

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, November 15, 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  
Councilmember Jeffrey Wise

Also Present: City Administrator Kurtis Ulrich  
Deputy City Administrator Heidi A. Nelson  
Public Works Director Brian Olson  
Senior Planner Tim Gladhill  
City Engineer Tim Himmer

**CALL TO ORDER**

Mayor Ramsey called the City Council Work Session to order at 7:38 p.m.

**APPROVE AGENDA**

The agenda was approved as submitted.

**COUNCIL TOPICS FOR DISCUSSION**

**1) Update on Long Term Road Maintenance Initiative**

Public Works Director Olson reviewed the staff report and requested the Public Works Committee provide direction.

Mayor Ramsey noted the first question under Frequently Asked Questions (FAQ), indicates the City will spend \$90 million in 13 years on roads. He stated most of the City's roads were constructed in the 1970s and 1980s but it is not realistic to reconstruct all of them in 13 years. Mayor Ramsey suggested that number be quantified into something that is realistic.

Public Works Director Olson explained that question is indicating the roadwork that will be necessary but staff knows \$90 million will not be spent in 13 years.

Mayor Ramsey asked if other funds will be part of the funding package, such as storm water utility funds, to offset some of the \$90 million.

Public Works Director Olson indicated the City is currently in the information-gathering phase of the Communication Plan. He advised that it cost \$750,000 per mile for a standard roadway and some features dramatically increase the cost such as sidewalks and road widths.

Mayor Ramsey stated he would like the numbers tightened so they are not arbitrary.

City Administrator Ulrich suggested subtracting the dollars that are not yet designated, such as MSA. He estimated the City has \$50 million of unfunded road projects that needs to be constructed.

Mayor Ramsey suggested the information include the number of road miles it will fund.

Public Works Director Olson stated the City has 178 miles of road and 28 miles of MSA so there are 150 miles of road and if 100% assessed, it is all unfunded. He indicated staff can tighten up the number but he believed the information should be kept simple so the focus is the issue, not the money behind the issue. He asked under what period of time the Council wants the funding to be reflected. He stated it would be \$90 million over the next 40 years and no funding is available for that work.

Mayor Ramsey felt that was not specific enough and residents will know that round number is not accurate.

Councilmember Backous noted the information includes the funding source and three options for funding but he thinks another option could be a combination of the three options the Council discussed.

Councilmember McGlone stated staff has already tightened up the number by clarifying it cost \$750,000 per road mile.

Councilmember Strommen asked where will the funding come from for the options described. She noted that Option 1, Do Nothing, may be inferred to mean the City will do nothing to maintain the roads. However, the intent is that "Do Nothing" means to maintain the City's assessment policy. In addition, it may be confusing for a member of the public to figure the relative costs of the options because each is measured differently and over different periods of time. She believed providing apples-to-apples information in a table format may provide a better comparison. In addition, the comparison is based on a monthly cost; however, most people usually consider property taxes as an annual expense, not a monthly expense.

Public Works Director Olson stated staff has normalized the numbers so residents can look at the per month charge for a \$150,000 or \$450,000 valued home.

Councilmember Strommen suggested creating a table format with the average home value, assessment amount, monthly amount, and the time period so it is easier to compare. She explained she wants residents to understand how it affects them so they provide comment.

Chuck Tombarge, representing Himle-Horner, explained this information will be coupled with other materials in the Communication Plan.

Councilmember Tossey stated he does not like the comparison with the cost of a cup of coffee a day and recommended that verbiage not be used.

Public Works Director Olson stated that analysis can be removed but when staff did the initial analysis of other communities, they indicated that was a successful communication piece.

Mayor Ramsey agreed that analysis should be removed.

Councilmember Elvig noted, in that analysis, the City is trying to sell the point instead of just explaining the problem, being descriptive of the problem, and asking residents for their solutions.

Mayor Ramsey stated he supported an analysis of the City's other fees, for example the storm water utility, water utility fees, surface water treatment plant, and street light fee, which should be addressed early next year. He noted the survey indicated that 49% supported a franchise fee and proposed that rather than starting with \$28/month/household, the City start with \$14/month/household.

Councilmember McGlone stated at this point the overriding issue is how to be solvent.

Councilmember Wise felt that residents do not care about anything but to fix the road and do it cheaply.

Public Works Director Olson explained that information was included because if the Council was going to take political pressure for instituting a franchise fee, there should be a discernible benefit to the property. He noted a 50/50 assessment still costs a significant amount to the property owner and they will ask why they are paying a franchise fee. Or, the Council could consider pushing off some of the improvements as far as possible, start with a lower franchise fee, and spread it over roads with major evidence of deterioration. In that way, the City may be able to justify a higher franchise rate in the future.

Councilmember Backous stated the City needs to communicate the problem, quantify the facts, and find a solution. He supported the suggestion of starting with a lower franchise fee.

Councilmember Elvig agreed it is a good idea to start a cash flow and look at how it would be disbursed. He noted while the road construction is a \$28/month/household problem, the Council could consider reducing it to \$14/month/household and pursuing other funding and legislation but ultimately the City needs the resident's support.

