

MINUTES OF THE REGULAR COUNCIL MEETING

August 9, 2012

The Council Meeting was called to order by Mayor John Schaaf 7:02 p.m. 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, Building Official Greg Schmit, Recording Secretary Linda Hanson, and Videographer Kevin Scattum.

Pledge of Allegiance

Approval of Agenda

With a few minor corrections, Council Member Long moved to approve the agenda. The motion was seconded by Council Member Nelson and passed unanimously.

Citizen Comments

No citizen comments.

The Mayor did want to thank Council Member Dunleavy for filling in for the Mayor at the July meeting.

Consent Agenda

1. Minutes of the Regular Council Meeting of July 12th, 2012 for approval
2. Minutes of the Planning Commission Meeting of July 26th, 2012 for approval
3. Licenses for Approval:
 - Mechanical Contractors: Glowing Hearth & Home, Ray Welter Heating, Stafford Home Services**
 - Plumbing & Heating:**
 - General Contractors:**
 - Arborists: Alex's Lawn & Turf**
 - Sewer/Water Installation**
5. Claims for Approval: Checks # 10113 to 10146
6. Hill Farm Historical Society request for One Day Liquor License

Council Member Ackerman moved to accept the Consent Agenda. The motion was seconded by Council Member Nelson and passed unanimously.

Petitions, Requests & Communications

1. Joe Mansky, Contract for Election Services & Equipment

City Administrator Melinda Coleman introduced Joe Mansky from the Ramsey County Elections Office. She stated that elections are difficult for the City's small staff. Most of the staff are part time employees and have not been through an election. The training is quite intense and the integrity of the elections is very important. She explained that many cities have entered into a contract with Ramsey County to handle elections and would like to see the City do so also.

Joe Mansky agreed that many cities do contract with Ramsey County including St. Paul, Roseville, Mounds View, Falcon Heights, and Arden Hills. They also do many of the school elections. They currently administer elections for about 2/3 of the voters in Ramsey County.

The contract proposed would take care of and house all equipment, do absentee ballots, hire all election judges, and print all ballots. The City would still canvas the results of City elections, approve all precinct boundaries, and have control over City ballot questions.

Mr. Mansky stated that elections are all they do, and they are good at it. With recounts more common and scrutiny more intense, he believes his office could be of help to the City.

Council Member Nelson asked about election judges and if they still would be from North Oaks. Mr. Mansky explained that he would prefer this, but at times it is a challenge to find election judges. Currently the average age of a judge is 55. The target age is 45-65, but they continue to look for younger people as well.

Council Member Ackerman expressed his concern with the cost of this contract. The City has set aside \$8000 for elections and this would be a \$10,000 dollar increase. Ms. Coleman explained that the City has already spent \$20,500 on the election and it is expected to go higher. Mr. Ackerman stated that some of this is staff time and that the staff needs to reprioritize work during elections. Ms. Coleman stated that then work does not get done at the City.

The Mayor stated that this amounts to only ½ of one percent of the total budget and that this contract would guarantee the integrity of the election. With only one full time employee and the growth of the City, it was his opinion that this would be a good investment for the City.

Council Member Long asked if other cities have compared the cost of having Ramsey County do the elections. Mr. Mansky stated that no cities have dropped their contract and that the cost could go down as more cities contract with his office. He also stated that if the contract was signed, he would take over the general election this year for no additional cost. Council Member Nelson that he appreciates that North Oaks residents will be considered for election judges and wants to keep the small town feeling at the elections.

Council Member Dunleavy made a motion to direct the City Administrator to begin the process to negotiate with Mr. Mansky a contract to take over elections. This contract would be presented at the next Council Meeting. Council Member Long seconded the motion. The motion passed four to one with Council Member Ackerman voting no based on the expense of this contract.

Unfinished Business

1. None

New Business

1. Variance 12-09, Gaure Nagargoje, 6 Sandpiper Lane, New Septic System

City Administrator Coleman asked Building Official Greg Schmit to present the report on this Variance.

