

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, March 27, 2012, 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
City Engineer Tim Himmer
City Clerk Jo Ann Thieling
Senior Planner Tim Gladhill
Planning Intern Patrick Brama
City Attorney William Goodrich
Development Manager Darren Lazan

1. CALL TO ORDER

Mayor Ramsey called the City Council Work Session to order at 5:46 p.m.

2. TOPICS FOR DISCUSSION

2.01: Discuss Updates to the City's Comprehensive Sanitary and Water Plans

City Engineer Himmer reviewed the staff report and requested Council feedback on sewer system upgrades, whether to extend a forcemain sanitary sewer extension into the Northeast Sewer Area and include the associated costs within the 2030 MUSA study period; whether to create a residential equivalency factor for determining connection charges on high density residential developments; and, whether to maintain a minimum fund balance in an amount equal to the average annual expenses over the study period.

Brad Dewolf, Bolton & Menk, provided a presentation addressing projected population, projected sanitary sewer flows, six projects contained in the sanitary sewer Capital Improvement Plan, funding of sanitary sewer utility expenses, sanitary sewer utility revenue, and connection charges. Mr. Dewolf then presented alternate funding scenarios: Alternative 1a for a gravity

option extension to the northeast area; Alternative 2a for a lift station and forcemain extension to the northeast area; Alternative 1b for a gravity sewer extension to the northeast area with 0.7 ERU for high-density residential connection; and, Alternative 2b for a lift station and forcemain extension to the northeast area and 0.7 ERU for high-density residential connection.

Public Works Director Olson stated staff recommends Alternative 2b, lift station and allowing a high-density option. He explained that lift stations have higher operational expense and potential for backing up or power failures but the City has procedures in place to assure sewage does not back up. It is expected a lift station would last for 10-15 years until the northeast area is developed. Public Works Director Olson indicated staff thinks Alternative 2b is a reasonable solution to all goals mentioned by the Council and noted that a gravity system is more sustainable, keeps costs down, provides service, and grows as the user base grows.

Councilmember Wise asked about the expense for lift maintenance and if enough funding has been built in for maintenance of the lift stations.

Public Works Director Olson estimated \$60-\$70/month for electricity plus manpower needs for maintenance (cleaning once/3 months and yearly inspection). He noted the City can fund a lot of monthly charges to care for equipment with \$1.3 million.

Mayor Ramsey noted there would be capital costs to do the project in addition to maintenance costs and asked whether a comparison was done for maintaining the lift station over 20 years to determine if it is cost effective.

Public Works Director Olson stated it will not cost \$1.3 million to power and maintain a lift station over 20 years, estimating it would cost \$150,000 over 20 years.

Councilmember Elvig asked if new construction should fund infrastructure or existing residents pay for it plus user fees down the road.

Mayor Ramsey noted if the overall cost to develop a home is lower on the front end, they would realize a savings, maybe a bigger house, and build tax base.

Councilmember Wise pointed out the basis of the study is a growth rate of 260 units/year and indicated it appears to be an aggressive growth rate.

Public Works Director Olson stated that is correct, noting the Council had debated that issue for two hours at a previous meeting.

Mayor Ryan indicated that number is amortized over a number of years.

Robert Schunicht, Landform, explained that if the growth rates slow, then expenditures also slow. Also, it is recommended to have a fund balance equal to expenditures for a year to take up fluctuation in growth rates. Mr. Schunicht advised this is conservative/typical approach to this type of system.

Councilmember McGlone asked what criteria was used to determine the nine “development hotspots” identified on the map.

City Engineer Himmer indicated the nine hotspots are consistent with the City’s Comprehensive Plan and identified locations in the Highway 10 and 47 corridors, The COR, new areas within the MUSA, and the northeast area even though not currently within the MUSA.

Councilmember McGlone stated people in his ward do not want to see a lot of development and would probably not support a sewer extension.

City Engineer Himmer explained residents would not pay into the plan if not connected into the system.

Councilmember Elvig noted construction of apartments will add to capacity so he is comfortable with a growth rate of 260 units/year if blended over the years.

Mayor Ramsey noted the Council’s goal was lower charges for big projects.

Public Works Director Olson stated staff currently looks at waiting until the SAC determination has been made because it will indicate how much demand is created by the development. Staff is recommending Alternative 2b so people know when “coming in the door” the SAC charge for high versus low density. He noted the City has struggled with extending sewer into this area because of the infrastructure cost to construct the system and this alternative accomplishes the Council’s goals to keep development costs at a minimum.

City Engineer Himmer indicated the notion is getting fees down for larger, high-density subdivisions, noting the use of 0.7 ERU, means those fees will be less. He explained the 0.7 ERU formula came from Metropolitan Council data and Ramsey’s demographics from 2006 to 2010.

Public Works Director Olson asked if there is consensus to move forward with this philosophy.

Councilmember Elvig asked about residents who want to use their own private water wells.

Public Works Director Olson noted when a connection is made to sanitary sewer, connection is to also be made to the water service. He indicated the City has always encouraged use of private wells for lawn sprinkling noting the water rate structure penalizes for higher consumption.

Mr. Schunicht explained why it is typical for cities to maintain a fund balance of one year’s operating costs.

Mayor Ramsey stated his concern that this may result in creating a regional issue and need to build a regional water treatment plant.

Councilmember Elvig suggested a parallel study be conducted so the difference between a regional and a City-wide system can be compared.

Mr. Dewolf provided a presentation on water service, noting projected population, options for additional wells, or to consider groundwater wells, and groundwater treatment.

Mayor Ramsey asked if regional interconnections have been considered for emergency situations.

Public Works Director Olson reviewed utility service capabilities of area municipalities and advised that a regional treatment facility would involve a significant capital investment by Ramsey, possibly millions higher than addressing the City's own population. In addition, there is a need to prove benefit to downstream users.

Mayor Ramsey asked staff to research action previously taken by a County committee dealing with resolution of the regional issue.

Public Works Director Olson stated he presented at that regional committee and its goal at the time was to come up with interregional or intercity connections. However, it fell short of its mark for garnering Governor support and funding allocation for those improvement projects.

Councilmember Strommen reported that DNR Commissioner Landwehr was open to meeting with Ramsey and holding that discussion if the City felt the need to elevate the issue on the DNR "radar."

The consensus of the City Council was reached to support staff's assumptions and recommendation to plan for a forcemain sanitary sewer extension into the Northeast Sewer Area, including associated costs within the 2030 MUSA study period; create a residential equivalency factor for determining connection charges on high density residential developments (0.7 ERU); and to maintain a minimum fund balance in an amount equal to the average annual expenses over the study period.

3. FUTURE TOPICS FOR DISCUSSION

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

None.

5. ADJOURNMENT

Motion by Councilmember Wise, seconded by Councilmember Backous, to adjourn the Work Session meeting.

The Work Session of the City Council was adjourned at 6:32 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.