

*This opinion is nonprecedential except as provided by
Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A24-1206**

City of Long Lake,
Respondent,

vs.

City of Orono,
Appellant.

**Filed August 25, 2025
Affirmed in part and reversed in part
Johnson, Judge**

Hennepin County District Court
File No. 27-CV-23-9758

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Considered and decided by Johnson, Presiding Judge; Worke, Judge; and Smith,
Tracy M., Judge.

NONPRECEDENTIAL OPINION

JOHNSON, Judge

This appeal concerns a contract dispute between the City of Long Lake and the City
of Orono. For more than 20 years, the Long Lake Fire Department (LLFD) has provided

fire-protection services in both cities pursuant to contractual arrangements. In 2021, Orono notified Long Lake of its intent to terminate the contracts at the end of 2025 and establish its own fire department. Long Lake commenced this action to prevent Orono from taking actions that violated the parties' existing contractual relationship. Long Lake sought and obtained a temporary injunction that restrained Orono in various ways. Long Lake later requested and obtained an order finding Orono in contempt. We conclude that the district court did not err by issuing the temporary injunction. We also conclude that the district court did not err by finding Orono in contempt for certain actions but erred in part by finding Orono in contempt for certain other actions. Therefore, we affirm in part and reverse in part.

FACTS

In 2002, the cities of Orono, Long Lake, and Medina entered into a fire-protection contract in which the cities agreed that Long Lake would furnish all three cities with “firefighting services, rescue/medical-rescue services, and related fire-protection services.” Specifically, the contract requires Long Lake to “furnish sufficient staff to each [fire] call,” to “legally and effectively operate all necessary vehicles and equipment, and [to] provide all necessary services.” The contract assigns to Long Lake the responsibility of “managing the operation of the Long Lake Fire Department” and the “on-going operation and maintenance” of the Long Lake fire stations. The contracting cities agreed to share the costs related to the operation of the LLFD.

The LLFD operates out of two fire stations: station 1 and station 2. Long Lake and Orono each own half of station 1, the operations of which are governed by the parties’

contract for joint ownership, which was entered into in 2001. Under the joint-ownership contract, Long Lake is responsible for the operation and maintenance of station 1 and the land on which it is located. In contrast, Orono wholly owns station 2, the operations of which are governed by a 2011 addendum to the parties' fire-protection contract. Station 2 exists to allow LLFD to provide fire services to the Navarre area of Orono.

In April 2021, Orono served Long Lake with notices of termination of the fire-protection and joint-ownership contracts. As a consequence, both contracts are due to expire on December 31, 2025.

In September 2022, the Orono City Council passed a resolution establishing the Orono Fire Department (OFD). In October 2022, Orono purchased a fire-ladder truck, which the LLFD had expressed interest in purchasing. Orono also rejected a capital-improvement plan proposed by the LLFD in 2022. In December 2022, Orono hired the LLFD fire chief to be the fire chief of the OFD. In February 2023, Orono contacted legislators in an effort to transfer control of the LLFD firefighters' pensions to Orono in 2024. In May 2023, the new OFD chief published a needs assessment, which recommended, among other things, that Orono "assume control" of station 2 in 2024, "move the firefighters' pensions from Long Lake to Orono," and engage in conversations with other cities currently under contract with the LLFD to work with the OFD in the future. In June 2023, the Orono City Council adopted a resolution stating that Orono would assume "responsibility for the operation and maintenance of [station 2] no later than July 1, 2024," and Orono served Long Lake with notice of its intent to remove the Navarre area from the LLFD service area effective July 1, 2024.

In June 2023, Long Lake commenced this action against Orono. Long Lake's complaint asserts three claims: breach of contract, breach of the implied covenant of good faith and fair dealing, and tortious interference with contract. Long Lake promptly moved for a temporary injunction to enjoin Orono from "pursuing plans to take control of the fire stations and obstruct Long Lake's ability to meet its contractual obligations," recruiting LLFD firefighters to work for the OFD, competing for scarce resources, and violating its contractual obligations.

