

MINUTES OF THE REGULAR COUNCIL MEETING

October 13, 2011

The Council meeting was called to order by Mayor John Schaaf at 7:03 pm. at the Community Meeting Room, 100 Village Center Drive, Suite 150, City of North Oaks, Minnesota. Present were Council Members Gregg Nelson, Marty Long, Bruce Ackerman., Tim Dunleavy and Mayor John Schaaf. Also present were City Administrator Melinda Coleman, City Attorney Dave Magnuson, Recording Secretary Linda Hanson, and Videographer Mary Guy.

Pledge of Allegiance

Approval of Agenda: The Mayor pointed out an addition to the agenda and City Administrator Melinda Coleman pointed out that there was a corrected version of the minutes. Council Member Long moved to approve the agenda. The motion was seconded by Council member Dunleavy and passed unanimously.

Citizen Comments

Resident George Rux, 5 Shadow Lane, addressed the Council stating he had comments about Operation Clearview. The Mayor pointed out that it was on the agenda and that he would have time to speak later in the meeting.

Consent Agenda

1. Minutes of the Regular Council Meeting September 8th, 2011 for approval
2. Planning Commission Minutes (no meeting in September)
3. Licenses for Approval:
 - Mechanical Contractors:** Binder Heating & Air Conditioning, Inc., TLT Enterprises, Inc.
 - Plumbing & Heating:** Pronto Heating & Air Conditioning
 - General Contractors:** Paragon Pools
 - Arborists:** Living Water Tree Service
4. Claims for Approval: Check #9719-9756
5. Administrative Variance 11-12, 4 Chickadee Lane

Council Member Ackerman made a motion to approve the Consent Agenda and Council Member Long seconded it. It passed unanimously

Petitions, Requests & Communications

None

Unfinished Business

None

New Business

1. Update on LGWA Project: Project Engineer, Don Lutch

Donald Lutch, Senior Technical Specialist at SEH, gave the Council an update on the LGWA project. Things are going well other than the mud created during the last rain. Work on Highway 96 was on the home stretch and expected to be done by Oct. 17. The Golf Course management seems pleased with the project as there has not been too much of a disruption.

Much of the remaining equipment is being manufactured and should arrive early November. Ground water has created the greatest challenge, but the project is moving along and should be completed by mid-November.

Council Member Gregg Nelson questioned a muddy spot near Robb Farm. Mr. Lutch explained that this was used to temporarily place dirt and water until a larger truck could pick up the debris. This was done on a regular basis. The generator for this project will only run as needed once the pipe is in place. It has been running much more due to the water table and the need to dewater the trench to put the pipe in place.

The system will be tested in November but depending on the weather may or may not be turned on this fall as ice crystals can damage the system.

The Mayor stated that he visited the construction site regularly. He was surprised to see the amount of zebra mussels found in the plug and Mr. Lutch explained that this was why filtration for the system is critical.

The Mayor asked Mr. Lutch to return to the November Council meeting to give an update.

Council Member Reports

1. **Tim Dunleavy**

Finance Committee

Council Member Dunleavy has attended two budget meetings and stated that further details would be given later in the meeting.

Lake Johanna Fire Board

Mr. Dunleavy also attended the Oct 5th meeting of the Lake Johanna Fire Board. Budgets and future expenditures including truck purchases were discussed. The Board also mentioned that there had been some larger property losses recently.

2. **Bruce Ackerman**

NOHOA –

Council Member Ackerman attended the last NOHOA meeting. At the meeting a discussion took place about establishing a finance committee and a construction

committee for the West Rec Center. The finance committee would be looking at ways to finance the center. They are hoping most of the funding would come from charitable donations, but some additional funding may be needed for the building as well as things like updating the roads.

A discussion continued on defining the role of the City and the Homeowners Association regarding Operation Clearview. Some on the Board felt that some of the statutes were unnecessary. Further discussions will be taking place.

3. Marty Long

VLAWMO-

Council Member Long attended the quarterly meeting of VLAWMO. They have hired an Educational Outreach person so this organization now has 2.5 employees. This allows the staff to focus more on projects and grants. The budget has money to fund this staff addition.

NRC

The NRC chairman, Stan Hokanson, was introduced. There are seven members on this committee who have met every month since last February. They have three areas of focus at this time: the natural forest, the waters, lakes and wetlands and the urban wildlife.

