



**MINUTES
CITY COUNCIL MEETING
July 5, 2016**

CALL TO ORDER

The meeting was called to order at 6:27 pm.

Present: Mayor: Donny Chillstrom; Council: Kurt Kaminski, Marty Schneider, and Liz Olson

Staff Present: City Administrator: Scott Weske; Public Works Director: Jason Goehring; and City Clerk: Jeanette Moeller

Absent: Council: Jahn Dyvik (with prior notice)

PLEDGE OF ALLEGIANCE

LONG LAKE NEWS UPDATE AND WORK SESSION MEETING REVIEW

Mayor Chillstrom offered the following updates:

- In a work session prior to the regular meeting, the City Council reviewed the results of the City's 2015 financial audit with the City's auditors; discussed a potential bond issuance for the Watertown Road Improvement Project; and considered a possible wage increase for Public Works Department staff.

APPROVE AGENDA

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

CONSENT AGENDA

The Consent Agenda consisted of:

- A. Approve Minutes of June 21, 2016 City Council Meeting
- B. Receive Unofficial Draft Minutes of June 28, 2016 Park Board Meeting
- C. Approve Vendor Claims and Payroll
- D. Adopt Resolution No. 2016-25 Approving Issuance of Special Event Permit #S2016-05 for Orono Lions Carp Fishing Contest; Approve Issuance of Noise Variance Permit
- E. Adopt Resolution No. 2016-28 Accepting the Donation of a Vehicle From Marty Schneider to the Long Lake Fire Department for Use in Extrication Training

*A motion was made by Kaminski, seconded by Olson, to approve the Consent Agenda as presented.
Ayes: all.*

OPEN CORRESPONDENCE

No one appeared to address the City Council during Open Correspondence.

BUSINESS ITEMS

Receive 2015 Financial Audit Report

Andy Berg, Abdo Eick & Meyers, reported that the City had contracted with the Abdo Eick & Meyers (AEM) CPA firm to conduct an external audit of 2015 financial activities, render an opinion on the audit results, and prepare an assessment of the system of internal controls. He noted the completed AEM audit report includes a "clean opinion".

Mr. Berg provided the City Council with an overview of the audit management letter; and responded to staff and Council member questions regarding items within the audit with assistance from Administrator Weske. He highlighted sewer operations and indicated the Sewer Fund has higher disbursements than cash receipts, noting that a review of sewer rates may be advisable.

Council member Olson added that the public should be aware that sewer rates will likely need to increase in the nearby future.

Discuss Water Meter Replacement Program Options

Public Works Director Goehring presented pricing for different brands of technologies under consideration for implementation of an automated water meter reading system. Water meter replacement options include either replacing meter heads only with new technology, or replacing the full water meter apparatus including meter bodies and meter heads. Pricing for meter head versus full meter replacement using ITRON or Neptune equipment was reviewed.

Administrator Weske asked that the Council consider scheduling a Special Meeting to hear presentations and hold question/answer sessions with meter technology equipment vendors; and briefly discussed staff's perceived "pros and cons" of the ITRON and Neptune technologies in particular.

Council and staff discussed the future availability of Badger meter equipment currently in use by the City, fixed network capability for automated meter reading technology, and the pricing presented for the Council's review. Mayor Chillstrom emphasized that with regard to the City's current Badger meter technology, the meter heads only are no longer serviceable – the meter bodies are not a service concern.

Council members were in agreement that equipment vendors for the ITRON and Neptune technologies should be invited to present at a Special Meeting as the first step to moving the water meter replacement project forward. Members discussed their availability to attend a Special Meeting on Tuesday, July 12.

A motion was made by Kaminski, seconded by Schneider, to schedule a Special Meeting of the City Council for Tuesday, July 12, 2016 beginning at 5:30 pm to hear presentations and hold a question/answer session with vendors of ITRON and Neptune water meter technology. Ayes: all.

Discuss Terms and Consider Approval of Hennepin County Contract Agreements for Business District Initiative Grant and Playground Grant

Weske reported that Council member Schneider previously informed the City Council that Hennepin County had approved both a grant award for \$25,000 to be used for the replacement of existing playground equipment at Nelson Lakeside Park; and a grant award of \$46,000 through the Hennepin County Housing and Redevelopment Authority Business District Initiative Grant Program to be utilized to help support businesses through the upcoming three-year County Road 112 improvement project.

