

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, December 6, 2011, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Acting Mayor Jeffrey Wise
 Councilmember Randy Backous
 Councilmember David Elvig
 Councilmember Colin McGlone
 Councilmember Sarah Strommen
 Councilmember Jason Tossey

Member Absent: Mayor Bob Ramsey

Also Present: City Administrator Kurtis Ulrich
 Deputy City Administrator Heidi A. Nelson
 Public Works Director Brian Olson
 Finance Officer Diana Lund
 Senior Planner Tim Gladhill
 Fire Chief Dean Kapler
 Building Official Mick Kaehler
 Fire Marshal Matt Kohner
 Planning Intern Patrick Brama

CALL TO ORDER

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

COUNCIL TOPICS FOR DISCUSSION

1) 2012 Levy & General Fund Budget

City Administrator Ulrich reviewed the draft press release indicating the 2012 budget keeps the levy at a zero percent increase for the average homeowner. He indicated the 2012 levy and general fund budget will be presented to the public at the December 13, 2011, Council meeting.

Finance Officer Lund provided a video presentation explaining the homestead market value exclusion and the 2012 levy and general fund budget presentation that will be made on December 13, 2012. She asked whether the video should be played for the public prior to the budget public hearing.

Councilmember Strommen supported playing the video, indicating it is the most clear explanation she has heard on homestead market value exclusion.

Councilmember Elvig agreed it is challenging to explain without a diagram.

Finance Officer Lund displayed the slides that would be presented to the public that included the sample property tax statement, 2012 total levy of \$8,413,798 and 2012 general fund budget of \$9,648,075 showing a net levy impact of zero dollars.

Councilmember Backous stated the press release seems misleading because while the slide shows the general fund budget increasing by \$198,675, the press release says the levy was reduced. He noted that reduction was because of the TIF 1 decertification, not aggressive reduction of costs. Councilmember Backous supported an honest portrayal that the zero levy was the result of the TIF 1 decertification.

Acting Mayor Wise noted staff has worked hard at getting to a zero net levy increase but agreed the press release could be reworded to include the TIF 1 decertification.

City Administrator Ulrich stated staff will add language to the press release to better explain that the TIF decertification actually benefits property owners.

Finance Officer Lund continued presentation of the budget slides describing the 2012 general fund budget and levy, expenditure comparison for the past six years, tax capacity rate comparison from 1999 to 2012, and total levy including the general fund, EDA, debt service, taxable market value questions, special taxing districts, breakdown of proposed tax rates, and tax capacity for the Anoka and Elk River School Districts. Finance Officer Lund displayed a slide of the 2012 preliminary levy summary between 2011 and 2012. Overall the change in the levy is \$285,189 representing a 3.51% increase; however, the TIF #1 decertification comes back on line in the amount of \$285,189. She also displayed a handout explaining the 2012 legislative change in market value homestead credit.

Councilmember Elvig questioned whether presenting both the video and slides relating to homestead market value exclusion is “overkill.”

Councilmember Strommen noted staff can refer back to the video if it is shown before the slide presentation.

The City Council agreed with the suggestion of City Administrator Ulrich to imbed the video into the PowerPoint at this point in the presentation and remove the redundant PowerPoint slides.

Finance Officer Lund completed the slides that will be presented to the public identifying an example of the homestead market value calculation that will follow the video, ranking of Ramsey’s tax rate in the metropolitan area and with Anoka County cities, and 2012 notable budget items and highlights.

Finance Officer Lund displayed a pie chart identifying the source of general fund revenues and expenditures as well as expenditures by function. She indicated consideration of the budget and levy will be before the City Council on December 13, 2011, and staff’s presentation will be

posted to the website. Finance Officer Lund asked if the City Council is comfortable with the budget and levy as presented.

Councilmember Elvig stated he is not sure the intent was to offset the tax increase with TIF decertification.