On Oct 6th Dr. Gary Johnson, urban forestry professor from the University of MN came in to discuss the City forests (his presentation is on the website). He stated that the first thing needed is to manage pests. The City has done well with managing Oak wilt and Dutch Elm disease. But now we have to deal with Emerald Ash Borer. It will be a fast acting infestation that will affect a number of trees quickly and the City will end up with a lot of dead trees.

Once the trees are gone, the Council may want to come up with a plan to replace these trees and manage the remaining trees as well. Seven percent of our trees are ash.

Dr. Johnson suggested the Council look into hiring a consultant to help us come up with a long term management plan for our City forests. If the Council decides this is a good idea, a RFP would be sent out and applications would be taken before choosing the best consultant. S & S does a good job of managing our forests now, but we may want further advice for a long term plan.

The Mayor, based on the recommendation of Dr. Johnson, reminded the Council of the importance of replanting different families and species of trees to keep up with the foreign diseases and pests that continue to invade our forests.

The City does have good species diversity now but will want to continue to maintain a healthy forest especially with new diseases and pests developing.

Council Member Ackerman asked if the Emerald Ash Borer is worse than the oak and elm problems the City has had in the past. Mr. Hokanson said it is equivalent to the destruction done by Dutch Elm disease and that when these trees die other things will grow in their place like buckthorn and mustard garlic. Taking actions to avoid this is in the best interest of the city. Mr. Ackerman agreed that City needs to be proactive in the case of EAB but said the City did fight Dutch Elm disease and oak wilt without the need for multiple layers of consultants. Mr. Hokanson did not live in North Oaks then, but he did state that the plan for oak wilt was successful and was considered a model in the nation.

Mr. Hokanson is an associate professor at the U of M in the Department of Horticultural Sciences. He is a woody landscape plant breeder/geneticist.

**4. Gregg Nelson:
Planning Commission**

They did not meet in September, but will meet in October.

Mayor John Schaaf

The City hosted the Ramsey County League of Local Government in September and discussed the agenda for the annual meeting. Members of the Metropolitan Council will be asked to attend a future meeting. At the meeting, they also had a speaker present on how to deal with difficult people. The room was full with people from sister cities including St. Paul for the 2.5 hour training session.

Regarding the LGWA project, the Mayor signed off on the notes to pay for incoming bills on this project.

Finance Committee and City Council Member Ackerman have been looking at the budget and further discussion will take place later in the meeting.

Tom Zimmer, who represents the Home of the Good Shepherd, has solicited potential developers for this property. Mr. Zimmer is expected to visit with the City in the near future. The Sisters have vacated the property, but the Mounds View Schools and the Volunteers of America have a contract until June 30th of 2012. After that, it is expected that the property will be available for redevelopment. Asbestos is in the building and the Mayor suggested that the City may want to look into a grant from the State to remove this material.

Council Member Dunleavy made the motion and Council Member Nelson seconded it to investigate this grant program. The motion passed unanimously.

Three members of the St. Paul Regional Water Authority, Mayor Schaaf, President of NOHOA Mark Azman, and the City Administrator met to discuss putting in an oxygenation system in Pleasant Lake. It was agreed to convene a committee (with members from the Council, NOHOA, Planning Commission, VLAWMO, NCR and residents on the lake), to report back to the Council from now to early next year to look at what should be done. The meetings will be open to the public.

A similar oxygenation system has been installed in Lake Vadnais this year. This creates an opportunity for North Oaks because we can study how it works and sounds especially in the winter with frozen water conditions. St. Paul Regional Water is in early design stage of the North Oaks plans, so now is a good time to study this project. Also, funding has not yet been set aside for this project by the Regional Water Authority, so it is unknown if the project will take place in 2012 or 2013.

A motion was made to create a committee plan and calendar for this project by Council Member Gregg Nelson with the understanding that the City Attorney clarify what rights and responsibilities, the City has, regarding this relationship with the St. Paul Regional Water Authority, and Marty Long seconded it. It passed unanimously.

The purpose of the committee will be to evaluate the design aspects of the oxygenation project. It was agreed that the committee should be kept to a reasonable size. Council Members Nelson and Ackerman both expressed an interest in being on this committee.

Council Member Long asked who owned the land where the pump house now sits. The St. Paul Water Authority owns both the land and building and will make the final decision on what will happen on this property. They are sensitive to the community concerns. Mr. Long expressed how agreeable they have been to work with the City. Council Member Ackerman also acknowledged how agreeable they were back in the 1990's when the pump house was first built.