In July 2023, the district court granted Long Lake's motion and issued a temporary injunction. The district court enjoined Orono from "directly or indirectly committing any violation" of the parties' fire-protection and joint-ownership contracts. The injunction order specifically enjoins Orono from interfering with an existing fire-service contract between Long Lake and the Village of Minnetonka Beach, "recruiting Long Lake Fire Department firefighters to work for the Orono Fire Department, seeking a transfer of Long Lake Fire Department firefighters' pension funds," "interfering with the work of Long Lake Fire Department firefighters," and using or hindering the LLFD's use of station 1 and station 2.

In October 2023, Long Lake filed a motion for an order requiring Orono to show cause why it should not be held in contempt. Long Lake alleged that Orono had violated the temporary injunction by continuing to recruit and hire LLFD firefighters to join the OFD and by developing plans to build a new fire station adjacent to station 2. In November 2023, the district court filed an order in which it found Orono in constructive civil contempt for recruiting LLFD firefighters and for making plans to build a new fire station adjacent

to station 2. The district court also ordered that Orono would be required to pay a fine for each instance of future contact between Orono officials and LLFD firefighters for the purpose of recruitment or for any instance of future unilateral planning with respect to the fire stations. In March 2024, after an evidentiary hearing, the district court filed a second contempt order in which it found Orono in constructive civil contempt based on its continued recruitment and hiring of LLFD firefighters and its planned construction of a new fire station adjacent to station 2. The district court also fined Orono \$2,000 for recruiting and hiring LLFD firefighters.

Orono appeals and challenges both the issuance of the temporary injunction and the two contempt orders.

DECISION

I. Temporary Injunction

Orono argues that the district court erred by granting Long Lake's motion for a temporary injunction.

A district court may grant a temporary injunction “if by affidavit, deposition testimony, or oral testimony in court, it appears that sufficient grounds exist therefor.” Minn. R. Civ. P. 65.02(b). “Because a temporary injunction is granted before a trial on the merits, ‘a showing of irreparable harm is required to prevent undue hardship to the party against whom the injunction is issued, whose liability has not yet been determined.’” *DSCC v. Simon*, 950 N.W.2d 280, 286 (Minn. 2020) (quoting *Cherne Indus., Inc. v. Grounds & Assocs., Inc.*, 278 N.W.2d 81, 92 (Minn. 1979)). The existence of irreparable harm depends on five factors:

(1) The nature and background of the relationship between the parties preexisting the dispute giving rise to the request for relief.

(2) The harm to be suffered by plaintiff if the temporary restraint is denied as compared to that inflicted on defendant if the injunction issues pending trial.

(3) The likelihood that one party or the other will prevail on the merits when the fact situation is viewed in light of established precedents fixing the limits of equitable relief.

(4) The aspects of the fact situation, if any, which permit or require consideration of public policy expressed in the statutes, State and Federal.

(5) The administrative burdens involved in judicial supervision and enforcement of the temporary decree.

Id. at 286-87 (quoting *Dahlberg Bros., Inc. v. Ford Motor Co.*, 137 N.W.2d 314, 321-22 (Minn. 1965)); *see also First & First, LLC v. Chadco, LLC*, 999 N.W.2d 553, 557-58 (Minn. App. 2023), *rev. denied* (Minn. Feb. 20, 2024). The party seeking a temporary injunction bears the burden of demonstrating that injunctive relief is appropriate. *U.S. Bank, N.A. v. Angeion Corp.*, 615 N.W.2d 425, 434 (Minn. App. 2000), *rev. denied* (Minn. Oct. 25, 2000). An appellate court applies an abuse-of-discretion standard of review to a district court's issuance of a temporary injunction. *DSCC*, 950 N.W.2d at 286; *First & First*, 999 N.W.2d at 557.

In its principal brief, Orono challenges the district court’s analysis of four of the five *Dahlberg* factors and the district court’s conclusion that a temporary injunction is warranted.¹

A. Balance of Harms

Under the second *Dahlberg* factor, courts consider “[t]he harm to be suffered by plaintiff if the temporary restraint is denied as compared to that inflicted on defendant if the injunction issues pending trial.” *Dahlberg*, 137 N.W.2d at 321. “The party seeking injunctive relief bears the burden to establish such harm.” *First & First*, 999 N.W.2d at 559.