Finance Officer Lund indicated the budget is increasing but it includes a fire truck at \$300,000 and funding from the Capital Equipment Fund so it is not a true statement that it is offset by just TIF 1 decertification.

Acting Mayor Wise suggested staff make a statement at the beginning of the presentation that the City Council's goal was for homeowners as a whole to not have an increase in tax dollars.

Councilmember Strommen stated staff needs to be clear whether they are talking about the budget or the levy so property owners are not confused. She indicated she would provide staff with suggestions on rewording the press release.

City Administrator Ulrich stated the Council's goal and objective was to keep the taxes the same as previous years and it would be good to make that statement up front.

The City Council indicated support for the 2012 levy and general fund presentation with adjustments as discussed.

2) Review Legislative Redistricting Timeline and Impacts to City's Ward and Precinct Boundaries

Deputy City Administrator Nelson reviewed the staff report.

Senior Planner Gladhill reported on the Anoka County meeting he attended. He displayed a map of ward precincts and described the options being considered to attain a balanced $\pm 10\%$ variation.

Councilmember Strommen asked if the plan is to focus and equalize Wards 1 and 2, or a broader revision.

Senior Planner Gladhill explained the State legislative proposal is to change some boundary lines which may impact the City's polling locations. He indicated staff supported minimum disruption to the Ward boundaries. However, staff can take a broader look beyond Wards 1 and 2, if that is the desire of the City Council.

Acting Mayor Wise suggested staff also consider housing projects proposed and under construction when considering adjustment to the ward boundaries.

Senior Planner Gladhill stated that is a good point and noted the census was based on occupied units today but there are some developments like Brookview and Sweet Bay Ridge that will be occupied in the future and may impact population so staff should forecast growth. He reviewed

the timing of this consideration, noting staff is waiting for completion of the State Legislature's plans. At that point the City will have 60 days to complete its work and then Anoka County will do redistricting, all before the 2012 primary elections.

Deputy City Administrator Nelson stated staff is requesting the Council's feedback on what it would like, noting staff will prepare to bring this matter back for Council consideration in early 2012.

Acting Mayor Wise restated the need to take residential development into account.

Councilmember McGlone suggested main roadways be used as ward boundaries to make it easier for residents and people trying to get elected.

Councilmember Tossey noted Wards 3 and 4 are within the $\pm 10\%$ threshold so the adjustments for Ward 1 has to shed and Ward 2 has to grow.

3) Discussion of Building Code and Fire Suppression Requirements

City Administrator Ulrich stated there was some confusion between the Fire Code and Building Code so staff wanted to take the opportunity to discuss how the two Codes relate, opportunities to change existing Code, and get Council direction.

Fire Chief Kapler reviewed the staff report and explained that, prior to 2004, the City saw an influx of multi-unit housing. The challenge for public safety with higher density housing was the issue of private roads so street standards were developed that met the Fire Code requirements and addressed the issue of maintenance to assure adequate protection to residents in those homes and responders. In 2004, the City looked into optional Chapter 1306 and could have chosen one of two chapters. One chapter required retrofitting every building in the City but staff felt that exceeded what the City wanted to accomplish. The other chapter dealt with new construction and change of occupancy. Fire Chief Kapler explained the original drive for Chapter 1306 came from the fire service.

Building Official Kaehler explained that in 2004, Chapter 1306 had requirements for the type of occupancy based on size. Then, in 2007, the Code removed townhome requirements from the optional chapter and placed the requirement to sprinkle townhomes into the general body of the Code. The change of use issue is still in Chapter 1306 so when occupancy changes, some thresholds have to be met.

Fire Chief Kapler asked about major remodeling or building expansion.

Building Official Kaehler explained that expansions or remodeling that opens the floor print triggers fire suppression requirements.

Councilmember McGlone noted Fire Chief Kapler had mentioned that allowing higher density construction with smaller roads created a scenario of potential access problems and adding snow

stacking and parked cars would make it reasonable to think that fire suppression would be a good idea.

