

**CITY COUNCIL WORK SESSION
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a City Council Work Session on Monday, November 7, 2011, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Bob Ramsey
Councilmember Randy Backous
Councilmember David Elvig
Councilmember Colin McGlone
Councilmember Sarah Strommen
Councilmember Jason Tossey

Member Absent: Councilmember Jeffrey Wise

Also Present: City Administrator Kurtis Ulrich
Deputy City Administrator Heidi A. Nelson
Public Works Director Brian Olson
City Clerk Jo Thieling
Finance Officer Diana Lund
Police Chief James Way
Fire Chief Dean Kapler
Senior Planner Tim Gladhill

CALL TO ORDER

Mayor Ramsey called the City Council Work Session to order at 5:30 p.m.

APPROVE AGENDA

Mayor Ramsey indicated Case 2 would be heard prior to Case 1.

The agenda was approved as revised.

COUNCIL TOPICS FOR DISCUSSION

2) Consider Approval of Agreement with the Metropolitan Council to enter into the Transit Taxing District

City Administrator Ulrich and Public Works Director Olson presented the staff report.

Ed Byers, Metropolitan Council, stated they believe the Federal Highway Administration (FYWA) can be convinced that at least the same level of service will be provided that the FYWA had in mind when grant funding was provided for bus service and that it is a better commuter

service than being provided with the bus. Mr. Byers did not think that would be an issue and can be wrapped up very soon. On the Northstar fare issue, he explained the fares are set by the Metropolitan Council based on distance. Staff looked at the distance between the rail stations and recommended a \$4.50 fare to the Metropolitan Council. However, concern was expressed about locking that fare into the agreement because the Metropolitan Council may be adjusting fares at some point in the future. Mr. Byers stated he believes the Metropolitan Council will approve a \$4.50 fare. He welcomed Ramsey to attend a Metropolitan Council meeting to address their concerns with the fare. On the issue of additional bus service, their service development looked at the current potential for riders and found it does not justify providing additional bus service at this point. Mr. Byers stated they are dealing with cuts in State funding and the service development cannot justify adding bus service at this point. However, once the station is in place and if development continues there is great potential for expanding transit service in the area.

Mayor Ramsey indicated he has no issue with the fare. He asked whether Elk River and Big Lake are part of the Transit Taxing District (TTD).

Mr. Byers stated they are not because Sherburne County was part of the original agreement and pays a portion of the total Northstar operating expense.

Mayor Ramsey stated his reluctance to ask the citizens of Ramsey to pay dollars to the tune of \$295,000 when it only cost \$120,000 to operate the station. He stated he is adamant that Ramsey needs a bus or some additional service to offset that extra cost. Mayor Ramsey indicated he understands the benefits and economic development opportunities but only a certain number of residents will ride the train and it is important to be able to tell residents they are paying not just for Northstar but also for the bus. He noted the City has put a lot of dollars into developing The COR and assumed political risk to do so. Mayor Ramsey stated he hopes other governmental agencies will put some investment in Ramsey besides the train stop. He noted a bus already goes to the college so it would not be a great expansion for one bus route to come to The COR.

Mr. Byers stated he does not work with service planning and is unable to answer how the addition of a few miles affects the entire route. He explained that RTC funds support the system, equipment, and capital costs but do not directly pay for operations. Mr. Byers stated it is hoped to cover operating expense from revenues but system wide that does not occur.

Mayor Ramsey stated he understands that but surrounding cities that are part of the TTD are provided a level of service and Ramsey should be afforded those same types of service.

Councilmember Elvig noted there are several regional issues. He explained that part of the difficulty for Ramsey's riders is getting to the train or bus because they have to drive to Anoka, which takes 20-30 minutes due to traffic congestion. He pointed out that providing transit on this side of Anoka is the "dream," will generate more ridership, and takes congestion pressure off Anoka. Councilmember Elvig explained that some people riding buses versus the rail say they are concerned about the rail because they may get stuck downtown and not be able to get back. Also, some riders like to leave earlier than the bus route and some would like to return home later. He felt that providing service before and after would take the fear out of concerns with

timing. Councilmember Elvig stated this is a multi-modal opportunity and a lot of grants and studies have shown Ramsey is the right place and this is the right time. He noted this is why Ramsey has been successful in obtaining grants. He felt it would be a mistake to take away bus service and not provide service enhancements.

Mr. Byers stated he will ask service-planning staff to meet with businesses and people in the community about the ridership they could expect. He explained the study they completed indicates they will not see riders today so that is part of the issue. In addition, a bus to downtown when farther out is less attractive but there may be possibilities for local transit that their service development department should look at.

Councilmember Elvig indicated the City's bus riders have been generous with their time to come in as a group and discuss what does and does not work for them.