The district court found that Long Lake would be significantly harmed if Orono were to “set[] up its own fire department as soon as possible” because Orono’s actions would impair Long Lake’s ability to provide “lifesaving fire-protection and emergency medical services to local citizens,” which could have “devastating consequences” for the “lives and homes of those living in its service area.” The district court also found that Orono would not suffer substantial harm if a temporary injunction were ordered because the injunction merely would require Orono to comply with its existing contractual obligations.

¹Orono challenges the first *Dahlberg* factor only in its reply brief. An appellant must present all arguments for reversal in its principal brief and may not make an argument for reversal for the first time in a reply brief. *See, e.g., Moorhead Econ. Dev. Auth. v. Anda*, 789 N.W.2d 860, 887 (Minn. 2010). Accordingly, we will not consider Orono’s argument concerning the first *Dahlberg* factor.

Orono challenges both of these findings. Orono contends that Long Lake would not suffer irreparable harm because Orono “continuously expressed its intention to fulfill its obligations under the current contract” and that Orono would suffer substantial harm by being prohibited from preparing itself to provide fire-protection services to the Navarre area by July 2024. The district court considered and addressed both of these contentions. The district court rejected Orono’s claim that it had continuously expressed an intention to fulfill its contractual obligations based on the Orono City Council’s passage of a resolution stating that Orono would take over station 2 before the termination of the parties’ fire-protection contract. The district court also determined that Orono would not suffer substantial harm because “temporary injunctive relief crafted narrowly to preserve the parties’ existing relationship as contractual partners” would prohibit Orono only from taking actions that directly interfere with the contractual relationship. The record supports both findings.

Thus, the district court did not abuse its discretion in finding that the balance of harms favors the issuance of a temporary injunction.

B. Likelihood of Success on the Merits

The third *Dahlberg* factor is concerned with “[t]he likelihood that one party or the other will prevail on the merits.” *Dahlberg*, 137 N.W.2d at 321. “The bar for establishing likelihood of success on the merits is low.” *First & First*, 999 N.W.2d at 560. “[I]f a plaintiff makes even a doubtful showing as to the likelihood of prevailing on the merits, a district court may consider issuing a temporary injunction to preserve the *status quo* until

trial on the merits.” *Metropolitan Sports Facilities Comm’n v. Minnesota Twins P’ship*, 638 N.W.2d 214, 226 (Minn. App. 2002), *rev. denied* (Minn. Feb. 4, 2002).

In its complaint, Long Lake asserted three theories of relief: breach of contract, breach of the implied covenant of good faith and fair dealing, and tortious interference with contract. The district court analyzed Long Lake’s claims and determined that Long Lake had “established at least some likelihood of success on the merits of” its first two claims. The district court based this finding on Orono’s intention to take control of station 2 before the expiration of the fire-protection contract and its prior actions of hiring away the LLFD fire chief, recruiting LLFD firefighters, and seeking to transfer LLFD pensions to Orono. Given its findings concerning Long Lake’s first two claims, the district court refrained from analyzing Long Lake’s third claim.

On appeal, Orono challenges the district court’s findings regarding the likelihood of success on the merits. We begin by considering the district court’s findings concerning Long Lake’s claim of breach of the implied covenant of good faith and fair dealing. The covenant “requir[es] that one party not ‘unjustifiably hinder’ the other party’s performance of the contract.” *In re Hennepin Cnty. 1986 Recycling Bond Litig.*, 540 N.W.2d 494, 502 (Minn. 1995) (quoting *Zobel & Dahl Constr. v. Crotty*, 356 N.W.2d 42, 45 (Minn. 1984)). This court has defined “bad faith” to mean “a party’s refusal to fulfill some duty or contractual obligation based on an ulterior motive, not an honest mistake regarding one’s rights or duties” and has defined “good faith” to mean “that a person’s actions are done honestly, whether it be negligently or not.” *Central Specialties, Inc. v. Minnesota Dep’t of*

Transp., 5 N.W.3d 409, 415 (Minn. App. 2024) (quotations omitted), *rev. denied* (Minn. July 9, 2024).