Fire Chief Kapler stated that is correct. It was one tool open to provide safety to the residents in case of a delay in response.

Councilmember McGlone stated he was confused at the last meeting whether Chapter 1306 was or was not mandatory. He felt it comes back to Fire Chief Kapler's concern in addition to defunct associations and problems caused by snow plowing. Councilmember McGlone stated he supported requiring roads to the City's standards so there would be less of a concern for providing unencumbered access for emergency vehicles. He asked about the church request.

Building Official Kaehler explained that when Chapter 1306 was adopted in 2003, that became the rule but since it is an optional chapter, there is opportunity for the City to "unadopt" it and some of those rules then go away. He noted there is some danger in that because if the building does not have a sprinkler then there is a requirement for fire resistant construction and other measures.

Acting Mayor Wise stated he was also confused because he thought there was no room for change, even for a church that meets only once a week. He noted the cost for a sprinkling system would be a huge investment for a use of only two hours out of a week.

Building Official Kaehler advised that once the City adopts anything into the Code, whether from the body of the Code or a provisional chapter, there are no variances.

Councilmember Tossey stated the City chose to adopt the provisional chapter that deals with new construction and if it fits within those boundaries, the City needs to require sprinkling. He asked about a change in occupancy for existing structures and if the Code allows discretion in that scenario. He noted the City just paid \$100,000 to sprinkle a building off Highway 10 and asked if there can be discretion.

Building Official Kaehler advised there is no option for discretion available to the Code officials. The rule is cast in stone. He noted that Codes address the worse case scenario whether a bar or a church so it is irrelevant if the building is only used on Sunday morning. In this situation, water is available so it has to be sprinkled.

Councilmember McGlone stated another part of the issue with the church case was he could not rationalize how the City could issue an Interim Use Permit (IUP) when Code does not allow the City to do it because it is a State code. Another issue is whether there are grandfathered issues with an existing building. He asked if it is still within the Council's purview to "unadopt" that portion of the Code to allow discretion, moving forward, to decide whether the Council wants to give an IUP.

Building Official Kaehler explained the optional chapter could, in fact, be thrown out. But if that is done, other rules then apply and in this case the change of use triggers requirements to have fire rated assembly walls. Building Official Kaehler advised that the cost to create fire rated

assembly walls would be less than fire suppression. However, currently, the City does not have that discretion.

Acting Mayor Wise stated with the church request, the building owner may have assumed he could put a use in the building and there would be grandfathering of the sprinkling requirement. He noted that some buildings have been around for 20-30 years and a big investment would be needed to install sprinkling, which may not be feasible so the City will end up with empty buildings.

Councilmember Elvig stated when the Council discussed adopting Chapter 1306, he recalled looking at the State having a new Code and indication the City should look at adopting it. He remembered it being an “all or nothing” scenario to adopt the Code without the ability to opt out. But now he is hearing there may be ala carte considerations. With regard to the Christian Academy, he thinks they can build regardless of size if it is sprinkled.

Building Official Kaehler explained that 1300 is the Minnesota version of the National Building Code. He stated that 10-12 chapters of the Code are mandatory but other chapters are optional and one is Chapter 1306 relating to fire suppression. The City liked Chapter 1306 and once it is adopted as Code, the City has to stick to it to the letter. Building Official Kaehler stated he does not have the authority to waive anything with minor exception. If the Council decides to get rid of Chapter 1306, it simply needs to make the decision and notify the State.

Councilmember Tossey questioned whether it was safe to issue an IUP for three years and now extend it. He stated he likes the idea of having more flexibility and discretion but it had been his understanding there was no discretion and applicants had to install sprinkling.