Mr. Byers stated he can commit to meeting several times over the next year to talk with riders about their concerns with the train and bus and options. He explained the guaranteed ride home program, a free service upon application that provides vouchers for taxi rides back home of \$25 each quarter and can be combined. Mr. Byers stated this program does not get advertised enough and they will want to talk to current bus riders about that option. He noted they also hope to attract other riders, beyond bus riders, to grow ridership.

Councilmember Strommen stated part of what the City is investing in is Northstar and access to a transit system. She indicated she is a former bus commuter and agreed that flexibility is the key. Councilmember Strommen explained that she had to drive to Anoka, which took half of the time of getting downtown. Once downtown, however, you need to know the different bus routes to get to your destination. She felt lack of flexibility became a deterrent for people riding the train or the bus and it would lower rider's risk if there are more options and flexibility. In addition, it will also reach Metro Transit ridership goals faster.

Mr. Byers advised that throughout the entire system, they are not seeing a lot of weekend demand since the system was built as a Monday-Friday commuter line. However, they are hearing that customers want to get home during the middle of the day. Mr. Byers stated they are talking with BNSF about providing mid-day service even if it results in reducing weekend service. They currently run 72 trains a week on the Northstar line and are determining whether those trains are at the right time to serve as many as possible to build ridership. Mr. Byers stated NCDA has started a mid-day return trip on Friday for Northstar riders and maybe it should be better advertised.

Mayor Ramsey stated he thinks students will use the Northstar to the Ramsey station and then a bus to get to the college, if that option is offered. In addition, the Veterans Clinic will be opening this week so that traffic needs to be factored in. Mayor Ramsey stated he will be hesitant to enter into a TTD without some ancillary service being provided. He asked if the City can enter the TTD at one-half the tax rate and pay the rest when another service, like an MTC bus, is provided.

Mr. Byers indicated that is probably not an option with the agreement but he will bring that question back to his staff.

Councilmember Elvig stated he realizes the reluctance of Metro Transit to include fare language in the agreement but he would support inclusion of parameters that a distance fare should be close to Anoka's rate. He also supported inclusion of language about extended bus service.

Mayor Ramsey stated his reluctance to consider a "handshake" agreement.

Councilmember McGlone stated the City of Ramsey is everything that everyone has dreamed about for a train station, noting the building next to the parking ramp will have 300 transit-oriented residents. In addition, the VA clinic opens in a few days. Councilmember McGlone asked Mr. Byers to bring back the whole message about Ramsey, noting the City is not being unreasonable and he thinks the agreement language can be tweaked so all reap a better benefit.

Public Works Director Olson stated it has been discussed to work with bus users; however, there is a timeline issue because the Master Cooperation, Funding and Delegation Agreement needs to be approved so funds can be transferred. He noted that approval could be considered contingent on the Transit Taxing District Agreement.

Mayor Ramsey stated it is important to convey the fact that the City has made a large investment in The COR that will directly benefit Northstar.

City Administrator Ulrich asked if Metro Transit is open to a fixed amount in the agreement to allow Ramsey to study the feasibility of operating a pilot circulator bus. If that is an option, it would give the City an opportunity to survey businesses, colleges, and the VA to prove there is ridership and a need for expanded bus service.

Councilmember Elvig supported the suggestion by City Administrator Ulrich.

Mr. Byers stated he will bring that option back to the Metropolitan Council. He stated the message he received was that due to budget cuts, Metro Transit had to cut bus service in downtown Minneapolis and St. Paul in the heaviest ridership route and cannot afford to put service into areas that will not carry as many passengers. Mr. Byers advised that the budget forecast for next year also contains restrictions so he thinks Metro Transit will be resistant to starting new service in an untested area.

Mayor Ramsey pointed out that Minneapolis has other transportation opportunities such as light rail but Ramsey has no other options.

Councilmember Strommen agreed and noted the Metropolitan Council has made significant investment in rail and Ramsey wants that to be successful. She explained that feeder systems and flexibility are huge factors in that success and this is an investment in furthering the rail and making sure it is a success.

City Administrator Ulrich clarified Ramsey was not trying to take riders off the rail but to bring more riders to the rail.

Public Works Director Olson requested input on the draft letter in response to the FHWA letter.

Mayor Ramsey indicated he had no concern with the draft letter.

Councilmember Elvig suggested information be added that Ramsey has enhanced the station and area round the station to establish a multi modal transit hub and attract additional transit riders. He stated he expects more rail and bus service coming to Ramsey in the future.

Public Works Director Olson stated the letter focuses on lower air quality concerns with four buses no longer having to run and that the train already runs. He noted they are not asking about future ridership but changing over to rail.

Councilmember McGlone commented on the marketing aspect for people traveling downtown, noting that nothing beats Ramsey and the 47,000 cars a day that see the train.