Mr. Schmit explained that the resident is requesting two Variances for a new septic system. One is to allow a Variance of 1500 square feet from Ordinance 50.05 requiring two 5,000 square feet sites for the installation of the sewage treatment systems. The other is for a Variance to allow the systems to encroach 15 feet into the required 30 foot north property line setback and 15 feet into the required road easement setback from Sandpiper Lane.

The plan is to demolish the existing home which then requires the resident to comply with the current ordinances. If the home was in repairable condition, the system would still need to be replaced as it is failing. The new system will be located in the same general location. The Planning Commission has approved the plan and Mr. Schmit believes this request meets the requirement of practical difficulties based on the conditions of this property. The lot is small once the easements and setbacks are considered and has poor soil conditions and a slope that restricts the area available. The only concern is if the system fails and another site must be used, the current well would then need to be relocated.

Tom Zerull from Vujovich Designs stated that one of the main concerns of the resident was to leave as many trees as possible. This design would require the removal of three oaks, but would be the best plan for this lot. The new system will require monitoring every six months. Mr. Zerull stated his company would like to start building as soon as possible. Council Member Ackerman stated that he felt this was a good design and that the new home would be a nice addition to the City.

Council Member Ackerman made a motion, seconded by Council Member Nelson to approve Variance 12-09, 6 Sandpiper Lane with the following conditions:

1. Structure and sewage treatment areas to be located per the survey dated June 22, 2012, prepared by E.G. Rud & Sons, Inc.
2. An Order for Variance to be recorded against the property title, specifically emphasizing the requirement for relocating the water well if the secondary sewage treatment area is needed. Drafting and recording fees to be paid by the Applicant/Owner.

The motion passed unanimously.

2. Resolution #1261: Approving Assessment Roll and Setting Hearing on the Proposed Assessment for Lake Gilfillan Augmentation Project

Mike Egelston, 28 Duck Pass Road, reported on the condition of Lake Gilfillan. Since March 30, 2012, the Lake has gone up 2.5 feet. The water is clean and the flowage is doing very well. There is a cap of 4.5 feet, so it is over half way to the new level.

Tor Dahl, 11 Lily Pond Road, came to the podium. He introduced his grandson visiting from Norway. He wanted his grandson to see democracy in action. Mr. Dahl stated that this is what citizens can do when they work together to make a more beautiful place. He wanted to thank the Council and Mayor for their hard work and stated that he was proud to be a North Oaks resident.

Dr. Heberlein, 6 West Shore Road, also came to the podium to state that it was wonderful to live at the Lake again. He is seeing kayaks, canoes and paddleboats once again. He also wanted to thank those responsible and show his gratitude.

Mr. Egelston also wanted to express his gratitude to the Council and Mayor for the work done on this project.

Ms. Coleman explained that Resolution #1261 is to approve the Assessment Roll and set the Hearing date on the Proposed Assessment for the Lake Gilfillan Augmentation Project. The Public Hearing is set for Monday, September 10, 2012 at 7 p.m. to adopt the resolution to establish the assessment. A notice of the Public Hearing was included in the packet for the Council's review. Also a process for those who might want to challenge the project was also included. Ms. Coleman explained that the City has received positive feedback and support for this project and that it has been a rewarding experience. The total cost to date is \$955,667.31 with an assessment to the 42 property owners involved at \$22,753.98.

The schedule for the Assessment process is as follows:

On June 14th, 2012 the Council adopted a Resolution to declare the cost and directing the preparation of the Assessment Roll.

On August 9th at the Council Meeting, the Council adopted the resolution to approve the Assessment Roll and set the date for the Assessment Hearing for September 10, 2012. The City Attorney has approved the public hearing notice that will be sent to all property owners involved in this assessment.

On Monday, September 10th, 2012 the City will conduct the hearing to consider the Resolution adopting the Assessments. At this hearing residents can speak in favor or opposition to the proposed Assessment.

On Thursday, October 11, 2012 the Council will approve the Form of Certificate to the County Auditor to be filed.

October 13, 2012 is the last day the Assessment can be paid in full without the interest penalty.

On Thursday, November 8, 2012 the issuance of the definitive improvement bonds will be finalized with US Bank or another provider of general obligation bonds.