Councilmember Backous stated he also likes having flexibility and discretion. He noted he had been a critic of Chapter 1306 in all the cases the Council has seen because it goes against common sense. Councilmember Backous stated he wants to be sure the Council is not considering an action that will have some unintended consequences since it has been stated if Chapter 1306 is “unadopted” other fire suppression construction would be required. As a building owner, he would prefer to be forced to do sprinklers because the use of the building may change and it may be expensive to retrofit if the building had been constructed in a certain way to create fire suppression.

Fire Chief Kapler stated he wanted to be clear that the Code is a minimum code and if someone wants to put up a building that does not require sprinkling, the owner can install sprinkling anyway. But, if the building meets the threshold to require sprinkling then there is no discretion to lower the threshold and not require sprinkling.

Councilmember Tossey stated he understands that is the standard but he does not agree with adopting it and forcing a large investment to install sprinkling for an existing structure. He stated if safety is the concern, he finds it disingenuous to approve an IUP, even if for three months. Councilmember Tossey stated perhaps the Council should not “handcuff” the City to Chapter 1306 if it doesn’t have to.

Councilmember Strommen noted there is an assumption the City has no flexibility or discretion with Chapter 1306 but without it the City would have full discretion and flexibility. However, that is not the case because without Chapter 1306, other rules would kick in related to fire suppression construction methods. She noted it is setting up a false choice because that is not the case. Councilmember Strommen stated if there are two sets of requirements, one may be slightly less expensive but if Chapter 1306 is thrown out, it also throws out the requirement to sprinkle 24-hour a day uses and the City may want that standard in place.

City Administrator Ulrich asked whether the City can adopt a fire suppression appendix that takes what the City likes from Chapter 1306 and still give discretion, such as leaving it to the discretion of the Fire Chief whether fire sprinkling suppression is required.

Fire Chief Kapler stated the City can make it more strict but this is the minimum standard and the City cannot go below that standard. He explained that if he does not uphold the minimum standard, he could personally be held liable.

Councilmember McGlone stated he heard there was flexibility and that Chapter 1306 was optional. The City adopted Chapter 1306 and now needs to mandate it with the church because it changed use of occupancy. He stated he supports having flexibility with older buildings, wants to help with redevelopment, and it usually helps to deregulate. Councilmember McGlone stated the economy is a big issue and other construction methods that would be triggered would be cheaper than sprinklers and move in the direction of keeping people more safe. He noted if the City “unadopts” Chapter 1306 it could apply a different set of rules that are economic friendly. Councilmember McGlone stated new construction is still under the Code standards and he is talking about existing buildings.

Councilmember Strommen asked whether the City could apply one set of rules for older construction retrofit and another set of rules for new construction if the City drops Chapter 1306.

Building Official Kaehler advised the Code has a separate set of rules for new construction whether or not the City has Chapter 1306.

City Administrator Ulrich asked whether the City can keep the provisions it likes in Chapter 1306, under a new name, and eliminate what it does not like.

Building Official Kaehler stated if the Council keeps its conversation to existing buildings, then the existing Building Code triggers the rules related to fire suppression and you can either sprinkle or create area separated walls through the roof with a 30-inch parapet, which may still be less expensive than sprinkling.

Councilmember Tossey stated he remains concerned that issuing IUPs puts someone at risk of being liable. He wondered why the City considers IUPs and felt staff should not recommend IUPs for these types of buildings if safety is such a big issue.

Fire Chief Kapler stated he would agree and explained staff was trying to create a “bridge.” He noted the City Council meeting minutes reflect that he had said it should be sprinkled but the

City was trying to work with someone and create a three-year “bridge” after which it was to be sprinkled. Fire Chief Kapler stated the building was not sprinkled and there were some tradeoffs to allow that “bridge” to be put into place.

Building Official Kaehler advised that a rated wall divides the church and other area and there are fire doors with closures so if there is a fire, the doors shut and provide a one-hour barrier.

Councilmember McGlone stated he thinks the IUP was improperly worded and if the City did not have the ability to change the Code, the church should not have been allowed three years ago. Now the Council has approved another IUP. He felt the most flexible thing the Council could do is get rid of Chapter 1306 to gain flexibility to apply a lesser standard.