Administrator Report

1. 2012 Preliminary Budget Review

City Administrator Coleman presented the 5.3 Version of the Preliminary Budget for 2012. Mainly because of increases in public safety and a recycling assessment, the budget includes a 2.4% increase in the property tax levy and a 3.4% overall increase over the 2011 budget. The Truth in Taxation public hearing will take place on November 28th at 7 pm and resident input is welcome. The final budget adoption is set for December 8th.

The proposed property tax levy is \$1,220,270. Additional revenue will come from NOHOA rent and expense reimbursement, a recycling assessment, and a transfer from the Fire Fund into the budget for capital expenses. Tax and assessments come to \$1,360,234. Licenses, permits and fees are an additional \$491,809 for a total operating fund budget of \$1,852,043.

On the expense side, the office rent increases due to a full year rent on the Community Meeting Room, and the public safety budget increases mainly due to the purchase of a

new fire truck. Public safety is 48% of the total budget. Most expenses have been held to 2011 or slightly higher levels.

The total expenditures are expected to be \$1,744,690, but this does not include the fire truck capital expenditures. It is a 2.6% increase over the 2011 budget.

When making the final budget, the following items need to be considered: looking at reserve funds from the building and fire funds to identify if there is enough in each for long range plans, balancing the budget in the future by reducing services or programs or considering fee increases, and funding capital for the Lake Johanna Fire Department.

North Oaks share of the Lake Johanna Fire Department budget is \$250,545 over the next three years. Currently there is \$116,255 in the Fire Fund budget (with much of this going for the new fire truck) and an additional \$38,750 will be added to this budget each year over the next three years. Additional money may come from the General Fund or the Reserves in the Building Fund. The proposal is to budget \$18,750 to come from the General Fund (in 2013 and 2014) and \$20,000 a year from the Building Fund. Only \$12,490 can come from the current budget (2012). Approximately \$6000 will need to be added to this amount and could come from the Building Fund or from additional fees or by reducing services.

Council Member Long questioned our costs for police and fire protection. Ms. Coleman explained that the police contract serves as a model for other cities. She agreed to look into the cost of fire protection for each household as it compares to other cities.

Public Safety for the 2012 Budget amounts to \$880,082 or an average of \$503 per household. This supports the Lake Johanna Fire Department, the Ramsey County Sheriff, the Community Service Officer, and Dispatch 911 for the year.

The impact of the proposed levy amounts to \$697 per average household with \$503 of that for Public Safety (72% of the budget). That leaves only \$194 or 28% of the budget for all other programs and services. The city portion of taxes amounts to \$294 for a \$330,000 home, \$650 for a \$670,000 home and \$943 for a \$925,000 home.

Work will continue on the budget for finalization hopefully on December 8th, 2011. We still can consider increasing fees, cutting programs or keeping the budget as is. Also, the Council needs to consider building capital funds for the LJFD for the future. The hope of the Council is to keep from increasing fees at this time. Also, work will continue on funding capital expenses.

2. 2011 Budget vs. Actual

City Administrator Coleman went over the Budget vs. Actual statements. It appears that the City is not fully funded, but the City is waiting for the Ramsey County payments from property taxes which come in mid-November. At that time, the statements will be balanced. A new category has been added that shows the funds added for the LGWA, but the statement will look different when the funds are accessed from the bond sale

approved for the LGWA.

The City may bill back for the City Attorney, City Administrator, and the staff time for the LGWA project. Council Member Ackerman said it had always been contemplated that these fees would be charged to the LGWA project and wanted to address the issue now. Mayor Schaaf preferred to delay the discussion of the matter until 2012. This will have to be a policy decision. The assessments will not exceed the \$900,000 already approved. The Council wishes to keep the accounting separate for the LGWA project. Property values are declining in North Oaks and preserving the tax basis is good for the community.

Council Member Ackerman had a few questions about individual line items. In some cases, the expenses were very significantly different (700 percent) from what was budgeted. City Administrator Coleman explained that it is difficult to come with exact amounts on smaller items. Also, White Bear did additional work on the 14 lift stations and the City was assessed for this amount. Money was available to pay this additional cost out of the Municipal Utilities Fund. Ms. Coleman suggested that the Council may want to look at the assessments for those using White Bear utilities to make sure homeowners are adequately assessed for the costs incurred. In addition, the Tree Budget should be closer to target by the end of the season.