Council Member Ackerman asked if the total cost included all city legal and administrative costs that had been allocated to the project and Ms. Coleman explained that it did.

Council Member Nelson read Resolution #1261 for approval setting the Public Hearing Date as Monday, September 10th, 2012. Council Member Long made a motion to approve Resolution #1261 and Council Member Dunleavy seconded the motion. It passed unanimously.

Mark Azman, President of NOHOA, addressed the Council and stated that it was nice to hear the comments on Lake Gilfillan. The Mayor thanked him for his support on this project.

Council Member Reports

1. Tim Dunleavy

Mr. Dunleavy stated that he would not run again for the Council as he has served ten years and is ready to step down. There are openings now for two Council Members as well as for Mayor. If anyone is interested in running, he or she should stop in the City office for an application to file. The cost is \$2.00.

Mr. Dunleavy stated that he had no reports at this time as he and City Administrator Coleman would be discussing the Budget later in the meeting.

2. Bruce Ackerman

NOHOA –

Council Member Ackerman attended three meetings this past month. The Planning Meeting and a Special Meeting dealt with the Budget for NOHOA. At the Planning Meeting on July 31, 2012, John Decker from Reserves Advisors spoke to the Council about the reserves proposed.

Mr. Ackerman explained that NOHOA has currently set aside \$18,000 for the Emerald Ash Borer issue, and believes that the city is already working on an EAB Plan. He suggested to the Council Members that they need to take action to address this problem.

NOHOA worked on the reserve issue and stated that the reserves they currently have are only enough to maintain what they already are doing and will not support additional projects.

At the special meeting on August 9, 2012, they decided to have two ballots at the Homeowners meeting in December. One would ask for an increase in dues over a five year period. This would be a 2-3% increase each year. The dues in 2012 would go from \$840 to \$870. The second ballot would ask residents to approve an assessment for the West Rec Center. This would be a \$750 assessment over five years which would amount to \$150 a year. They would reexamine this cost in year three to see if it could then be reduced in cost.

At the regular NOHOA meeting on August 2, 2012, Chris Heim, ASC Consultant, spoke. She is responsible to keep track of compliance with building plans. She currently spends about three hours a month and has seen a number of changes to plans involving extra items. She will be giving an update on what she learns at the February 2013 NOHOA meeting.

Also at the meeting, Mark Azman gave a short update on the Home of the Good Shepherd property. At this time the plan is to develop the land to be called Charlie Lake Preserve. The number of homes proposed has dropped from 125 to 119. Under this proposal, 80 lots would be 65 by 165 feet (roughly .25 acre) and 39 would be 75 by 165 feet or .28 acre. The road setback minimum would be 15 feet and the homes would be 7.5 feet from each side lot line. The average home proposed would cost around \$400,000 plus and would include nine styles of homes. They also are proposing two entrances with no trails or recreation areas currently planned. This plan will need to go to the Planning Commission. The company has gone to the Met Council for approval of the density and sewer. They are engaged in discussion with Shoreview for water. If this plan also becomes part of NOHOA, there would be some concern as to whether the ASC would be able to handle the increase in work. The plan includes building about 40 homes a year for three years. The question would be if each of the nine styles of homes would be approved or if each individual home would need approval.

Also at the meeting a number of other issues were addressed including the following:

- An insurance policy for those who have steps going down to Pleasant Lake; the homeowners who have steps to the Lake will bear the cost of this policy.
- Approval of an Employee Manual
- Approval of the Director Conflict of Interest and Whistle Blower policies
- Eight recommendations for the Governance Committee which includes two full time staff members; all were approved
- Past due accounts
- Ponders Point repair expenses

3. Marty Long NRC –

The last meeting was rescheduled for August 13, 2012. Ms. Coleman gave an update on the EAB issue. A free intern did research model plans and currently two (Shoreview and Blaine) are being considered. The big cost will be for an EAB study and will need NOHOA's support since it involves private property. Mark Rehder the City forester from S & S Tree did a pilot project on a ten mile stretch along Pleasant Lake and Pleasant Lake Road. This study will be presented at the next NRC meeting. Ms. Coleman stated

that she appreciated Council Member Ackerman reminding her that the City needs to stay in communication with NOHOA regarding this issue.

