

MINUTES OF THE REGULAR COUNCIL MEETING

December 2, 2019

Mayor Nelson called the meeting to order at 7:00 p.m. to review the City of North Oaks 2020 Budget. Present were Mayor Nelson, Councilmembers Rick Kingston, Marty Long, Kara Ries, and Katy Ross; City Administrator Kevin Kress; Recording Secretary Debbie Breen.

There was a discussion on sewer and water maintenance fees. City Administrator Kress inquired why there is no enterprise budget for sewer and water. He would have expected to see these accounts in place prior to January 1st. It is a small account, but would allow for potential rate increase to make sure that water/sewer billing breaks even.

Commissioner Ries indicated in the past the North Oaks Company had billed independent homeowners for every item that occurred to support maintenance of the systems. Administrator Kress mentioned there is an escrow fee and perhaps a maintenance fee that could be put in place to cover cost. Administrator Kress will speak to Justin at AIM, the City's Audit firm, to see whether it is better to put sewer/water maintenance in escrow or maintenance line items. It is thought that about \$30 per household each quarter could cover it. He may also have AIM do a rate study to see what works best. To use an external provider to manage this piece could be about a \$5,000 investment. Administrator Kress suggests to put it in budget as enterprise funds – or transfer funds from general funds, however budget has already been set for 2020. If there is a conflict using AIM since it is also the City auditing firm, there are other options.

Commissioner Long mentioned there was about \$300,000 that came from the North Oaks Company upon transfer of the sewer/water support to the City. He would like to see movement on incorporating support for sewer and water at Deer Hills, and other sub-associations. He believes the sub-associations would like to have City assistance with this, and hopes this could be discussed in 1st Quarter of 2020. If a lift station goes down, Kress believes it could be \$30,000? Shoreview and White Bear would need to be involved in discussions as well. Administrator Kress will begin discussions to get bids.

Administrator Kress asked for clarification on the Peace Methodist church assessment. Mayor Nelson indicated it was for a sidewalk along Hodgson Road in front of the church for the kids walking to Chippewa, as Shoreview was reluctant to put one in since there was already a sidewalk on the opposite side of the street.

The Lake Gilfillan assessment is for the aeration pump project initiated by a former Mayor which has helped stabilize water levels. The Cap way for fire station is setting aside funds for contribution for firetruck when needed in a few years. Council indicated that there has not been a separate levy in place in the past. Administrator Kress mentioned that if levied separately, it helps for accounting purposes to clarify it is specifically for fire. If it is part of the general fund, then Council has discretion to move funds around without need council discussion. Kress

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clarified that a levy could be recorded specifically for this purpose with the county, not as a voter levy on ballot.

The line item for professional services with Wenck is for the superfund. Administrator Kress indicated the City Tax rate at 11.6% is one of the lowest he's seen.

Mayor Nelson inquired about the operating supplies line item as it appears \$5,000 over budget year to date. Kress has started working with Deputy Clerk Stephanie Marty on putting together year to date budget comparisons. Current licenses that may be in operating costs could include Cable T.V., Banyan, Granicus, and website, however software fees are expected to change as the City incorporates technology updates next year. Administrator Kress is currently going through contracts and durations.

Mayor Nelson asked if Legal fees required for the codification process are included in the budget. Administrator Kress indicated they are, and he would like to initiate this process right away in 2020. He will come with resolution on this late December, early January.

Commissioner Kingston inquired about funding for lake and weed management, and whether NOHOA is confirmed to take it over. Joanne Hanson indicated NOHOA is planning to take over this process, and they spent \$12,000 this year to address weeds. Commissioner Kingston noted that the City spent \$20,000 on weed control this year, however Ms. Hanson didn't believe the city did anything in 2019. Administrator Kress will check in with NOHOA Executive Director Griffin and former Administrator Mike Robertson on this to make sure that there is enough funds budgeted for this. Commissioner Kingston also asked about the website piece and the \$40,000 set aside. Commissioner Ries indicated that this is a mixture of website, Laserfiche, integrating of civic plus. The council had previously approved \$1,200 for a mass mailing for polco promotion. Kress indicates that operating funds might be a good category fit for mailings.

Mayor Nelson inquired if Kelly & Lemons, the City prosecutors, could come in January to give a presentation on what they are seeing and addressing in our City. Administrator Kress will follow up to ask Kelly and Lemmons to provide a report for Council in January, as well as connect with Officer Burrell to get a full picture of what issues are referring up for prosecution. It was suggested that the new Ramsey County Commissioner Nicole Frethem may also be a good person to connect with to come visit our City Council. Administrator Kress will also investigate funding programs to help out the community with repairs, etc. but would likely be a 2021 initiative. Potential offerings could include deer trapping, invasive removal programs, low interest financing at 0% or 2% for removal of detrimental septic systems.

Commissioner Ross inquired about the CTV budget for recording of City meetings and whether we need to bump up the budget since we ran out of allocated CTV meeting hours this year. Commissioner Ries indicated that the contract states 70 number of hours plus community events. The current revenue is \$65,761 budgeted. Budgeted expense is \$35,000 budgeted for

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next year, which is an increase of 7,000 for 2020. Kress mentioned that Maureen has only billed us every few years, therefore some years appears underspent and others overspent. \$3,000 is her typical budget for each year.

In the street category, Mel's services in 2019 reflect \$22,000 spent for sewer drains and clean outs while only \$2,500 is budgeted for 2020. Administrator Kress to inquire with Executive Director Griffin and Mike Robertson to see what made up the \$22,000.

Kress would prefer not to make any significant changes prior to the Truth in Taxation meeting. In Building services, Commissioner Kingston noted that \$219,000 identified for 2020, when \$235,000 spent in 2019 already. \$344,000 in building permits revenue, \$234,000 building inspector fees. Administrator Kress will confirm what makes up the Building services numbers.

Commissioner Long mentioned that the North Oaks Company was a planning on laying out the East Oaks concept plan and what they would like to get done in 2020 at the next Planning Commissioner meeting taking place on December 3, 2019. Administrator Kress will meet with the City Planner prior to the meeting to identify what the company is looking at this point. It was confirmed that all engineering and planning fees are passed through to the developer / applicant via escrow.

There were no other questions regarding the budget.

Administrator Kress inquired about City of North Oaks office hours for the week of Christmas, and noted that NOHOA will be closed December 24-26. **Commissioner Long motioned to also close the City office December 24-26th, with Commissioner Ries as second. Motion unanimously passed.**

Council agreed that Administrator Kress would have authority, in consultation of Mayor Nelson, to make decision on City Hall closures.

A motion to adjourn was made at 7:58 p.m. made by Commissioner Long, seconded by Commissioner Ross, with all in favor.