Mayor Ramsey asked Mr. Byers if he is sure the Metropolitan Council will set Ramsey's rate between the rates of Anoka and Elk River. He stated he hopes Ramsey's rate is closer to Anoka's rate.

Councilmember Strommen requested a correction in the letter to refer to COR instead of CORE.

Mr. Byers stated this agreement is conditioned on the funding and the Metropolitan Council needs the funding agreements settled before the project needs funding, which will be January.

Public Works Director Olson stated this item will be scheduled for the December 13, 2011, Council meeting.

Mr. Byers explained this agreement has gone through Metropolitan Council consideration so, in principle, only minor modifications can be considered such as clarification it is a distance-based fare and Ramsey's fare will be set between the fares for Anoka and Elk River. He stated if large-scale changes are made or additional bus service language included, the agreement would have to go back to the Metropolitan Council.

Mayor Ramsey stated it may be worth the effort for the Council to meet with Ramsey's Metropolitan Council representative and those involved in that decision. He stated it will be tough for him to support the agreement and have Ramsey's residents pay \$300,000 more to have the train stop at a station. He estimated that only 400-500 Ramsey residents will ride the train.

Councilmember Tossey agreed and estimated, optimistically, that 1.5% of the City's population may use the train. Therefore, it is important to get the same service as other communities when entering into the TTD.

City Administrator Ulrich stated staff will schedule a meeting with Metropolitan Council representative Mr. Reynoso and Metro Transit staff. He noted if the Transit Taxing District Agreement needs additional Metropolitan Council approval, the City Council will need to reach a final agreement prior to presentation in December.

1) 2012 Schedule of Rates, Fees & Charges

Finance Officer Lund and City Clerk Thieling reviewed the staff report and presented the City's current schedule of rates, fees, and charges.

City Clerk Thieling advised staff surveyed other cities in how they license massage parlors and found the majority charge \$200 plus \$50 per therapist. In this way, the City will know the number of businesses and that the therapists are State certified.

Mayor Ramsey stated he is not opposed to fees for services but would not support imposing a fee in an effort to count the number of business.

Councilmember McGlone asked who the designated certifier is. He noted the City charges for home occupation permits and it is his contention that government "jumps on the back" of the person playing by the rules. If the City does not have a designated certifier, he would not support that fee.

Councilmember Elvig indicated he likes the idea that it is a professional service provided by a trained therapist.

Mayor Ramsey stated he thinks the market will weed out nonprofessionals regardless of whether they pay for a City business license.

Councilmember Tossey stated he is uncomfortable with requiring a license fee just so City knows you are in business.

Council consensus was reached to remove massage parlor license.

City Clerk Thieling presented the license fee for second hand goods businesses, noting they deal in household items that could be stolen so the fee would cover staff time.

Councilmember McGlone noted the State does not license second hand goods dealers so he does not support regulating that type of business.

The Council concurred and consensus was reached to remove second hand goods business license.

Finance Officer Lund reviewed the rest of the rate schedule.

Mayor Ramsey referenced the fee for billable staff time for events or professional services and stated he thinks the 2.3 rate may be low because if staff is gone for a day the City cannot utilize that staff person and may have to pay overtime.

Councilmember McGlone asked if consideration of the rate schedule is time sensitive.

Finance Director Lund advised it needs to be adopted by the first of the year in order to charge the fees. He noted the majority of the rates are not changing and the utility rates that are changing will go out in April.

Councilmember McGlone stated his support to table further consideration because the Council had not yet discussed the costs to do business in Ramsey or seen the results of an open house with developers to help the City decide if its rates and fees are in line. He requested detail on how many fees for park dedication are being saved to go towards future capital improvement, if any. Rather than considering this item on tonight's Consent Agenda, Councilmember McGlone supported additional Council discussion on these issues including whether the City wants to take more parkland or park fee.

Councilmember Tossey agreed except for the fees required by State Statute that have to be followed. He noted that the Council met with the Planning Commission in May to discuss development issues and now it is November. Councilmember Tossey supported taking action to make Ramsey a friendly place to do business.

Mayor Ramsey stated staff has surveyed other cities relating fees and is basing its recommendation on those findings; however, the Council has not yet seen that information.

City Administrator Ulrich indicated that presentation of the survey results is scheduled for the November 22, 2011, meeting and that information is incorporated into this fee schedule. He stated this consideration can be delayed until December if the Council wants to first review development fees.

Mayor Ramsey noted the 2012 Rate Schedule ordinance is on the consent agenda for introduction.

City Clerk Thieling advised the Council can take longer than a month after introduction but if major changes are made the Council may want to reintroduce the ordinance.

Councilmember Strommen noted the 2012 fee schedule is already a product of staff based on information gleaned and asked whether the Council would have major changes to the fee schedule.