VLAWMO-

Three members from North Oaks are on this committee. A fishing survey will be done by the DNR soon.

4. Gregg Nelson

Planning Commission-

Council Member Nelson attended the Planning Commission meeting on July 26, 2012. The Commission dealt with the Variance presented at this meeting and also had a discussion of the possibility of a Pentom proposal which he has not yet seen.

Pleasant Lake Oxygenation Committee-

Council Member Nelson received a report from Mr. Don Lutch from SEH Engineering. This report will be reviewed at the next meeting on August 13, 2012. It addresses the science and effectiveness of the oxygenation system recommended by the Water Authority. The report endorses the system and its effectiveness. Council Member Ackerman has concerns with the aesthetics of the placement of the system. Hopefully this will be addressed before the meeting on August 13.

Council Member Ackerman asked if the Committee meeting could be delayed until his concerns could be answered. He has questions about if two tanks could be used or if the system could be in a building. Also, the attorney hired has not yet given his opinion. Council Member Nelson stated that he would like to have the meeting on the 13th and a second meeting can be scheduled if needed. The attorney's report is due in the office by the end of the week. Council Member Ackerman questioned if the meeting should be rescheduled if materials were not received by the end of the day on August 10, 2012. Ms. Coleman explained there is some time sensitivity as the Water Utility will need a year to process the order for a horizontal tank. Also the North Oaks News deadline for the end of August is August 15. Ms. Coleman would like to publish a date for a community meeting and if this deadline is missed, it will not be published until the end of October.

Council Member Ackerman withdrew his request to change the meeting date.

Mayor John Schaaf

Mayor Schaaf attended four of the six Night to Unite events on August 7th. He enjoyed the food and all events and also mentioned the nice job the Summits do in planning their event. He thanked the Ramsey County Sheriff Department, the Lake Johanna Fire Department and Allina for sharing their staff and resources.

He also has been looking at draft budgets from neighboring cities to come up with ideas for the City.

He attended the last NOHOA meeting also.

Administrator Reports

1. 2013 Preliminary Budget Review

City Administrator Melinda Coleman gave a quick update about the work being done by Sue Iverson (Director of Finance and Administrative Services at Arden Hills). She is working on a cash flow analysis to determine the amount of money the City can invest. She is knowledgeable about what can be done.

Because of Ms. Iverson's report, there was little time to work on the 2013 Budget. At the September meeting, the Preliminary Levy will need to be set. The City works to not have increases in the Budget if possible. Ms. Coleman does not foresee an increase in the recycling assessment or permits. She is conservative in regards to the building permits with an expectation that they will be about the same as this year.

On the expense side, she stated there would be a slight increase for elections, but that Public Safety will be the biggest increase. The City will see a \$27, 615 increase with the bulk of that going to help fund a full time crew at the Lake Johanna Fire Department.

Other considerations discussed were the following:

- When the Lake Gilfillan bonds are sold, the City will get back about \$65,000 for Mr. Magnuson and Staff time and other internal costs. These funds will be allocated back to the General Fund.
- The Lake Johanna Fire Department Capital is still high with \$96,000 needed in 2013 and \$73,000 in 2014. After that, the amount goes way down to around \$10,000. The large amounts are due to the purchase of a fire truck.
- The police costs are expected to be about the same with a slight increase for the Community Service Officer.
- The City is also watching tax petitions. There appears to be fewer appeals than last year.
- Ms. Coleman would like to bring in a summer temporary staff person next year to aid in document scanning.
- Also, Ms. Coleman would like to see money in the Budget to update the code book. She believes the cost would be around \$6,000.
- The Finance Committee is meeting on August 20, 2012 to continue Budget discussions.

2. 2012 Budget- Planned vs. Actual Expenses

On the income side, the City is doing well and is over budget.

Reimbursements are due from the North Oaks Company for the review of Rapp Farm and the Pentom proposal. Because the City does not get half of the tax levy until fall, the income appears less than it actually is.

On the expense side, the City is over budget for municipal court costs. The City is spending more because of increased activity with code enforcement. The payment for the year to the Lake Johanna Fire Department has been pre-paid in full and income from building inspections is over the projected budget.

