

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, October 2, 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 Jeffrey Wise (arrived at 6:42 p.m.)

Member Absent: Councilmember Sarah Strommen
Councilmember Jason Tossey

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Parks and Assistant Public Works Superintendent Mark Riverblood
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 6:40 p.m.

2. TOPICS FOR DISCUSSION

2.01: Strategic Plan Update

City Administrator Ulrich reviewed the staff report, list of goals that came out of the Council's planning session, and working document with timelines and Committee schedules.

Councilmember Wise arrived at 6:42 p.m.

City Administrator Ulrich requested feedback on the Marketing items.

Mayor Ramsey suggested using the golf course storm water plan as an opportunity to reach out to residents who are concerned about the storm water utility fee and what it covers.

City Administrator Ulrich stated the City recently changed the Council format on QCTV to include video clips of normal City activity. There have also been more features in the *Ramsey Resident* such as flushing hydrants, snow plowing policy, and other topics. He requested feedback on the Housing items.

Councilmember Backous asked about the status of hosting the open house.

City Administrator Ulrich requested input on the format for the open house, noting nothing is planned for October but an open house could be planned for later in the year.

City Administrator Ulrich reviewed and requested input on the Budget/Finance strategies related to the City's road reconstruction initiative.

Mayor Ramsey stated he thinks it is important to have that discussion because he thought the Council wanted to start funding road reconstruction even though the problem does not start until 2014. He supported setting aside funds now to help with that problem and discuss how road reconstruction will be funded going forward.

Councilmember Backous suggested that item also be put in the Marketing strategic goal so residents are aware the Council is working to solve that problem.

City Administrator Ulrich continued review of the Budget/Finance strategy items and asked for input on management of services and cost to provide those services. He described how that can be addressed by bringing staff together to brainstorm processes, noting it involves a short-term expense but he believed it would be worth it in the long run.

Mayor Ramsey stated that is what the City Administrator is being paid to do, identify areas that can be more efficient and request funding, if needed.

Councilmember Elvig suggested City Administrator Ulrich review the process to provide services and submit a list of services that take 15 steps or more and could be more efficient.

City Administrator Ulrich reviewed the strategy for contracting services and functions.

Mayor Ramsey commented on the difficulty of comparing true costs between staff and consultants.

Councilmember Backous agreed it is difficult to quantify costs for contractors and staff so you need to get as close as you can.

Mayor Ramsey stated the City knows the costs for salary, benefits, insurance, vehicles, and nonproductive time. The other factor is the cost to cover staff's mistakes and if a contractor covers their own mistakes.

Councilmember Backous noted when using contractors there is also a loss of institutional knowledge that a long-term employee would be aware of, which is another difficult item to quantify.

Mayor Ramsey reviewed a case where a staff mistake was made even though plans had been prepared.

City Administrator Ulrich reviewed the strategy to reduce HRA and EDA levies.

Mayor Ramsey asked for an update on the use of Anoka County HRA funds.

City Administrator Ulrich explained that Anoka County said they can fund housing projects but cannot fund economic development projects with the levy unless the City Council adopts a resolution saying they can do so. He explained the City can make all expenditures housing related but Anoka County found The COR to contain mixed uses. City Administrator Ulrich advised this resolution will be presented to the Council at the next meeting. City Administrator completed review of capital purchases, CIP projects, opportunities for additional revenue by renting out equipment or using contract staff, and looking for efficiencies to reduce costs. He then reviewed strategies for Transportation.

Councilmember Backous noted with the Sunfish Lake Boulevard project, the State put in median cuts and asked about the possibility of opening those medians.

City Administrator Ulrich stated a full access opening is not likely and there will probably be restricted movements.

Councilmember Wise stated he would support approaching Anoka County about loss of business revenues and property tax values not corresponding by going down.

Mayor Ramsey noted Anoka County is only talking about this project.

Councilmember Wise stated the City needs to bring this up with Anoka County at every opportunity because the City's businesses pay more taxes than any residence and Anoka County needs to look at the impact to revenues.

Mayor Ramsey stated that is germane when considering policy of the Anoka County to accept federal funds if the County is trading decreased property tax values for federal dollars.

Councilmember Wise stated the City can get traffic reports and quantify the number of accidents, which goes to the issue of public safety.

Mayor Ramsey stated Anoka County will continue what they are doing because they want to use federal funds for the roads.

