

## MINUTES OF THE REGULAR COUNCIL MEETING

August 7, 2013

The Council Meeting was called to order at 7:01 by Mayor John Schaaf at the Community Meeting Room, 100 Village Center Drive, Suite 150, City of North Oaks, Minnesota. Present were Council Members Bruce Ackerman, Mike Egelston, Marty Long, Gregg Nelson and Mayor John Schaaf. Also present were City Administrator Melinda Coleman, City Attorney David Magnuson, Recording Secretary Linda Hanson and Videographer Kevin Scattum.

### Pledge of Allegiance

### Approval of Agenda

The Mayor updated the Council on the additions to the agenda.

**Council Member Gregg Nelson moved to approve the Agenda. The motion was seconded by Council Member Marty Long and passed unanimously.**

Outgoing City Administrator Melinda Coleman was asked to introduce new Interim City Administrator Mike Robertson. Ms. Coleman stated that Mr. Robertson comes with a long background in local government having worked for the cities of Otsego, Oak Park Heights, Isanti and Prescott, Wisconsin. She has known him both personally and professionally and feels he will do a good job for the City of North Oaks.

Mike Robertson expressed his excitement about working with North Oaks.

### Citizen Comments

Dale Powers, Executive Director of NOHOA, came to the podium and stated that he has known Mr. Robertson for over a decade and that this is a good choice for North Oaks. He also wanted to set the record straight on a comment made in an article in the North Oaks News. The article stated that NOHOA approves developments in North Oaks. Mr. Powers explained that this is not true as this is done by the City, not NOHOA.

### Consent Agenda

1. Minutes of the 6-13-13 and 7-11-13 Regular Council Meetings for approval
2. Minutes of the 7-2-13 Natural Resource Commission Meeting for approval
3. Licenses for Approval:  
**Mechanical Contractors:** Hoffman Refrigeration & Heating; S & B Geothermal, Inc.  
**Arborists: Sewer/Water Installation**
4. One Day Liquor License- Hill Farm Historical Society with Fee Waived
5. Rapp Farm Phases II-III-IV- Addendum 3
6. Claims for Approval: Check numbers 010590-010618

**Council Member Marty Long made the motion to approve the Consent Agenda and Council Member Mike Egelston seconded the motion. Council Member Bruce Ackerman had a question about water fees listed. City Administrator Coleman**

**explained that this was a pass through fee for water and sewer hook ups that go to the Metropolitan Council. The motion carried unanimously.**

### **Petitions, Requests, & Communications**

None

### **Unfinished Business**

None

### **New Business**

#### **1. Cable Franchise Extension- Resolution #1272**

City Administrator Coleman stated that the North Suburban Cable Commission was seeking approval to extend the contract with Comcast to November 23, 2014. Comcast is in agreement with this extension. The Commission will continue to negotiate the renewal of the Cable Franchise during this extended time.

**Council Member Ackerman made the motion to approve Resolution 1272 to extend the contract with a second made by Council Member Egelston. The motion carried unanimously.**

#### **2. Joint Powers Agreement with Ramsey County for New Voting System and Operation**

City Administrator Coleman explained that Ramsey County will be bidding for new voting equipment in November 2013 to prepare for the 2014 election. The current equipment is 13 years old and needs replacement. At this time, the final cost of the equipment and maintenance costs are not known. They are projecting that the equipment will cost the City \$18,000 and the maintenance will be \$1,600. Ramsey County is willing to accept payments for the equipment over a 14 year span. Ms. Coleman explained that there are positives and negatives to this term length, but this could be decided at a later time. The City Staff recommended that the Council approve this agreement.

**Council Member Egelston made a motion, seconded by Council Member Nelson to approve the Joint Powers Agreement with Ramsey County. Council Member Ackerman asked if this was a mandatory item. Ms. Coleman explained that at this time it was not, but that Ramsey County would not be happy if the City did not replace its equipment. She stated that the cost is determined by the number of precincts in the City and is a fair price. Council Member Egelston stated that at the last two elections there were problems with the machines and believed it was time to replace them. The motion carried unanimously.**

#### **3. Request from NOHOA to place movable signs on West Pleasant Lake Road**

Dale Powers, working with Jerry Hinderman the road liaison on the NOHOA Board, requested approval to place movable signs at the West Recreation area. He stated that when events are taking place the crosswalks get very busy. To make the area safer, he

is asking to use narrow movable signs that tell motorists to stop when someone is in the crosswalk. These signs would only be used when events are taking place and would be the responsibility of the event holders to place and remove the signs. NOHOA will purchase the signs.

**Council Member Ackerman made the motion to approve the use of crosswalk signs and it was seconded by Council Member Long. Mayor Schaaf also recommended that Ramsey County do a speed study for this area to help with safety. The motion passed unanimously.**

#### **4. Set 2014 Preliminary Tax Levy- Resolution #1273**

City Administrator Coleman presented Resolution 1273 to set the preliminary tax levy collectible in 2014. This must be set by September 15, 2013. The State legislature passed a law capping any increase at 3%. Ms. Coleman suggested that the levy be set with this 3% increase as a starting point. The levy would amount to \$1,291, 062. The levy could be reduced as the budget is fine tuned.