Council Member Ackerman had a question about pass through fees for water and sewer for White Bear Lake and this was explained by Ms. Coleman. The Mayor also asked about how much Ramsey County may hold back for delinquent taxes and he suggested that this should be accrued in the current Budget.

3. Request for Professional Development Budget Adjustment

Ms. Coleman was asked to join a City Managers Group consisting of 12 Minnesota Managers. The cost is \$1,690 for ten half day sessions. Currently, the 2012 Budget has funds for professional development. Ms. Coleman presently is involved in a Management Book Group, but would like to drop that group and instead take advantage of this opportunity. The group begins on September 20, 2012.

Council Member Ackerman stated that this group is \$900 more than the present program and also involves more time off. He believes this will add to the pressure in the office if Ms. Coleman is gone more. He also stated that this is a small City with a small office and does not feel the program is applicable.

Mayor Schaaf stated that he was familiar with the program and that it was presented by top notch professionals and that it would be a mistake to not keep the City employees knowledgeable. He stated that it was a compliment to Ms. Coleman that she seeks out opportunities for improvement. He felt the time is well spent.

Council Member Long stated that he felt it was important to reach out to other City Managers and Council Member Dunleavy agreed that personal development is important. Council Member Nelson also stated that learning about Best Practices is also important to the City and that it is a generally accepted practice to send City Managers to groups such as this.

Council Member Dunleavy made a motion to approve the request for Ms. Coleman to join this group and Council Member Nelson seconded it. The motion passed on a vote of four to one, with Council Member Ackerman voting no.

4. Update on Pentom Development Application

Pentom sent a Preliminary Plan to the City on July 31, 2012. On August 1, 2012 Ms. Coleman, Building Official Greg Schmit, Ben Gozolo from MFRA and Bill Campbell, Chair of the Planning Commission, met to discuss how the process might progress. The Planning Commission will actually run this process.

On August 30th the application will be introduced to the Planning Commission. At this meeting, the Commission will decide how to structure the review process and schedule.

Once the application was received by the City, the City had ten working days to review the application. Currently this is being done by Ben Gozola to see if it meets the statutes and zoning code. Once this is complete, City Administrator will sign off on the application and the City will collect a \$10,000 fee in escrow. The City has requested 120 days to process this application rather than the normal 60 days due to the size of this project. Pentom has agreed to the 120 days. A list of neighbors around the property has been compiled and they will be informed as the project moves forward.

5. Local Government Elections

Ms. Coleman announced that in the upcoming election there are openings for Mayor and two City Council seats. Currently there are two candidate filings for Mayor (Mayor John Schaaf and Council Member Ackerman) and two for Council (Council Member Long and Mike Egelston). The application process opened on July 31 and ends on August 14, 2012.

Ms. Coleman also announced that the City had extended hours to process absentee ballots.

The Primary Election is on August 14, 2012 with the polls open from 7:00 a.m. to 8:00 p.m. There are two precincts in North Oaks. Voting takes place at the North Oaks City Hall, Community Room (Precinct One) and at Waverly Gardens (Precinct Two). Information on precincts is on the City website.

City Attorney Reports

1. **None**

Miscellaneous

Next Pleasant Lake Oxygenation Committee Meeting is Monday, August 13, 2012 at 6:00 p.m. in the City Office.

Next Natural Resource Commission Meetings are Monday, August 13, 2012 and then on Tuesday September 4, 2012 both at 7:00 p.m. in the Community Meeting Room.

Next Planning Commission Meeting – Thursday, August 30, 2012 @7:00 p.m. in the Community Meeting Room

Next Regularly Scheduled Council Meeting – Monday, September 10, 2012 @ 7:00 p.m. in the Community Meeting Room (note the change)

Hill Farms Days is scheduled for Saturday September 8th and the Mayor encourages all members to attend this event.

Adjournment

On motion duly made, seconded and carried unanimously, the meeting was adjourned at 8:52 p.m.

Attest:

Respectfully submitted,

Mayor John Schaaf

Linda M. Hanson
Recording Secretary