

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, September 11, 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
Finance Director Diana Lund
Fire Chief Dean Kapler
Police Chief James Way
Public Works Superintendent Grant Riemer
Human Resources Manager Colleen Lasher
Development Services Manager Timothy Gladhill
Management Analyst Patrick Brama
Development Manager Darren Lazan

1. CALL TO ORDER

Mayor Ramsey called the City Council Work Session to order at 5:57 p.m.

2. TOPICS FOR DISCUSSION

2.01: 2013 General Fund Budget and Levy

Finance Director Lund reviewed the staff report and advised the EDA recommended the same levy as last year of \$169,000, increasing the City's tax rate from 44.71% to 45.02%. She requested input on the EDA budget.

Councilmember Wise stated he is not interested in changing the EDA budget from the Council's decision at the last meeting to set it at \$104,000, noting it included a shift in taking staffing dollars from the EDA levy and putting them in the HRA levy.

Finance Director Lund noted the EDA spent \$600,000 for the Nordvik property and the EDA wants to build up its fund balance an additional \$69,000. The EDA also wants funds in the budget in case something else came up.

City Administrator Ulrich explained the EDA budget was reduced because of the shifting of staff dollars. The EDA's concern was seeing the reduction in its budget and if the same levy was kept, it would generate additional money for land acquisition (like the Nordvik property), business subsidy agreements, revolving loan fund, and retention and expansion opportunities.

Councilmember Strommen noted if the budget reduction was largely the result of a shift of staff dollars, the Council could increase the EDA levy and reduce HRA levy by that amount, resulting in a wash.

Finance Director Lund noted when a business calls and asks for the City's tax rate, it is better to have a 44% rate versus a higher amount, which may be important in its decision in where to locate. She explained the HRA levy is not incorporated in those percentages.

Councilmember Strommen stated it is basically a wash if the rate goes from 44.7% to 45% and the higher percentage would restore the EDA's budget and give them something with which to work.

Councilmember Backous stated he does not understand why one is counted in the tax capacity rate formula but not the other, but he would prefer to keep the City's tax capacity rate lower. He noted with a \$104,000 levy, the EDA's working capital would remain the same and not reduce its ability to complete functions. Councilmember Backous agreed that the City's tax capacity rate is looked at.

Councilmember Strommen stated she understands about the tax capacity rate but it seems like a "shell game" to move funding to the HRA. She noted the EDA can still use the staff and the Council has somewhat "hamstrung" the EDA budget by tying up its fund balance in a property parcel on Armstrong Boulevard.

City Administrator Ulrich clarified that the EDA recommendation is to generate additional monies, beyond the staff reallocation, resulting in an increase.

Councilmember Tossey stated his support to keep the EDA budget at \$104,000, which covers its working budget, noting it also has \$450,000 in the bank. He stated he thinks the HRA should also not ask for more than it will need.

Councilmember McGlone explained the EDA's conversation was to have more working capital rather than caring where funds are allocated. He stated he had made a point that day that the EDA has \$300,000 in one account, \$600,000 in another account, and a \$600,000+ asset the EDA voted to approve to purchase. Councilmember McGlone stated he support a \$104,000 EDA levy.

Councilmember Wise agreed the EDA-owned property may be worth more than \$600,000.

Mayor Ramsey supported an EDA levy of \$104,000.

Councilmember Elvig referenced a list of staff members along with objectives that contained a note by Mr. Mulrooney's name that he does prospecting; however, he does not think that is occurring. He noted the EDA just hopes to get a telephone call that someone is interested but he would like the EDA to have funds for prospecting, like the HRA has. Councilmember Elvig noted Ramsey was built on industrial properties but the City is not putting a lot of effort in that regard because it does not have a staff person to do prospecting.

Councilmember McGlone agreed that industrial properties got Ramsey where it is and now it owns a potentially billion dollar property. He stated he would advocate for a prospector on the job because most of what the EDA does is reactionary and if it did prospect, it hired a consultant to do that for them.

Councilmember Strommen stated she could agree if the HRA staff will do prospecting on other economic development projects. However, she thinks the City no longer has that capacity so someone is needed to look for prospects.

City Administrator Ulrich clarified that the budget includes funds to hire a full-time staff person focused on development as part of the HRA and EDA functions. The focus of that position would be economic development.

Councilmember Strommen asked whether that position will fulfill the duties and functions the City used to have on staff.

City Administrator Ulrich stated the previous position was an economic communications and marketing manager. With the new position, the essential functions are not as focused on communication but to be proactive in business prospecting and tied into EDA and HRA on a regular basis.

Councilmember Strommen stated that is what she is looking for.

Finance Director Lund noted this staff position is 20% EDA and 20% TIF funded, which could go to EDA or HRA, making it about 50% coverage.

Councilmember Elvig asked whether the HRA has its own levy authority.

Finance Director Lund stated it does but that levy is calculated within the City's levy limits and the City Council has to adopt the final HRA levy.

Councilmember Wise noted there is impact to the City's tax capacity numbers if funding in the EDA, which is the intent of shifting staff funding to the HRA.

City Administrator Ulrich explained the EDA left it open in how the increase in levy by \$68,000 would be used.

The consensus of the Council was to support an EDA budget levy of \$104,000.

Finance Director Lund provided a presentation of the 2013 General Fund Budget and Levy.

Mayor Ramsey stated his support to reduce the HRA budget, which can be discussed at a future meeting.

The Council discussed and consensus was reached that Finance Director Lund present the entire 2013 Preliminary Levy PowerPoint and to post it on the City's website.

Finance Director Lund stated that \$494,500, or one-third of the road reconstruction budget, is from one-time money.

City Administrator Ulrich advised that in three years the City will need to find another funding source or the road improvement projects will need to be cut back.

2.02: Review of Performance Management Data

City Administrator Ulrich reviewed the staff report.

The Council briefly discussed the study results, noting it is difficult to make a comparison of Ramsey to out-of-state communities, especially outside of the upper Midwest.

The consensus of the Council was to not pursue additional data collection outside of Minnesota and Wisconsin and instead to collect the same Ramsey data periodically (every two years) in an effort to establish a baseline for trend comparison that has meaning.

City Administrator Ulrich asked whether the Council would like to complete a citizen survey in how residents feel about the services the City provides, could provide, or does not provide.

The consensus of the Council was to not support a resident survey related to City services.

3. FUTURE TOPICS FOR DISCUSSION

3.01: Review Future Work Session Topics / Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

None

5. ADJOURNMENT

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

The Work Session of the City Council was adjourned at 6:43 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.