Councilmember Wise did not support implying the City would be looking for outside funding because he believed it was a City problem. He suggested considering a tiered increase, maybe for six years, until the reconstruction program is fully financed. Then residents can adjust their household budget. In addition, the economy may be better in the future.

Councilmember Strommen stated the City needs to be careful about making the message too complicated or sending too many messages. She preferred the message define the problem, talk about options, and request input. Councilmember Strommen noted that at the decision point the City may be able to bring down the burden; however, she felt including that now makes it confusing. The message should be simple and stay on track.

Councilmember McGlone agreed, stating he likes the idea of under promising and over delivering. He suggested letting residents know this is the worst-case scenario, noting the Council will hear from residents who object.

Public Works Director Olson stated staff had suggested only three options in an effort to keep the message simple. Staff envisions giving presentations at key stakeholder meetings, the Rotary, EDA, Connexus, senior groups, and prominent businesses so staff wants to assure the issue is clear. He explained that at this point, staff is only gathering information and the FAQ, once refined, will be sent to QCTV.

Mayor Ramsey stated he thinks, in hindsight, the Council went down the wrong road because this process will cost enough to construct a quarter mile of road. He noted the Council probably has enough information from the survey to make a decision. Then a simple communication piece can be sent out on the problem and what the Council decided as a solution, starting with a \$14/month/household franchise fee. Mayor Ramsey pointed out the Council has been discussing this issue for two and one-half years.

Councilmember Wise stated the Council has already started this process but maybe it should select one of the three options, set policy, and then provide information to the public. He estimated that 85% of the residents will have the same opinion in not being happy.

Councilmember Elvig agreed this issue can be “studied to death” but the issue is how to message it, present it to the public, the rate of fee, and to work the legislation option. He supported creating a Communication Plan addressing those elements and sending out a reasonable communication piece explaining the plan.

Mayor Ramsey noted it will cost more money to get a legislative district in place and if the franchise fee starts at \$14/month/household it gives the City an opportunity. He noted that should the economy not improve, consideration can be given to not including sidewalks.

City Administrator Ulrich stated one value the community holds dear is property rights, which is reflected in Charter policy. He noted that if assessed, property owners have the right to petition against the project and even with a 50/50 split, the City does not have that 50% portion. City Administrator Ulrich stated the message could be to present the option of fixing streets, a low

assessment, and if the residents counter petition the City will move on to the next project. He suggested the Council consider how to eliminate the petition process.

Councilmember McGlone agreed the petition process is counterproductive, unfair to the rest of the residents, and sometimes petitioning residents no longer live on the road as it deteriorates.

Councilmember Tossey stated the Charter Commission has no desire to eliminate the counter petition option and neither does the Council. He did not feel that \$28/month/household was feasible.

Mayor Ramsey stated if a Communication Plan is needed, it should include dates, milestones, etc. of when things will get done.

Public Works Director Olson noted the Communication Plan identifies project milestones and staff wants to be sure it reflects Council's comments.

City Administrator Ulrich indicated to get the issue on the table and residents to provide input, the sooner the Council makes a decision, the better. He felt that a \$28/month/household franchise fee will raise the issue to a high level, be controversial, but get discussion started and a resolution within three to four months.

Councilmember Wise felt that "Do Nothing" was not an option, so there are only two available options.

Public Works Director Olson stated that option was discussed at last Work Session and if that option is selected, the City will either not rebuild roads or finance all road construction with 100% assessment.

Councilmember Wise stated his support to only offer two options, without the "Do Nothing" option.

Councilmember Backous noted this item has been included on the posted agenda for each meeting it is discussed yet no one is here to talk about it. He felt that bypassing citizen involvement would cause problems and the City needs to be ready to deal with the message that Connexus will send to residents.

Councilmember Strommen did not support bypassing citizen input because this is a good issue for residents to weigh in on and provide understanding of the tough decisions the Council has to make. She stated she has no objection to the Communication Plan and supports moving forward with the public process.

Councilmember McGlone stated the public pays taxes and has reasonable expectations on how the City will use those dollars. He noted that the Council is raising taxes whether through a franchise fee or tax increase because there is a need that has never been addressed before. Councilmember McGlone stated that as a resident, he would have no problem if the Council

charged him \$28/month/household because then he would not have to worry about neighbors defeating a project through a petition.

Councilmember Wise asked if it will offend the public if the Council takes input and approves the franchise fee anyway.

Councilmember Elvig noted another option is through the budget process, to increase the levy by \$1 million a year to fund roads. But, this relies on trust of the future Councils to continue that funding. He stated he thinks the Communication Plan is a good piece to the public to ask for their input.

Councilmember Tossey asked how much revenue would be generated by a \$14/month/household franchise fee plus franchise fees toward businesses and retail.