Councilmember Tossey read Chapter 1306, the Subpart 1 requirement, and indicated he does not think the City has to adopt both subparts.

Fire Chief Kapler noted the change in use will trigger the requirement anyway.

Acting Mayor Wise stated the discussion was to determine if there was room in the Code as adopted and ramifications if Chapter 1306 is “unadopted.” He noted staff may be able to provide a cost comparison between requiring sprinkling and requiring fire suppression construction measures.

Fire Chief Kapler stated he is an advocate of sprinkler systems and the fire service side has targeted assemblies because it is the highest risk of life loss. He felt the City would be missing the opportunity to provide a safer environment to areas changed from a previous use to an assembly use if Chapter 1306 is dropped.

Acting Mayor Wise stated he does not mean to detract from safety but the City has to consider that the Fire Code places a huge financial burden and the Council is weighing public safety to economic burden.

Councilmember McGlone stated he believes that requiring sprinkling crushes businesses and puts the City in a position of paying \$100,000 for a sprinkling system that would not have been required if the City had “unadopted” Chapter 1306.

City Administrator Ulrich asked whether the Council wants staff to look for areas of flexibility for existing structures and determine how to introduce flexibility in the Code that is defensible legally and from a public safety standpoint.

Councilmember Strommen stated it makes sense to get information and she is willing to look at it. However, she is concerned the Council is considering making a big policy change based on several recent cases. Councilmember Strommen noted you can flip the situation around that if there had been a fire in one of these places with a tragic incident, the Council would respond in a different way. She stated she wants to be sure the Council is thinking about policy and not being reactionary. The Council needs to be thoughtful and looking at additional information will help.

She pointed out if this is a trend for assemblies to go into these types of buildings, then she may make the opposite argument that the City needs to assure they are safe spaces.

Acting Mayor Wise suggested contacting suburban neighbors to find out whether they have had similar issues with this Code.

Fire Chief Kapler stated staff had this discussion at a previous City Council Work Session when Mr. Sharp came forward with a project and asked the Council to consider appealing Chapter 1306. At that time, he asked the Council to not repeal it because of the benefits it provides. Fire Chief Kapler stated he is glad to do that research and Fire Marshal Kohner can talk about what other area municipalities have done.

Acting Mayor Wise recalled that discussion and that the Council was told the City could not repeal Chapter 1306.

Councilmember Backous stated he remembers that discussion and being frustrated by the fact that the City had no choice or option. He noted he is in the insurance business, does not like it when buildings burn to the ground, and likes sprinklers. But, the Council is faced with people who have empty buildings and if required to sprinkler it may take two years of rent for them to break even. Councilmember Backous stated that is not a good option and asked staff to prepare a cost/benefit analysis and use common sense.

Councilmember Tossey stated he concurs with Councilmember Backous and also had the understanding when Mr. Sharp made his request that Chapter 1306 could not be changed.

City Administrator Ulrich asked the Council to remain focused on what the City can change. He noted the purpose of this agenda item is to clarify what can be changed following due consideration.

Acting Mayor Wise asked staff to provide information on the cost for fire suppression building standards should the City repeal Chapter 1306.

The City Council agreed with the suggestion by Fire Chief Kapler to use the 167th Avenue project as an example to determine the cost for sprinkling compared to the cost of building construction requirements if Chapter 1306 is repealed.

4) Review of 2012 Legislative Agenda

City Administrator Ulrich reviewed the staff report and asked the City Council for input on the 2012 legislative agenda.

Councilmember McGlone stated Fairoak Avenue is out of the City's jurisdiction and asked if Anoka would share in the cost of a lobbyist to further the Highway 10 corridor.

City Administrator Ulrich stated he has called the Anoka Manager about the option of a shared lobbyist; however, priorities need to be in place to assure Ramsey's interests are met.

