



MINUTES
CITY COUNCIL WORK SESSION
September 5, 2023

CALL TO ORDER

The meeting was called to order at 5:05 pm.

Present: Mayor: Charlie Miner; Council: Deirdre Kvale, Mike Feldmann (arrived at 5:12 pm), Jahn Dyvik, and Gina Joyce

Staff Present: City Administrator: Scott Weske; Public Works Director: Sean Diercks; and City Clerk: Jeanette Moeller

Absent: None

APPROVE AGENDA

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

OPEN CORRESPONDENCE

Ron Umsted, 2142 Neilson Avenue – Mr. Umsted asked for an update on the Fire Department situation. He mentioned he'd read in the paper that Orono had just approved spending \$4 million for three fire engines and questioned how that fits in with what is going on with the lawsuit and the injunction.

Mayor Miner confirmed that he could offer a brief update. He recalled that Orono's approved expenditure was for \$2.6 million and not \$4 million, but acknowledged that amount was still a lot of money. He agreed that it seemed like an odd thing for Orono to do with mediation coming up because it seems to be a sign that they do not hold much faith in the mediation process and are just going ahead and buying equipment. He explained that on September 26, 2023 there will be a mediation meeting where he, Council member Dyvik, and the City's two attorneys will be in attendance for Long Lake. He noted that the Council had met last week in a work session to discuss items that should be brought up during mediation.

Mr. Umsted asked how much of the mediation discussion and actions would become public and questioned the timeframe for when that information would be available.

Mayor Miner indicated that there has not yet been discussion of how and when information would be disseminated, and observed that some of the discussion during mediation is likely supposed to remain confidential.

Mr. Umsted inquired how long the mediation process would take and when the public could expect to hear the outcome of those discussions.

Council member Joyce responded that the answer to Mr. Umsted's question will truly depend on how mediation goes, and she did not think there was a set timeframe for the process.

Council member Dyvik commented that the Council does not yet know what the full process will look like. He clarified that the injunction that was ruled in the favor of Long Lake really just established that Orono cannot recruit the Long Lake firefighters and also cannot take over Station 2 before the contract is over. He stated that they are hoping that through mediation the cities can come to an agreement on a common solution. He reflected that he is not trying to be pessimistic, but all the indications coming from Orono appear to be that they are not interested in a common solution or any kind of partnership with Long Lake.

Council member Joyce noted that she would hope the City would be in a position to provide at least a high level update to the public by sometime in October.

Council member Dyvik agreed and suspected that Long Lake would be able to communicate some information within a few weeks of mediation beginning; however, at this point they do not know if the mediation process will take one day, a few weeks, or longer.

BUSINESS ITEMS

Discussion of 2024 Preliminary Levy and Budget

City Administrator Weske presented an overview of the proposed 2024 Preliminary Levy and Budget. He reminded the Council that they have to approve the Preliminary Levy for certification by the end of September and set a Truth in Taxation hearing for early December. Final budget approval would occur towards the end of December. He indicated that the City, once again, will receive \$0 from Local Government Aid from the state. He also gave a recommendation that the Council consider approving a wage study after what has occurred economically over the last few years in order to achieve fair market salaries across the board for staff.

Mayor and Council asked questions and discussed the calculation and increase in Police Department budget numbers; wage adjustments; the status of the City's enterprise funds; the proposed levy; anticipated health insurance rate increases; status of the pavement management fund in relation to the pavement management plan; aging City building issues that may arise; conceptual park projects; hockey rink needs; Fire Department related expenses; LMCC building rental possibilities; Public Works vehicle issues; Public Works equipment needs; and capital improvement planning.

City Clerk Moeller reminded the Council that they could consider levying higher during adoption of the Preliminary Levy with the understanding the Council could reduce the levy at Final Levy adoption. By that time, staff and Council may have a better idea about the outcome of mediation and the effect of that on Fire Department financial planning. She clarified that the Council cannot increase the levy after the Preliminary Levy has been adopted, but can only maintain or reduce the proposed levy. Levying higher currently may offer the Council a bit of room to move, especially if the Fire Department obligations will be increasing upon the outcome of mediation.

Dyvik questioned what fund the legal fees were being paid out of for the Fire Department situation.

Weske replied that the legal fees are coming out of the General Fund, which meaning that the City would overspend their budgeted amount but would still have cash on hand.

The Council discussed the impact of the continued legal fees on the current budget cycle.

Weske noted that, in the end, the expense would come out of the City's savings accounts just like what occurs with the Sewer Fund because that is also overspent. He suggested that when looking at levy increases, the Council give consideration to replenishing spending on their recent purchases of fire equipment because 2026 and the end of the contract will come up fast.

Weske closed in summarizing that he had presented this information so the Council could review some of the numbers in preparation for taking action on the Preliminary Levy at their next meeting.

Moeller noted that that since there is no current need for the EDA to meet, she would suggest that the Council plan for a work session meeting during that designated time slot to hold another budget review meeting.

OTHER BUSINESS/WORK SESSION COUNCIL REPORTS

Wayzata Boulevard W Reconstruction, Phase 3 - Public Works Director Diercks reported that Phase 3 for the Wayzata Boulevard W Reconstruction Project will be initiated in 2024 and the preliminary estimate from Hennepin County is that they will be looking for \$100,000 from Long Lake for the City's portion of improvements. He had recently been informed that the City had already bonded for the work.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 6:28 pm.

Respectfully submitted,

Scott Weske
City Administrator