



**MINUTES
CITY COUNCIL MEETING
December 4, 2012**

CALL TO ORDER

The meeting was called to order at 6:36 pm.

Present: Mayor: Tim Hultmann; Council: Tom Skjaret, Donny Chillstrom, Brian Carpenter, and Liz Olson

Staff Present: City Administrator: Terrance Post; and City Clerk: Jeanette Moeller

Absent: None

PLEDGE OF ALLEGIANCE

Council member Brian Carpenter's daughter Emilia Carpenter led recital of the Pledge of Allegiance.

CITY OF LONG LAKE UPDATE

Mayor Hultmann reported that the opening of La Bamba Mexican Restaurant has again been delayed, this time due to a necessary business name change. He also highlighted fundraising efforts by the LLFD for the Firefighters Memorial, and by the Western Hennepin County Pioneers Association for the Pioneer Museum; encouraged support of local businesses whenever possible; and asked residents to help keep fire hydrants clear of snow during the winter season.

APPROVE AGENDA

*A motion was made by Carpenter, seconded by Chillstrom, to approve the Agenda as presented.
Ayes: all.*

PUBLIC MEETING TO DISCUSS PROPOSED 2013 BUDGET AND LEVY

Mayor Hultmann opened the public meeting at 6:40 pm.

Post reported that the purpose of this agenda item is to formally discuss the proposed 2013 budget and levy for services at an open meeting. At the regular meeting of September 4, 2012, the Council adopted a preliminary total 2013 General Fund Operating Budget and Debt Levy. The Preliminary Payable 2013 Levy represented an increase of \$15,708 or 1.56% from the adopted Payable 2012 Levy. Since the Council took that action, the following items may suggest a further 2013 Levy reduction. They include:

1. The City was advised by its health insurance carrier that, primarily due to positive 2012 claims experience and the current 20/80 deductible plan being replaced by a 25/75 plan, premiums would be decreasing approximately 6% in 2013. The preliminary budget assumption was a 3.0% increase. The General Fund levy impact is a reduction of approximately \$1,755.
2. The proposed 2013 Salary Pay Plan increase is at 2%. The Preliminary 2013 budget was derived using a 1% increase assumption. City salaries were frozen from 2009 through 2011, with a 1% increase occurring in 2012. The General Fund levy impact of a 2013 2.0% increase rather than the former 1.0% increase is \$2,807.

3. The previous 2013 preliminary General Fund assumed \$0 received in Local Government Aid (LGA). This assumption has been revised to assume that 50%, or \$13,500, will be received as 2013 General Fund revenue.

The net effect of these items is that staff is recommending a reduction in the proposed 2013 operating levy from the previous \$855,585 to \$842,751 which represents a 1.5% decrease from the 2012 operating levy. Coupled with the 2013 debt service levy, the total proposed payable 2013 levy is \$1,010,436. This amount represents \$7,326 or a 0.73% increase over the adopted 2012 levy of \$1,003,110.

Non-General Fund 2013 budget discussion items include:

- A proposed \$1,088,690 2013 Brimhall/Tamarack Avenues Street Improvement Project that will be primarily funded by utility capital funds, special assessments, a Met Council I&I grant, and the issuance of G.O. Improvement Bonds.
- Reduced prior year wastewater treatment flow causing 2013 Metropolitan Council treatment costs to decline and result in a recommendation to reduce 2013 sanitary sewer volume rates approximately 8.5%.
- Due to positive 2012 experience with the single sort residential curbside recycling program, staff recommends that the 2013 quarterly recycling fee be reduced from \$7.50 to \$6.80 which was the same fee charged in 2011 for the previous dual-sort recycling program.

A Long Lake resident rose and questioned why his property tax bill would be increasing by 6% for the coming year when the City's proposed levy would be increasing by less than 1%.

Council and staff reflected that this was likely a result of a change in valuation of the individual's property.

Mayor Hultmann closed the public meeting at 6:51 pm.