Councilmember McGlone stated he attended an Anoka County meeting for a project they just completed and at that meeting the County had listed every accident and noted its location on a map.

Councilmember Wise stated he would like to know the number of accidents since Anoka County has been hard channeling roads over the last five years.

Councilmember Elvig noted Highway 47 has been on the list for ten years, was raised to a level of urgency two years ago, and gotten nothing but worse for the past 5-7 years. Now the Council is talking about starting to prepare for it. He noted that all traffic from this area has to go through this funnel every single morning, and it is backing up traffic past the Ice Arena. This is a monumental problem and there are several reasonable solutions that could be considered.

Mayor Ramey stated the strategy is how to move forward with roads so we do not create problems with business access, a short-range goal to improve traffic flow, and how to fix traffic through Anoka.

Councilmember McGlone stated the communities of Anoka, Nowthen, and St. Francis need to join Ramsey to increase the pressure so Anoka County will address these issues.

Mayor Ramsey noted those residents are probably experiencing the problem but at this point it is not at their Council's awareness.

Councilmember McGlone stated he is most frustrated with the City of Anoka and how they address their roads.

Councilmember Backous noted it is a Ramsey problem and Anoka is not interested in how it impacts Ramsey's residents.

Councilmember Elvig stated the Anoka Comprehensive Plan builds out an area for two lanes east and north and if that can be fixed, it would help Highway 47 for the next 10-15 years.

Councilmember Backous stated it is a huge problem and Anoka County needs to become involved to move the fair grounds.

Mayor Ramsey noted Highway 47 is a State highway so they also need to be involved.

Councilmember Elvig felt the State will not become involved unless the cities involved show interest.

City Administrator Ulrich stated the most immediate success may be getting additional lanes but Highway 47 through Anoka is a huge issue.

Councilmember Wise noted when you threaten to take away money, they may listen, so his argument fits into any of the situations raised.

Mayor Ramsey stated that Anoka County needs to stop the practice of making intersections so safe that no one can get into them in order to get federal funding because of the impact to businesses.

Councilmember McGlone noted the federal government does not care if the business goes tax forfeit, it is a non-argument and not worth raising.

Councilmember Elvig stated if you have access to a County road, that is an appraisal issue and taking that away is an impact. He felt you could argue that at least one-half of the value is gone.

City Administrator Ulrich stated that is a high priority. He reviewed additional Transportation strategies.

Councilmember McGlone asked if the City has notified businesses or residents that Alpaca will be closed next year.

Development Services Manager Gladhill stated he had conversation with the future owner of Canvass Craft so they are aware of it and had no issue.

Councilmember McGlone suggested staff send out notice of that upcoming road project.

Mayor Ramsey suggested an open house also be held.

The Council discussed the private road behind Caribou.

Parks and Assistant Public Works Superintendent Riverblood stated he talked with Public Works Superintendent Riemer about this and he thought the consensus was that all business owners should pay their landlords as part of their lease and be obligated to make those improvements, provide better snow removal, and maintenance. That had been staff's understanding of the Council's direction.

Councilmember McGlone advocated for not plowing that private roadway, just as will be done in The COR property being purchased by Councilmember Wise.

Mayor Ramsey noted the City has a piece of that property by Caribou.

Councilmember Backous asked if the City is plowing a private street.

Parks and Assistant Public Works Superintendent Riverblood stated he will find out.

Councilmember Elvig stated it is a publicly traveled road and the businesses do not have the equipment to remove a large amount of snow. He advocated to have staff meet with the owners to address the problems and how they will be resolved.

Councilmember McGlone noted any private snowplow operator has the equipment and knows it needs to be pushed back to accommodate new snowfalls. He stated he would not disagree with staff meeting with the owners to remind them it is a private road so they need to clear it.

Councilmember Backous agreed this is not a City problem.

Councilmember Wise stated they may clear snow enough to keep it open for the businesses but not so much that it continues to be used as a cut through route.

City Administrator Ulrich stated the City does have property there, the Historic Town Hall, and the radio tower property is owned by WCCO. He reviewed the Development strategies and requested input.

Councilmember Elvig asked about having an RFP for a professional realtor.

Councilmember McGlone stated that was already looked at and he would prefer the buildings go dark before losing more money.