Councilmember Tossey stated he doubts Anoka will want to pay for a lobbyist for Ramsey's interchange but he thinks Anoka is not as opposed today as they were in the past to it becoming a freeway. He supported hiring a lobbyist, even if the City is able to get \$10 million in bonding, because there is a desire to see something happen with the Highway 10 corridor from Elk River to Coon Rapids. Councilmember Tossey stated this is the time to look at it and put pressure on all elected officials, from Anoka County to the federal level. He believed this area had been neglected, as can be seen when driving the southwest part of the metro area.

Councilmember Elvig stated he did not think Anoka has ever been opposed to doing something on Highway 10 and Anoka has made some efforts to get interchange space. Councilmember Elvig supported getting resolution between Ramsey and Anoka to work together in partnership and create a common voice, which will be a strong tool. Councilmember Elvig indicated Highway 47 is an Anoka issue that has become a Ramsey problem and asked if it should be included on the legislative agenda.

City Administrator Ulrich noted Ramsey may have an advantage because it is ready to go with the Armstrong Boulevard interchange. However, due to the complexity with the different properties, Anoka may be a year or two behind Ramsey in its ability to complete an interchange at Fair oak Avenue. He suggested Priority 1 be the Armstrong Boulevard interchange and Priority 2 be the Fair oak Avenue interchange.

Councilmember Elvig commented on the need to assure it is the right size and scale.

Acting Mayor Wise felt that when talking about size and priority, the City also needs to address return on dollars. He noted Ramsey has people with letters of intent, which is more than Anoka has.

Public Works Director Olson noted Highway 47 is not up to that level today and may not be within a year.

Councilmember McGlone raised the issue of water treatment and the Council's support to make it a larger jurisdiction issue than just Ramsey.

City Administrator Ulrich stated the best first step would then be a planning effort to get Ramsey in the queue for capital funding during a subsequent session. He explained how Ramsey can engage other communities, such as Nowthen or St. Francis, to be part of this effort and ask for funding to conduct a study on serving multiple cities with water.

Public Works Director Olson explained why the issue of a water treatment facility is interregional and advised of staff's conversations with Nowthen, St. Francis, and Andover. He noted this should be discussed now because once approved it could take 3-4 years to complete. Public Works Director Olson noted the Council wants to keep costs low to developers and he thinks the water treatment facility would show good "legs" if the City had a voice at the DNR.

Councilmember Strommen felt it was prematurely on the legislative agenda because funding for a water treatment facility will go nowhere without the DNR on board and mandating to other communities a more regional approach to water treatment. She believed the City needed to do more work with the DNR to lay the groundwork. In addition, this will be a short legislative session to address bonding so other policy oriented issues will be difficult to get considered.

Councilmember Elvig agreed with the importance of a combination of DNR and Metropolitan Council support, noting the Metropolitan Council is looking at more regional issues than in the past.

Councilmember Strommen agreed, noting, however, that the Metropolitan Council has no jurisdiction in Sherburne County and Ramsey is right on the edge of that boundary.

City Administrator Ulrich indicated staff will remove the water treatment facility from the legislative agenda because it is not urgent at this point but staff will continue to conduct background work.

City Council consensus was reached to support staff obtaining proposals for a federal lobbyist and to contact Anoka about the option of a joint lobbying effort.

FUTURE TOPICS FOR DISCUSSION

The City Council reached consensus to add discussion of Building Code Chapter 1306 and legality of IUPs to future topics.

MAYOR, COUNCIL AND STAFF INPUT

None

ADJOURNMENT

Motion by Councilmember McGlone, seconded by Acting Mayor Wise, to adjourn the Work Session meeting.

Motion carried. Voting Yes: Acting Mayor Wise, Councilmembers McGlone, Backous, Elvig, McGlone, Strommen, and Tossey. Voting No: None. Absent: Mayor Ramsey.

The Work Session of the City Council was adjourned at 7:22 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.