City Administrator Ulrich explained that to raise the Council's comfort level it could take time to look at development fees and staff's research with consideration to approve scheduled at the end of the year or beginning of next year.

Mayor Ramsey felt it was important to know what cities around Ramsey are doing and for Ramsey to be more builder friendly by considering development fees. He agreed with the need for staff's input and more discussion.

Councilmember Strommen commented on the need to assure enough time is scheduled so consideration is completed by the time the 2012 fee schedule needs to be acted on. She noted that some of the fees are not insignificant policy issues and some fees are based on costs.

Mayor Ramsey asked staff to provide a recommendation if that is the case.

Councilmember Strommen stated if it involves a policy issue, she wants to be sure the Council has enough time to complete that consideration.

Finance Officer Lund stated this item will be scheduled for the November 22, 2011, Work Session. She noted that SAC charges are State mandated and the majority of fees that will change are development or utility related.

Public Works Director Olson asked whether the water utility fee will be approved.

City Administrator Ulrich stated the issue is whether the City wants to fund a water treatment fund with water utility rates. To answer that question, the Council needs to know the ramification to fees and determine whether a water treatment plant is needed. If so, those costs can be backtracked into the water fees being charged.

Mayor Ramsey commented that actions have been taken by other government agencies that made this a regional issue, not just a Ramsey issue.

2) Consider Approval of Agreement with the Metropolitan Council to enter into the Transit Taxing District

This item was considered prior to Case 1.

3) Discussion of Space Needs Analysis for Fire Station #2

Fire Chief Kapler reviewed the staff report and space needs analysis, noting the estimate is \$3.6 million for construction of a new one-story building. He asked whether the Council would like more information and if staff should enter negotiations for the property.

Councilmember McGlone stated he thought the previous discussion was that the cost would be \$2.5 million. He asked whether another training area is needed, or a duplication of existing facilities. Councilmember McGlone stated he doubted Ramsey will ever have paid firefighters so a bunk area may not be necessary.

Mayor Ramsey concurred and indicated that BKV did the job it was hired for but the current station does not have some of these features so he questions why they are needed now. Mayor

Ramsey stated \$3.6 million seems like a lot of money because he thought it was supposed to cost \$2 million.

Councilmember Elvig stated he remembered a cost of \$2.2 million. He commented on the need to think forward when considering a building and to anticipate fire station needs in the future. Councilmember Elvig felt there may be fire station drawings already in existence that may be more effective and accommodate the City's needs. He pointed out that architects like to set a budget they can comfortably build to so his concern is that this proposal may be over built. Rather, he suggested considering a building for today's needs that can be added onto without appearing "hodgepodge."

Councilmember Backous agreed with those concerns and that building for the future is wise but a phased approach may be better. He noted the issue tonight is a land swap and building design can be discussed later.

Mayor Ramsey indicated he was surprised the land was only worth \$450,000 after the building was torn down and asked why the City would consider selling if only worth that much. He raised the option of adding onto the old police station to make a new fire station, noting the location lines up and has geothermal.

Fire Chief Kapler indicated the geothermal system is not working well.

Mayor Ramsey noted the old police station has space for training and beds and an apparatus bay could be added.

Councilmember Strommen stated she also has questions on the appraisal. She asked if the appropriate question for the Council to weigh in on tonight is whether to host discussion with the other landowner. She suggested a second topic would be the building plans for the fire station.

City Administrator Ulrich stated it appears the Council would like to see information on a "bare bones" fire station that costs \$2.5 million with phases for the future. He indicated there are options with the old fire station that staff could bring back at the same time as well as the studies previously conducted.

Councilmember Strommen supported an honest needs assessment to assure the Council is making smart decisions. She asked what "bare bones" options would mean and indicated a preference to not set the decision solely on the price.

Councilmember Elvig reviewed the property size and past valuations. He stated the 14 acres may have been worth \$12-14 million five years ago when considered for multifamily so he does not understand why the valuation today would be as low as \$450,000. He asked if the City should wait to sell until the land values come up.

Fire Chief Kapler noted that per Council direction, staff was told this property would be used for business, not for multi-family. He agreed that an apartment use would drive up the property value.

Councilmember McGlone suggested the Council consider a phased and less costly project initially, constructing the first story so it can support a second story in the future. He indicated he had supported doing a space needs analysis because he thought the cost would be a net zero. If he had known the project cost would be \$3.6 million, he would not have voted for the study.

FUTURE TOPICS FOR DISCUSSION

Noted.

MAYOR, COUNCIL AND STAFF INPUT

None.

ADJOURNMENT

Motion by Councilmember Tossey, seconded by Councilmember Strommen, to adjourn the Work Session meeting.

The Work Session of the City Council was adjourned at 6:56 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.