Councilmember Backous stated that is true fiscally; however, the City's best marketing plan is Highway 10 and having dark/dilapidated buildings along Highway 10 in Ramsey would not be of benefit.

Councilmember Wise agreed and stated he talked with a business owner leaving Ramsey who talked about signage issues along Highway 10. He noted that his number one marketing tool is his reader board sign.

Mayor Ramsey stated if the buildings are costing money, the City may need to reverse course. He pointed out that the Metropolitan Council is not allowing the City to manage the properties it owns, noting the 10% is not covering City costs. He felt the Metropolitan Council needs to be caring about a water main break and covering administrative costs. If they want to pay enough for a property manager that would be great.

City Administrator Ulrich stated the City has been managing the properties for about one year so those costs can be identified to determine if it is worth outsourcing. Or, the City could go back to the Metropolitan Council to cover costs for things like the broken water pipes, leasing, and other management costs.

Councilmember Backous noted the City sets the lease prices.

Finance Director Lund stated the lease covers the property tax and liability insurance but not staff time, which is the City's donation. However, if an outside source handled property management, those costs could be covered.

The Council discussed whether the buildings should be removed and how the costs can be covered.

Councilmember McGlone stated the City has Metropolitan Council dollars to knock down the buildings and if the buildings are removed, the road improvements would be more likely.

Mayor Ramsey stated the numbers would also look better if the City was not leasing and it hurts the City's case to get Highway 10 pushed ahead.

Councilmember Backous stated he does not want the buildings darkened but is willing to discuss whether they should be removed.

Councilmember Wise stated the point was to buy the properties at a better price, noting it may be best to leave them alone so the project is cheaper.

City Administrator Ulrich continued review of Development strategies.

Councilmember Elvig addressed business retention and suggested creating a revolving fund for businesses trying to expand facilities or equipment as a bridge note of equity to parlay with a bank loan. He felt offering that option could be a tremendous tool for businesses making decisions whether to expand in Ramsey.

City Administrator Ulrich stated the City already has \$200,000 in a Business Revolving Loan Fund.

Councilmember Elvig asked whether businesses are aware of that option.

Mayor Ramsey stated it provides a bridge loan that is subordinate to the bank.

Councilmember McGlone stated if the business cannot cover a gap in financing, that business can probably not qualify for a loan anyway.

Mayor Ramsey asked if the EDA has completed a work plan and if they talked about marketing their property.

Councilmember Wise stated they did discuss that matter.

City Administrator Ulrich stated the EDA could sell off the property quickly or consider a master plan and parcel assembly. He reviewed policies/programs/services strategies, noting the need to be aware of project completion dates and business impacts.

Councilmember Wise agreed with the need to consider financial relief to businesses impacted by road projects.

Development Services Manager Gladhill explained that with the Central Corridor, Minneapolis used local dollars in a marketing campaign to find business.

Councilmember Wise stated he can show the financial impact on his business that was caused by the road reconstruction project.

Councilmember Backous noted on the other side, there will also be an increase in business as a result of the improved roadway.

City Administrator Ulrich asked whether the Council wanted to hold a more in-depth discussion about building permits for siding, windows, and roofing projects. It was noted this topic was briefly discussed at a past Work Session.

Councilmember Wise stated after that meeting discussion, he talked with Ron Wasmund, President of Inspectron, and understands there is not much the City can do at this point.

Councilmember McGlone agreed and suggested the Council move on.

City Administrator Ulrich thanked the Council for its feedback on the Strategic Plan.

3. FUTURE TOPICS FOR DISCUSSION

3.01: Review Future Work Session Topics / Calendar

Councilmember Wise asked if there is interest in discussing some kind of financial assistance to businesses impacted by road construction projects.

Mayor Ramsey stated he is not interested unless on a case-by-case basis.

Councilmember Wise stated there will be a lot of construction projects over the next several years and as Bunker and Sunwood builds out more businesses will be impacted. He noted some type of criteria would need to be established, such as duration of assistance.

Councilmember McGlone suggested the EDA discuss this topic since it may relate to business retention.

Councilmember Elvig stated he understands the concern but thinks doing so would create a “slippery slope” in determining the length of impact and the amount of impact.

Mayor Ramsey stated there is not Council consensus to pursue this topic.

4. MAYOR / COUNCIL / STAFF INPUT

None

5. ADJOURNMENT

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

The Work Session of the City Council was adjourned at 7:47 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.