3. Operation Clearview Update

Ms. Coleman reviewed the history of the Operation Clearview program. In the past much of the work was done by volunteers in the Safety and Security Committee under NOHOA. The City was asked to do the enforcement of this program. This year a large number of letters were sent out because the City was not as active with this program last year. Also this year had a robust growing season so more foliage grew along the roadside. The CSO identified properties that could benefit from trimming back the foliage, but in some cases it was difficult to identify the correct homeowner. In general, the public has been cooperative and a lot of work is being done. Most importantly, the intersections must be clear.

Additional work is being done to refine this program. The Safety and Security committee reviewed the program and recommended an action plan with tasks and responsibilities stating who would be responsible. Ms. Coleman suggested that the City responsibility be added to this action plan so that it is clear in the future.

George Rux, resident at 5 Shadow Lane, asked to speak on this issue. He thanked the Council Members and Mayor for their service and requested the opportunity to offer constructive suggestions. He stated his concern for the ambience of the community and the desire to keep it a rural community in an urban setting. Keeping the unique character in the City is his desire with the City only getting involved in safety issues. He suggested three things: 1. Send letters to only those who have safety issues 2. Separate letters for trimming back foliage or trimming overhead branches. 3. Coordinate with those who maintain the roads as to the best way to handle each situation.

The City is open for suggestions and if residents have concerns the Community Service

Office Bob Parrott will meet with the homeowner.

The Mayor believes this is a NOHOA issue (since the residents own the roads) and that NOHOA should direct the City on how to handle this program. According to the Mayor, the City should be the reactive arm when NOHOA has no other choices. Council Member Ackerman expressed some disappointment that the issue had not yet been worked out since it had been discussed more than once at the NOHOA meetings and he has raised the issue repeatedly at the Council meetings. The City Attorney David Magnuson stated that the city does have the right to establish safety rules on the roads even if owned by the homeowners. Mr. Ackerman volunteered to be a liaison between NOHOA, the Safety and Security Committee and the Council and the Council agreed to this. Council Member Long reminded the Council that it is best to work together and all agreed.

City Attorney Reports

1. Sarpal - Pool House Status

City Administrator Coleman stated that the pool house is in the process of being moved and that the new pad is poured and within the setback. This project should be completed by October 14th, 2011.

2. Report on 2011 State Law Changes/Updates

City Attorney Dave Magnuson reviewed some of the new State laws that affect North Oaks.

First, the state law changed the power to grant variances by making the language change from allowing variances **for undue hardship** to **practical difficulties**. This language change will make it easier for the City Council to grant variances that without the variance would keep the property from reasonable use.

Secondly, the law changed in the market value homestead credit to a market value exclusion which has little impact on the City of North Oaks. The benefit is for homes that are of lesser value.

Finally, the city ordinance should be changed to allow charge backs for administrative costs for variances, conditional uses and zoning uses with ADA requests, so that the applicant would be required to pay these costs.

Council Member Ackerman stated that it may be time to look at a few of our ordinances that are not as clear as they should be. He would like to work on this. City Attorney Magnuson said they were recently reviewed, but may still need work. City Administrator Coleman felt that if we wanted to do this the Council may want to have a workshop with the Planning Commission. The Mayor suggested that a motion be made that asks City Attorney Magnuson, the Planning Commission and Ms. Coleman take a look at some of the changes that might make ordinances more clear. Mayor Schaaf also stated that if anyone had input that they would forward this information to this group within the next

30 days.

Council Member Long made the motion and Council Member Nelson seconded, to proceed with a process to look at the current ordinances. The motion passed unanimously.

Council Member Ackerman asked City Administrator Coleman if the Council could get an update from the City's prosecuting attorney each month as to what has been taking place. Ms. Coleman agreed to give updates in the future.

Miscellaneous

Next Regularly Scheduled Council Meeting – Thursday, November 10th, 2011 @ 7:00 pm in the Community Meeting Room

Next Natural Resource Commission Meeting – Tuesday, November 1 @ 6:00 pm. in the Community Meeting Room

Next Planning Commission Meeting – Thursday, October 27th @7:00 pm in the Community Meeting Room

Adjournment

On motion duly made, seconded and carried unanimously, the meeting was adjourned at 9:40 p.m.

Attest:

Respectfully submitted,

Mayor John Schaaf

Linda M. Hanson
Recording Secretary