**Council Member Egelston made the motion, seconded by Council Member Ackerman, to approve Resolution 1273. Motion passed unanimously.**

#### **5. Review Proposed 2014 Budget**

The budget is close to complete using a tax levy increase of 3%. Ms. Coleman stated that she recently met with Peterson Trash & Recycling to discuss the Recycling Contract and it appears there will be a 3% increase. This is due to an increase in waste management costs and 29 new homes coming on to the tax rolls. However, this cost increase is paid by the homeowners in their recycling assessment as part of their taxes. In addition, Ms. Coleman projected that the building permit revenue will be slightly higher next year due to the amount of building taking place in North Oaks.

On the expenditure side, the biggest increase is from the Ramsey County Sheriff for police services. Most of the increase is due to Ramsey County now accounting for their future retirement benefits by department and requiring each department to budget for these costs yearly. Previously these costs had been paid from central county funds. The Lake Johanna Fire Department is finalizing their budget which also could have an impact on the City. Public safety is 65-70% of the City's Budget. The City will also see a State mandated increase to PERA and there is a proposed 2% increase in the budget for salaries. The auditor costs are not known at this time as the City may consider another company for this service. The Version 3 budget also includes a \$5,000 contingency fund. This has been used in the past to make up for properties that do not pay their taxes.

Council Member Egelston had a question about the increase in the budgeted cost for the City Attorney. Ms. Coleman explained that she was building in a cushion for negotiations with City Attorney Magnuson and for any unexpected expenses that may come up. Mr. Magnuson's current contract is \$55,000. Mr. Egelston also questioned

another increase which was for the City Planner. Ms. Coleman explained that in the past she was able to play that role, but the new City Administrator may not have that ability.

Council Member Ackerman stated that he is concerned about the increases. He said that police costs have gone up \$50,000 over two years and CSO costs have gone up almost 10% this past year. The Fire Department is also going up. He believes costs should be maintained at a 3% increase since this is what the City must follow. The Mayor explained that the Budget is not finalized yet and the CSO costs are a work in progress. On the positive side, the fire capital cost has gone down for next year.

City Administrator Coleman mentioned that the City agreed to a five year plan to bring fire department staffing closer to full time. This plan has now been pushed out to a seven year plan. She also stated that the County change to fund retirees' costs by department creates a very large increase for the City and she has asked the Ramsey County Finance Director to come out to discuss this with the City. Currently, this increase is out of the City's control. Ms. Coleman has also asked the Under Sheriff to look at the CSO position to see if costs can be reduced.

Council Member Nelson agreed with Mr. Ackerman that these increases are a concern but noted that the City has very little leverage. Mayor Schaaf stated that a number of homes have been constructed that will hit the tax roll in 2014 which will help. Council Member Ackerman said that he is concerned that the City will be faced with constant increases because of public safety. Mayor Schaaf mentioned that the Lake Johanna Fire Department did receive a \$400,000 grant to purchase air packs which provided savings to the City.

**6. Set date for the Truth in Taxation Meeting.**

City Administrator Coleman suggested that the Truth in Taxation take place in December on the same night as the regular City Council meeting.

**Council Member Long made the motion to set the Truth in Taxation meeting on December 9<sup>th</sup>, 2013 at 6:00 PM with the Council Meeting at 7:00 PM. Council Member Nelson seconded the motion and it passed unanimously.**

**7. Contract with Interim City Administrator**

Mayor Schaaf described the process by which the City reviewed applicants. He noted that Mr. Robertson was the first choice and that he accepted the position. An agreement was drafted with Mr. Robertson by City Attorney Dave Magnuson. This is a temporary three month agreement beginning August 8, 2013. It can be terminated by either party with a 15 day notice. Mr. Robertson is a W9 independent contractor and not an employee of the City. He is deemed an officer of the City for liability purposes and will have access to emails, computers, and financial records. He is required to safeguard all records and files. He will be reimbursed fifty dollars an hour plus expenses, with any expenses over \$100 needing prior approval.

The Finance Committee recommended that the City Council approve this contract. Council Member Ackerman asked about the number of hours he will work. Council Member Nelson stated it would be a 40 hour work week or a full time position. The hours would be somewhat flexible considering the number of meetings he will be asked to attend in the early morning or evening hours.

**Council Member Nelson made the motion, seconded by Council Member Ackerman to approve the contract with Mr. Robertson. Motion passed unanimously.**

### **Council Member Reports**

#### **1. Council Member Mike Egelston-NOHOA**

Council Member Long attended the NOHOA meeting as Mr. Egelston was out of town. The meeting was also attended by five members and the Mayor. A report was made by Joan Brainerd who worked with about 50 residents to give options for park use but no action was taken at this meeting on the suggestions.

#### **2. Council Member Bruce Ackerman-VLAWMO**

No report

#### **3. Council Member Marty Long-Planning Commission**

The July Planning Commission Meeting was cancelled.

