



**MINUTES  
CITY COUNCIL WORK SESSION  
July 5, 2016**

**CALL TO ORDER**

The work session meeting was called to order at 5:07 pm.

**Present:** Mayor: Donny Chillstrom; Council: Kurt Kaminski (arrived late to the meeting), Marty Schneider, and Liz Olson

**Staff Present:** City Administrator: Scott Weske

**Absent:** Council: Jahn Dyvik (with prior notice)

**APPROVE AGENDA**

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

**BUSINESS ITEMS**

**Discussion City Financials and 2015 Audit - ABDO, EICK & MEYERS, LLP**

The Council was walked through the 2015 Management Letter and Audit. The City of Long Lake contracted with the Abdo, Eick & Meyers LLP (AEM) CPA firm to conduct an external audit of 2015 financial activities, assist in the preparation of the financial statements in a GASB format, render an opinion on the audit results, and prepare an assessment of the system of internal controls.

AEM completed the audit fieldwork in April and an observations from the audit report include a "clean opinion". The year General Fund fund balance of \$739,746 (an increase of \$32,892 from 2014) that is above the recommended level (37%) compared to 2016 budgeted General Fund expenditures. Note: The 2016 budget reflects a fire truck replacement amount for \$545,000.

Water and Sanitary Sewer Utilities both incurring 2015 operating losses (\$31,181 and \$77,833 respectively) but Water posting net increases in cash and cash equivalents for the year due to depreciation being a noncash activity and Sewer losing \$47,073.

Aside from the general annual recurring small staff / segregation of duties point, the management letter identifies limited amount of staff increases errors and could be reduced if duties were delegated to more staff.

**Discussion of Bonding for Watertown Road Improvement Project - Ehlers & Associates**

Staff indicates the financing plan for the Watertown Road Improvement Project relies upon both internal and external funding sources, including a \$940,000 bond issuance. Formal Council approval is necessary in order to initiate the bond sale process. Council should note that the actual amount of bonds that will be issued may be reduced based upon the level of any prepaid special assessments.

Stacie Kvilvang for Ehlers and Associates explained the rates, payment schedule, and costs associated with the bond. It was expressed the Council needs to look at the utility rates as they aren't as strong as they should be.

Staff will be working on rates in the near future.

### **Discussion of Wage Adjustments**

In March, staff and a subcommittee interviewed candidates for the Public Works Director position.

Since there was going to be a lot of teaching and training from other staff to get the new Public Works Director up to speed, it was suggested a wage adjustment should be considered since the retiring Public Works Director time was limited and wasn't going to have much time to train.

Staff has been researching wages in the area and reviewed reports from the League of MN Cities Salary Surveys.

#### Public Works-Works

Orono-\$22.32/hour - \$27.62/hour

2014 Metro Average-\$28.08

2015 Metro Average-\$28.20

Current Long Lake wage-\$26.95

Staff recommends an increase of \$.50/hr to \$27.45 which is \$1,040.00 or 1.8%.

The 2 PW Worker's increase would result in around \$1,040.00 for the remaining 2016 fiscal year.

Mayor Chillstrom would like to see an increase of \$2.00 an hour. The rest of the board was concerned with that amount due to the ability to earn overtime and expecting the staff wanting another increase in January.

Staff will be researching wages including overtime to be presented to the council.

### **OTHER BUSINESS**

Council Member Kaminiski asked staff and council if anyone else has seen large increases in mosquitos. Since it has been so dry it was abnormal for so many but maybe the mosquito control did get to the area yet.

### **ADJOURN**

*Hearing no objection, Mayor Chillstrom adjourned the work session at 6:25 pm by general consent.*

Respectfully submitted,

Scott Weske, City Administrator