The district court found that Orono arguably violated the implied covenant of good faith and fair dealing by hindering the LLFD's ability to provide fire-protection and emergency-medical services. Specifically, the district court found that Orono arguably breached the implied covenant when it purchased a fire-ladder truck that it had learned about through Long Lake's efforts, when it hired the LLFD's fire chief to serve as the fire chief of the OFD, when it lobbied legislators to transfer control of pension funds from Long Lake to Orono, and when it refused to approve the LLFD's capital-improvement budget. The district court found that these actions were arguably not in good faith because Orono engaged in the actions for an ulterior motive—the development of its own fire department.

Orono contends that it did not hinder the LLFD's performance on the ground that its potential breaches arose from discretionary decisions that are within its contractual rights. *See id.* at 418. But only one of the arguable breaches identified by the district court is, by contract, expressly a matter of discretion: Orono's refusal to approve the LLFD's capital-improvement budget. Orono does not dispute the district court's finding that the three other arguable breaches were based on an ulterior motive.

Thus, the district court did not abuse its discretion by finding that Long Lake has some likelihood of prevailing on the merits of its claim of breach of the implied covenant of good faith and fair dealing. In light of that conclusion, we need not consider the likelihood of Long Lake's success on its other claims.

C. Public-Policy Considerations

The fourth *Dahlberg* factor focuses on the public-policy considerations associated with a request for injunctive relief. *Dahlberg*, 137 N.W.2d at 321-22. The district court found that the public interest would be well served if the parties honor their contractual obligations so that the citizens of Long Lake and Orono continue to receive essential fire-protection services. Orono offers competing public-policy interests, namely, a municipality's right to set up its own fire department and Minnesota's prohibition on non-compete agreements. Given the district court's broad discretion, we conclude that the district court did not err by finding that this factor weighs in favor of injunctive relief.

D. Administrative Burdens

The fifth *Dahlberg* factor accounts for "the administrative burdens involved in judicial supervision and enforcement" of a temporary injunction. *Id.* at 322.

At the time of Long Lake's motion for a temporary injunction, neither party had identified any significant administrative burdens that would be associated with temporary injunctive relief. In its order, the district court stated that it was "not aware of any likely administrative burden" but that this "could change, depending upon how the parties deal with one another after the issuance of this order." We must review the district court's analysis of potential administrative burdens based on the circumstances that existed when the district court ruled on the motion. The district court did not abuse its discretion by finding that this factor weighs in favor of injunctive relief.

In sum, the district court properly considered the *Dahlberg* factors. Thus, we conclude that the district court did not abuse its discretion by granting Long Lake’s motion for temporary injunctive relief.²

II. Contempt

Orono also argues that the district court erred by finding it in civil constructive contempt for violating certain terms of the temporary injunction. We apply an abuse-of-discretion standard of review. *In re Welfare of J.B.*, 782 N.W.2d 535, 538 (Minn. 2010).

The district court issued two contempt orders. In November 2023, the district court found Orono in contempt for recruiting LLFD firefighters to work for the OFD and for taking steps to construct a building adjacent to station 2 without consulting with Long Lake. The district court ordered Orono to pay a fine for “each instance of any future contact for the purpose of recruitment . . . between any Orono City officials and any Long Lake firefighters” that violates the terms of the temporary-injunction order. In March 2024, the district court found that Orono had violated the temporary injunction by continuing to recruit firefighters from the LLFD after the first contempt order and by planning to construct a building adjacent to station 2 that would hinder the operations of the LLFD.

²We note that Orono argues in the alternative that the district court erred on the ground that the temporary injunction lacks specificity and improperly refers to the parties’ contracts. *See* Minn. R. Civ. P. 65.04. The temporary injunction provides a detailed list of the actions from which Orono is enjoined, such as not recruiting LLFD firefighters, not seeking to transfer LLFD’s firefighters’ pension funds, and not unilaterally using stations 1 and 2. The temporary injunction expressly incorporates the district court’s memorandum, which provides a detailed 28-page description of the types of actions that are prohibited. Orono’s alternative arguments concerning the July 2023 order are related to its arguments concerning the November 2023 and March 2024 contempt orders, which we consider below and for which we provide Orono some relief.