CONSENT AGENDA

The Consent Agenda consisted of:

- A. Approve Minutes of November 20, 2012 City Council Work Session
- B. Approve Minutes of November 20, 2012 City Council Meeting
- C. Approve Vendor Claims and Payroll
- D. Approve Addendum to Recording Secretary Service Agreement for 2013 Recording Secretary Services Between the City and TimeSaver Off Site Secretarial, Inc.
- E. Adopt Resolution No. 2012-35 Making a Selection Not to Waive the Statutory Tort Limits for 2013 Liability Insurance Purposes

A motion was made by Carpenter, seconded by Skjaret, 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

Approve 2013 Utility Rates for Inclusion in 2013 City Fee Schedule

Post stated that staff is recommending changes in utility rates for the year 2013. The sanitary sewer utility will be incurring substantially lower 2013 wastewater treatment charges from the Metropolitan Council Environmental Services Division (MCES) based upon the July 1, 2011 through

June 30, 2012 flow year. Fixed treatment costs will decrease by 26.6%, offsetting the \$51,605 or 29.8% increase encountered in 2012. Staff recommends reversing the rate increase put in effect in for 2012 and reducing the per 1,000 gallon usage rate from the current \$6.45 to \$5.90 for 2013.

Additionally, the new three-year single sort recycling contract with Waste Management began in 2012. While the base cost increased almost 30% compared to the previous dual-sort cost, the contract also allowed the City to participate in a Recycling Materials Offset (RMO) program. Participation in the recyclables market has generally been positive, with the base cost reduced by a factor of about 30% - although recent months have been trending in a break-even situation. Staff recommends reducing the quarterly fixed rate from the current \$7.50 in 2012 to \$6.80 in 2013. The \$6.80 quarterly rate was the one in effect in 2011 when only the dual sort recycling program was available.

Lastly, staff recommends no 2012 change in volume charge rates and only a modest 2.9% fixed rate increase (i.e. from \$3.84 to \$3.95 per quarter) for the water utility.

Post referred Council members to a handout presenting an example of the impact of utility rate changes proposed to average utility bills.

A motion was made by Carpenter, seconded by Chillstrom, to approve utility rates for inclusion in the 2013 City Fee Schedule to reflect water, sanitary sewer, storm water management, and recycling utility usage and base rates. Ayes: all.

Reschedule January 1, 2013 City Council Meeting to Wednesday, January 2, 2013

A motion was made by Chillstrom, seconded by Carpenter, to reschedule the January 1, 2013 City Council meeting to Wednesday, January 2, 2013. Ayes: all.

OTHER BUSINESS

Farewell Message – Council member Carpenter reflected on his time served on the City Council, expressed appreciation to his family, and encouraged the Council to continue to look strategically ahead to the future and think proactively. He also encouraged selling of the Virginia Avenue property as soon as possible; and emphasized keeping the lake in mind in the future as it is a great asset to the community. He thanked his fellow Council members and staff for the educational experience gained during his term. Council and staff members expressed their gratitude to Council member Carpenter for his service to the community and his team approach to the work of the Council.

Holiday Decorations – Council member Skjaret noted he was pleased to see the Public Works Department crew out installing holiday decorations for the year, and is glad the City is able to continue to do so each year.

Snowball Open – Council member Skjaret indicated the annual Orono Lions Club Snowball Open has been scheduled for Saturday, January 26.

Help to Neighbors – Council member Chillstrom encouraged residents to help neighbors clear snow if heavy snow falls.

Virginia Avenue Property – Council member Olson questioned the status of the Virginia Avenue property. Post advised that Hennepin County has engaged Wenck Associates to complete soil testing of the site. Council and staff discussed potential interests in development of the site, and whether an RFP process would be necessary for the sale of public property.

Strategic Planning Meeting – Post asked that Council members review their calendars and check their availability for having the annual Council Strategic Planning Meeting take place on a Saturday morning in January.

ADJOURN

A motion was made by Carpenter, seconded by Chillstrom, to adjourn the meeting. Ayes: all. The meeting was adjourned at 7:09 pm.

Respectfully submitted,

Jeanette Moeller
City Clerk