Equip & Repairs-FLOCK	$ 7,500.00	$ 250.00	$ 7,250.00	
TOTAL	$ 657,920.00	$ 587,572.00	$ 70,348.00	
DEPT 42400 Inspection Services				
E 101-42400-3035 Bldg Inspection - Subcontract	$ 20,000.00	$ 42,500.00	$ (22,500.00)	
E 101-42400-4055 MN Bldg Permit Surcharge Exp	$ 2,000.00	$ 2,500.00	$ (500.00)	
TOTAL	$ 22,000.00	$ 45,000.00	$ (23,000.00)	
DEPT 43000 Public Works Fleet / Shop				
E 101-43000-2120 Motor Fuels	$ 15,000.00	$ 17,000.00	$ (2,000.00)	
E 101-43000-2150 Shop Supplies	$ 3,500.00	$ 2,000.00	$ 1,500.00	
E 101-43000-2210 Equipment Parts	$ 14,000.00	$ 14,000.00	$ -	
E 101-43000-2400 Small Tools and Minor Equip	$ 1,000.00	$ 500.00	$ 500.00	
E 101-43000-3355 Motor Vehicle Lic & Reg	$ 500.00	$ 500.00	$ -	
E 101-43000-4040 Professional Equip Maint & Repair	$ 5,000.00	$ 5,000.00	$ -	
TOTAL	$ 39,000.00	$ 39,000.00	$ -	

DEPT 43050 Public Works Administration				
E 101-43050-1010 FT Public Works Salaries	$ 149,134.60	$ 148,250.00	$ 884.60	
E 101-43050-1015 Part -Time PW Salaries	$ 25,000.00	$ 25,000.00	$ -	
E 101-43050-1025 Public Works Overtime	$ 2,000.00	$ 2,000.00	$ -	
E 101-43050-1210 PERA	$ 11,015.00	$ 11,015.00	$ -	
E 101-43050-1220 FICA	$ 12,759.58	$ 12,759.58	$ -	
E 101-43050-1310 Employer Paid Health	$ 20,866.13	$ 18,969.21	$ 1,896.92	
E 101-43050-1510 Workers Comp Insurance Prem	$ 10,000.00	$ 24,000.00	$ (14,000.00)	
E 101-43050-2010 Office Supplies	$ 200.00	$ 200.00	$ -	
E 101-43050-2080 Training/Instruct Materials	$ 2,500.00	$ 5,000.00	$ (2,500.00)	
E 101-43050-3350 Education / Conferences	$ 2,500.00	$ 5,000.00	$ (2,500.00)	
E 101-43050-3500 Printing/Binding	$ 500.00	$ 500.00	$ -	
E 101-43050-3610 General Liability Ins	$ 10,000.00	$ 14,000.00	$ (4,000.00)	
E 101-43050-4045 Insurance Claim Expense	$ 250.00	$ 250.00	$ -	
E 101-43050-4050 Office Equip Repair/Maint	$ 4,000.00	$ 100.00	$ 3,900.00	new computers
E 101-43050-4170 Uniform	$ 2,000.00	$ 2,000.00	$ -	
E 101-43050-4330 Dues and Subscriptions	$ 150.00	$ 150.00	$ -	
TOTAL	$ 252,875.31	$ 269,193.79	$ (16,318.48)	
DEPT 43100 Street Maintenance				
E 101-43100-2240 Street Maint Materials	$ 16,000.00	$ 12,500.00	$ 3,500.00	
E 101-43100-2245 Sand / Salt Plowing Materials	$ 6,000.00	$ 6,000.00	$ -	
E 101-43100-2250 Landscaping Materials	$ 10,000.00	$ 10,000.00	$ -	Emerald Ash Tree R
E 101-43100-2260 Sign Repair Materials	$ 5,500.00	$ 500.00	$ 5,000.00	
E 101-43100-3030 Engineering Fees	$ 2,000.00	$ 2,000.00	$ -	
E 101-43100-3815 Street Lighting Maint/Elect	$ 30,500.00	$ 30,500.00	$ -	
2026 Street project?	$ -			
TOTAL	$ 70,000.00	$ 61,500.00	$ 8,500.00	
DEPT 45200 Parks Maintenance				
E 101-45200-1050 Rink Attendant Pay	$ 1,500.00	$ 1,500.00	$ -	
E 101-45200-1220 FICA	$ 115.00	$ 115.00	$ -	
E 101-45200-2230 Bldg,Grnds, Equipment Maint/Repairs	$ 11,000.00	$ 4,000.00	$ 7,000.00	
E 101-45200-2250 Landscaping Materials	$ 30,000.00	$ -	$ 30,000.00	Emerald Ash Tree R
E 101-45200-3810 Electricity Expense	$ 4,500.00	$ 4,500.00	$ -	
E 101-45200-3820 City Utilities (Wat,Sew,Storm)	$ 500.00	$ 400.00	$ 100.00	
E 101-45200-3830 Natural Gas Expense	$ 2,500.00	$ 2,500.00	$ -	
E 101-45200-3840 Custodial & Waste Removal	$ 1,500.00	$ 1,800.00	$ (300.00)	
E 101-45200-3880 Portable Toilet Rental	$ 4,500.00	$ 4,500.00	$ -	
E 101-45200-4150 Other Equipment Rentals	$ 250.00	$ 250.00	$ -	

E 101-45200-Garden Club	$ 250.00	$ 250.00	$ -	trail paving?
TOTAL	$ 56,615.00	$ 19,815.00	$ 36,800.00	
DEPT 49300 Operating Transfers Out				
E 101-49300-7222 Op Trsfr to Lake Quality (213)			$ -	
E 101-49300-7241 Op Trsfr to Capital Proj (401)	$ -	$ -	$ -	
Public Works Fleet Replacement				
E 101-49300-7243 Op Trsfr to Fire Cap (462)	$ 50,000.00	$ -	$ 50,000.00	
E 101-49300-7245 Op Trsfr to Pavement Mgmt (420)	$ -	$ -	$ -	
E 101-49300-7722 Op Trsfr to Seal Coating/Patching (421)	$ 60,000.00	$ 60,000.00	$ -	
TOTAL	$ 110,000.00	$ 60,000.00	$ 50,000.00	
General Fund Totals	**$ 1,866,772.81**	**$ 1,753,579.76**	**$ 113,193.05**	