Public Works Director Olson responded \$5.29 million annually

Councilmember Tossey pointed out that a franchise fee would raise revenue even with stagnant growth. He noted there may be additional future revenue based on projected growth, as predicted by the Metropolitan Council over the next 15 years. If that occurs, the franchise fee could be lowered.

Councilmember Wise felt the franchise fee was the only way to fund road reconstruction because it includes all property including the City Hall, churches, etc.

Mayor Ramsey clarified he is not advocating considering a franchise fee without first talking to the public about it, but he does not want to belabor the point. He felt that \$14/month/household was reasonable but noted street design like concrete curb and gutter and sidewalks cannot be determined until each project is considered.

Public Works Director Olson agreed each project will be different but there are standards on road width and sidewalks. He thanked the Council for its input and indicated staff will refine the Communication Plan, as discussed, and contact key stakeholders for presentation. Public Works Director Olson recapped Council's direction to consider a franchise fee of \$14/month/household, to create a source to fully fund the issue without assessments.

Councilmember Elvig asked staff to e-mail the updated Communication Plan so members can quickly respond.

Councilmember Strommen stated her support for the other packet attachments. She noted there is a need to be clear the City has completed a survey, this is the direction the Council is headed based on resident input to date, and there will be future opportunities to provide input.

City Engineer Himmer clarified that with the "Do Nothing" option, the City does not have an existing assessment policy for reconstruction projects.

Councilmember Strommen noted the Chamber of Commerce will be a key stakeholder.

City Administrator Ulrich stated the City still has the opportunity to control the message through its newsletter and QCTV and should address the position of Connexus, which may send out a postcard ahead of the Communication Plan.

The Council briefly discussed the anticipated action by Connexus to communicate with residents that they are not responsible for or imposing the franchise fee. Suggestions were offered to include in the FAQs that the City is responsible for the franchise fee and residents should anticipate receiving a postcard from Connexus.

## **2) 2012-2016 Capital Improvement Program (CIP)**

Finance Officer Lund presented the 2012-2016 Capital Improvement Program (CIP) and advised of the Charter requirement to hold a public hearing.

Mayor Ramsey stated for the record that inclusion of a project in the CIP does not mean he would approve of the project.

Councilmember Tossey agreed and stated he has heard people say something should move forward because it is in the CIP; however, this is not a binding document, but a wish list.

Councilmember Elvig stated he makes the same comment every year to not justify a project just because it has been in the CIP forever.

Public Works Director Olson explained the purpose of the CIP is to make sure that something is not missed that Council wants included, especially in the next few years. In addition, staff attempts to concentrate on funding sources for the next two years of projects to equalize the load.

Mayor Ramsey suggested that at the end of the year the Council review what is to be funded for the following year.

City Administrator Ulrich asked if the Council would like to review projects at a certain dollar threshold.

Councilmember Elvig noted in the past the Council has directed Public Works to bring forward anything that is urgent or likely necessary. In that effort, the Council is able to prioritize the items.

Finance Officer Lund advised that the next Consent Agenda will contain an item to schedule the 2012-2016 CIP public hearing on December 13, 2011.

Following discussion, Council consensus was reached to review all projects over \$50,000 by the end of February.

### **3) Consider Amendments to the Development Review Process**

Senior Planner Gladhill reviewed the staff report and staff's recommendation.

Councilmember Elvig stated his support to embrace development and suggested another city may have a template of similar information.

Senior Planner Gladhill stated the information is based on a Metropolitan Council handbook, an award-winning document, but staff can look at what other communities are using in terms of content. He displayed a flow chart used by the City of Plymouth relating to permit process.

Councilmember Elvig commented on the benefit to the Planning Commission if it were able to view the development agreement prior to formulating a recommendation.

Senior Planner Gladhill advised there will be an electronic link to a "boiler plate" development agreement contract, which will be provided to the developer and Planning Commission.

Councilmember Strommen suggested creating a built in review process so it can be determined if the process is working, once implemented.

Senior Planner Gladhill stated staff has received comments from developers relating to the number of times they have to revise plans. He indicated staff will research the option of creating a follow-up survey into the application.

Councilmember Strommen supported this suggestion, noting it will be good to assure the City is achieving its objectives and the process really works.

The Council supported moving forward with amendments to the Development Review Process, as presented.

### **4) Discuss Meeting Schedule for December**

Following discussion, consensus was reached to cancel the December 27, 2011, Work Session meeting.

### **FUTURE TOPICS FOR DISCUSSION**

City Administrator Ulrich reported on the November 16, 2011, Northstar Station Kickoff Celebration.

### **MAYOR, COUNCIL AND STAFF INPUT**

None.

### **ADJOURNMENT**

Motion by Councilmember Tossey, seconded by Councilmember Wise, to close the Work Session meeting of the City Council.

Motion carried.

The Work Session of the City Council was adjourned at 9:01 p.m.

Respectfully submitted,

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Kurtis G. Ulrich  
City Administrator

ATTEST:

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Jo Ann M. Thieling  
City Clerk

Drafted by Carla Wirth  
*TimeSaver Off Site Secretarial, Inc.*