The district court also fined Orono \$2,000 for continuing to recruit Long Lake firefighters in violation of the temporary injunction.

A. Recruitment of LLFD Firefighters

Orono challenges the district court's initial finding of contempt for its recruitment of LLFD firefighters and the subsequent imposition of a fine for hiring two LLFD firefighters.

Orono first contends that the temporary injunction did not clearly define what constitutes recruitment and, thus, did not provide adequate notice that its decision to invite LLFD firefighters to a recruiting event would violate the injunction. *See Hopp v. Hopp*, 156 N.W.2d 212, 216 (Minn. 1968).

The relevant portion of the order states, "The City of Orono is temporarily enjoined from recruiting Long Lake firefighters to begin working for the Orono Fire Department" The district court applied this language to the OFD chief's invitation to LLFD firefighters to attend a recruiting event and concluded that his action violated the injunction's prohibition on recruitment. The district court's interpretation of the injunction is consistent with the plain meaning of the word "recruitment," which is to "seek to hire or enroll." *The American Heritage Dictionary of the English Language* 1471 (5th ed. 2018). By inviting LLFD firefighters to an OFD recruitment event, Orono plainly sought to persuade LLFD firefighters to work for the OFD. Thus, the temporary injunction defined with sufficient clarity the prohibited acts.

Orono also contends that the district court erred by imposing a fine for the OFD's offer to waive the physical- and psychological-examination requirements for LLFD

firefighters who wished to join the OFD. Specifically, Orono contends that it was not given notice that its waiver policy would constitute a violation of the temporary injunction and, thus, it had no opportunity to avoid or purge the finding of contempt.

The November 2023 contempt order prospectively provided that Orono would be required to “pay a fine of \$2,000 for each instance of any future contact for the purpose of recruitment . . . between any Orono City officials and any Long Lake firefighters” that violated the injunction. In its March 2024 order, the district court found that Orono’s waiver policy is “a recruitment tool aimed directly at LLFD firefighters.” The district court imposed a fine of \$1,000 for each LLFD firefighter hired by the OFD, for a total of \$2,000. The district court did not abuse its discretion by ordering Orono to pay a \$2,000 fine for Orono’s recruitment of two LLFD firefighters to the OFD under this waiver policy.

B. Station 2

Orono also challenges the district court’s finding that it violated the temporary injunction’s prohibition on “using” station 2 without Long Lake’s prior approval. The relevant portion of the temporary injunction states, “The City of Orono is temporarily enjoined from using . . . fire station 1 and fire station 2 . . . except to the extent the City of Long Lake agrees to such use.” Orono asserts that this prohibition on the “use” of the fire stations does not expressly prohibit it from making plans to construct a building adjacent to station 2.

A district court must provide a “clear definition of the acts” that are prohibited before holding an entity in civil contempt. *See Hopp*, 156 N.W.2d at 216. In this case, the district court found that Orono’s unilateral planning activities, including walking the

property where station 2 is located and meeting with an architect to develop plans for constructing a separate but adjacent building near station 2, constituted a violation of both the “use” provision in the temporary injunction and a provision in the parties’ fire protection contract that gives Long Lake “full authority” over station 2.

The district court’s findings on this issue are inconsistent with the plain meaning of the word “use.” The evidence shows that Orono is the sole owner of the land on which station 2 is located and of station 2 itself. Nothing in the temporary injunction prohibited Orono from using property other than station 2. In addition, Orono’s mere planning for the possible future construction of a building on Orono’s land surrounding station 2 is not a present “use” of station 2. Thus, the district court erred by finding Orono in contempt for its planning activities related to a possible future building on Orono’s land surrounding station 2.

In sum, we affirm the district court’s issuance of a temporary injunction in July 2023. We affirm the district court’s contempt finding for Orono’s recruitment of LLFD firefighters, including the imposition of a \$2,000 fine. We reverse the district court’s contempt finding for Orono’s planning activities related to a possible future building on Orono’s land adjacent to station 2. Therefore, we strike paragraph 4 of the March 2024 contempt order.

Affirmed in part and reversed in part.