#### **NRC**

The meeting was rescheduled for August 20<sup>th</sup>, 2013.

#### **4. Council Member Gregg Nelson-Lake Johanna Fire Department**

Council Member Nelson attended the LJFD meeting which was primarily a budget meeting. The Finance Committee has plugged in the costs into the City Budget.

#### **5. Mayor John Schaaf's Report**

Mayor Schaaf wanted to thank residents that hosted the Night to Unite. Vicki Eichens, Kathy Laur, Barb Zeller, Pat & Tony Spraitz, Joy Burdick and Paul & Connie Dickson hosted parties and he was able to attend four of the events before the weather changed for the worse. The Finance Committee will continue to meet through November to finalize the Budget. The Mayor will work with the new Interim City Administrator to help him settle in.

### **Administrative Report**

#### **1. 2013 Planned Budget vs. 2013 Actual Expenditures**

No major changes since last month were reported. The City has now received most of the tax payments due from Ramsey County. Deputy Clerk Marty and City Administrator Robertson will be meeting with Sue Iverson to learn how to best report the accounting

for Lake Gilfillan. The City has exceeded estimated revenue for licenses and permits mainly due to the Rapp Farm Development. On the expense side, the City is a little lower than budgeted mainly due to a payment to the Lake Johanna Fire Department. They are paid in full for the year at this time.

Council Member Long asked about line item 18 which was for escrow for pool fences. This is for those who put in a pool. Money is collected up front and held by the City until the fence is completed. Once this is done, the money is returned to the homeowner. This is the procedure according to the recently passed Ordinance.

## **2. Consideration of RFP for Auditor Services for budget year 2013**

Recently, the City Auditor Abdo, Eick & Meyers submitted a proposed increase of \$4,000 for the 2014 audit. They stated the reasons were based on increases in auditing standards and increased project activities. Ms. Coleman stated that she believed this was too large of an increase and suggested to the Council that they send out a Request for Proposals to consider other accounting firms.

**Council Member Long made a motion to direct Interim City Administrator Robertson to start the RFP process for auditing services. The motion was seconded by Council Member Nelson and passed unanimously.**

## **3. Pleasant Lake Aeration Project**

Work has begun on this project and there will be a lot of activity on the Lake with boats and divers. Construction should continue through September. The Mayor suggested that Mr. Powers send out an email blast to homeowners.

## **City Attorney Reports**

No report at this time.

## **Melinda Coleman's Farewell**

At the end of the meeting, Mayor Schaaf wanted to say farewell to Melinda Coleman and reflect on some of her accomplishments. He started with one of her first assignments which was to form an ad hoc facilities committee with NOHOA and residents to relocate the City and NOHOA offices. The Community Meeting Room was also negotiated at this time. Ms. Coleman worked tirelessly on the Rapp Farm and especially Charley Lake Preserves Development which may not have been a reality without her efforts. She worked on the St. Paul Regional Oxygenation Project to help clean up Pleasant Lake. In the years to come, over a half million will benefit from cleaner water because of this project. She spent hours working on training with City Staff to deliver a higher level of service to the City of North Oaks. She showed leadership in the Ramsey County Sheriff's Contract City Management

group and the Lake Johanna Fire Department both helping to protect North Oaks citizens. The Mayor expressed gratitude for her budgetary management keeping the City in a strong financial position. She worked on the Lake Gilfillan project and created strong work relationships with residents as she managed this project. She worked on maintaining the quality of life for North Oaks residents and was a strong supporter of the Natural Resources Commission. She provided legal support which led to a successful legal challenge heard by the MN Supreme Court to uphold the City Ordinances. Through the 4 ½ years she has maintained her integrity, honesty and desire for fairness and the Mayor wished her well at her new position at the City of Maplewood. He closed with stating that Ms. Coleman was not a participant, but a contributor and he thanked her for her work. The Council presented her a framed map of the City.

Council Members wished Ms. Coleman well and thanked her for her service and professionalism.

Bob Scholz, 5919 Centerville Road, also thanked Ms. Coleman and also mentioned her strengths working with volunteers. He wished her success in her new position.

Renee Michalow, 17 South Long Lake Trail, NOHOA Vice President and Dale Powers, Executive Director of NOHOA also wished her well and recognized her professionalism and help she gave to NOHOA.

Melinda thanked everyone for their comments and said she would miss working with everyone.

**Miscellaneous**

**Next Regularly Scheduled Planning Commission Meeting August 29th, 2013 @ 7:00 pm in the Community Meeting Room**

**Next Natural Resource Commission Meeting August 20th, 2013 @ 7:00 pm in the Community Meeting Room**

**Next Regularly Scheduled Council Meeting September 12<sup>th</sup>, 2013 @ 7:00 pm in the Community Meeting Room**

**Adjournment**

**On motion duly made by Council Member Nelson, seconded by Council Member Egelston and carried unanimously, the meeting was adjourned at 8:15 pm.**

Attest:

Respectfully Submitted

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Mayor John Schaaf

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Linda M. Hanson  
Recording Secretary