

## Oak Grove mayor speaks on controlling government

By Mary Bailey

“Somebody has to keep an eye on you people.”

That was Mark Korin’s response, before he was elected to the Oak Grove City Council, when asked why he was sitting in on so many council meetings.

And that is still his attitude about city government now that he’s mayor.

Oak Grove is a 36-square-mile city located west of East Bethel. It has a population of about 8,000.

Korin served several years on the Oak Grove Park Board and Planning Commission, including 12 years as the Planning Commission chair.

But when he spoke to the Lakes Area Business Association in Forest Lake on Wednesday, Sept. 25, the main topic was his cost-cutting accomplishments as mayor.

Korin was elected to the City Council in 2008 and became mayor in 2011. At that time Oak Grove had a city administrator, finance director and two full-time building officials, he said; double-digit increases had left the city with a \$3.2 million budget.

In the three years he’s been mayor, things have changed. Now one person shares the duties of city manager and city planner. The building department has been eliminated. The finance director is gone and payroll is outsourced. The city levy has been reduced by 26 percent and \$1.2 million.

Korin visited Forest Lake to tell members of the Lakes Area Business Association how these reductions were accomplished.

After the city administrator resigned, Korin said, he volunteered to serve as both mayor and administrator. He worked about three days a week for the city for almost a year. According to media reports, Korin asked for \$1,500 per month for this service. Instead he continued to receive just the mayor salary, \$6,000 a year, plus \$1,300 for serving on the Economic Development Authority.

“I felt compelled to bring my values as a business owner to the city,” he said. “I took on the duties of administrator until we could figure out what was needed and the economy turned around.”

Korin, a design engineer, is founder and president of DepotStar, an engineering and manufacturing services provider. He worked at Medtronic before running his own company.

Korin said he had experienced a downturn in his business and had to lay off employees. At the peak he had 54 employees, he said, but after a major client left, that number dropped for a while to just 12.

But when he made efforts to reduce city staff, he met with resistance. The city administrator, who was paid \$99,000 per year plus benefits, disagreed that cuts were needed.

“Staff did a lot to justify their job to keep from getting laid off,” he said. “The city administrator brought me a Forbes



Mark Korin

magazine with a cover that said 'Recession over, recovery in six months.' I still have it," he said.

After the administrator quit, a search firm wanted \$20,000 to help find a new administrator, Korin said, and told him it would cost the city \$160,000 per year to hire someone qualified.

Instead, after his year as volunteer administrator, the city filled the job internally by promoting the city planner. Rick Juba, a Wyoming resident, was given the additional duties of administrator and a salary increase.

"He's the best decision I ever made for my city," Korin said. "He has carried out what I couldn't do on a full-time basis."

The number of new houses in Oak Grove had fallen from more than 100 to about three per year. A private company was hired to perform building inspections for less than the cost of the permits.

During the process of reducing staff, he said, a city employee pulled every open permit back to 1985, saying all 950 needed to be inspected.

Now about 25 to 30 houses are being built each year, and Oak Grove has teamed up with East Bethel for building inspection services.

When he proposed that the city hire a payroll service to eliminate two staff members, the city's finance director said no, it would be necessary to hire two more to monitor the new software.

The finance director, who was making \$80,000 to \$90,000 a year plus benefits, also quit, he said.

"She was working 50 to 60 hours a week and said she needed additional staff," Korin said. An accounting firm bid \$50,000 to do the job in four days a month. Later, Korin said, the accounting firm employee told him, "I don't know what I'm going to do on that fourth day," as the workload did not require that much time.

Another point of contention between Korin and city staff was the amount of reserve cash. The city had \$12 million in the bank but was increasing the levy, he said.

"We need to spend all this," he said he was told, "and if we don't spend all that plus more, we can't raise taxes next year."

To save money for law enforcement, Korin took on the county sheriff. Oak Grove contracts for police coverage through Anoka County. The outgoing sheriff, he said, told Oak Grove that the city needed to increase from 16 hours per day to 24-hour police coverage, at a cost of about \$700,000. Korin resisted, saying crime was down and Oak Grove residents should not pay more just to offset budgetary issues in the county.

With East Bethel and Ham Lake, Oak Grove considered creating an alternate system for police protection. In the end the Anoka County contract was maintained, but for 20 hours a day. The cost was less than \$500,000.

"In business, we have to be held accountable," Korin said. In government, "I've never seen a bigger shell game in my whole life."

### **Forest Lake case**

Korin said he sees many parallels between the cities of Oak Grove and Forest Lake and urged members of LABA to become even more involved in city issues.

The group is currently appealing the initial ruling of a lawsuit regarding the new city center, in which LABA alleges the city of Forest Lake violated state law. The group says the city had its Economic Development Authority buy the land using lease revenue bonds to avoid a referendum.

LABA circulated a petition seeking a referendum. More than 1,000 residents signed, well over the 500 required to

force a referendum had the city used general obligation bonds.

In district court, the judge granted the city's motion for summary judgment, agreeing there were no key unsettled facts requiring a trial and that the letter of the law is on the side of the defendants. However, he called the legal issue "ripe for appellate review," which is where it is headed. The case is set to be heard at the Court of Appeals on Nov. 13.

LABA member and realtor Cameron Piper, one of the plaintiffs in the suit, said the district court decision was actually a major victory for his side, because the court did not require that the plaintiff pay a surety bond, which would have made appeal cost-prohibitive.

Piper said the Forest Lake case will have large impact. "If we win, in the future cities will have to issue general obligation bonds and go through the (referendum) process," he said.