Following the Council's June 21, 2016 meeting, Council member Schneider provided staff with copies of the grant contracts that would require City Council approval in order for the City to be eligible to receive the grant funds awarded.

Staff is recommending City Council members review the attached grant contract documents and discuss the terms of the proposed contracts. Staff has prepared resolutions formally approving the respective grant contracts for consideration by the Council.

Weske highlighted some of the terms in both agreements. He noted that Hennepin County staff had clarified that a number of terms in the playground equipment in particular were designed to address park development projects rather than playground equipment replacements. The agreement document they use serves as a template for all their grant awards, and learning of the terms that conflict with smaller projects, it is likely the County will be revisiting their agreement form for future grant awards to contain language more accurately reflective of the specific project planned.

Council member Schneider clarified that the Business District Initiative Grant award funds would be controlled by both the EDA and Council. Funds would be utilized towards a combination of branding, marketing, signage and promotion of the business district through the reconstruction of County Road 112. All Long Lake businesses would be considered in these efforts, whether downtown or in the industrial park.

Weske added that funds could be allocated under an EDA "grants received" line item for monitoring and tracking. Expenses would be approved through both the EDA and City Council.

Council member Olson noted that the application submitted to the County had been specific about how funds would be spent and fund usage. She expressed disappointment that the Council was not included in any grant application discussions, nor had the Council received copies of the grant application and budget developed by member Schneider; and reflected that she had to contact the County to obtain a copy of the application and budget submitted on the City's behalf without the involvement of the Council. She stated that a copy of the application and budget proposed should have been provided for both Council and staff review prior to submittal; that a grant application on the City's behalf should not be submitted using a home address; emphasized that each Council member serves as only one of a body of five Council members; and requested consideration be given to the full Council of any efforts undertaken on the Council's behalf out of respect for the body of the City Council.

Council member Schneider indicated that moving forward, use of the grant would be verified and approved by the Council. He responded to Council member questions regarding the budget he had prepared and the four parameters he had identified in his application.

Mayor Chillstrom and Public Works Director Goehring also discussed the upcoming anticipated delivery of the new playground equipment for Nelson Lakeside Park.

A motion was made by Olson, seconded by Kaminski, to adopt Resolution No. 2016-26 approving the Business District Initiative Program Grant Agreement between the City and the Hennepin County Housing and Redevelopment Authority, and authorizing the Mayor and City Administrator to execute Contract No. A164907. Ayes: all.

A motion was made by Olson, seconded by Kaminski, to adopt Resolution No. 2016-27 approving the Grant Agreement for Playground Equipment at Nelson Lakeside Park between the City and Hennepin County, and authorizing the Mayor and City Administrator to execute Contract No. A165260. Ayes: all.

OTHER BUSINESS

City Wide Garage Sales – City Clerk Moeller notified the Council that about four or five residences had signed up to participate in the City Wide Garage Sale Days event thus far.

County Road 112 Phase 2 PAC Meetings – Weske noted that the schedule for County Road 112 Phase 2 Project Advisory Committee (PAC) meetings should be distributed soon, at which point he will share the schedule with the full Council.

Long Lake Waters Association – Council member Schneider recently attended the inaugural meeting of the citizen-initiated Long Lake Waters Association held on June 22. Approximately 10 community members were in attendance, as well as Jen Kader of the Freshwater Society. Any resident or community member interested in improving local water quality and learning more about better environmental practices is welcome to participate. The next meeting may be held in early August, and while no formal leadership has been established yet, some members from Orono have been taking more of an organizational lead at this time. Council member Schneider welcomed any interested parties to provide their contact information to either City Clerk Moeller or himself; and also mentioned publishing an introductory paragraph and contact information for the group on the City's website and other communication methods.

Crime at Bike Shop – Council member Kaminski questioned whether anyone had heard what had happened at the bike shop recently. Mayor Chillstrom mentioned multiple bike shops in the Twin Cities area had been robbed of late, but he has no other information.

Storm Safety – Mayor Chillstrom wished everyone a safe evening with the thunderstorm activity ongoing, and noted he had received multiple alerts of trees and power lines down, as well as a power outage on the south side of town.

ADJOURN

Hearing no objection, Mayor Chillstrom adjourned the meeting by general consent at 7:29 pm.

Respectfully submitted,

Jeanette Moeller
City Clerk