

**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 9, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Bob Ramsey  
Councilmember Randy Backous  
Councilmember David Elvig (arrived at 5:53 p.m.)  
Councilmember Colin McGlone  
Councilmember Sarah Strommen  
Councilmember Jeffrey Wise

Member Absent: Councilmember Jason Tossey

Also Present: Deputy City Administrator/Finance Director Diana Lund  
Public Works Superintendent Grant Riemer  
Human Resources Manager Colleen Lasher  
Development Services Manager Timothy Gladhill  
Management Analyst Patrick Brama  
Interim Engineer Shane Nelson  
Development Manager Darren Lazan

**1. CALL TO ORDER**

Mayor Ramsey called the City Council Work Session to order at 5:37 p.m.

**2. TOPICS FOR DISCUSSION**

**2.01: 2013 Schedule of Rates, Fees, and Charges**

Deputy City Administrator/Finance Director Lund reviewed the staff report and fee schedule. It was noted the sewer and water connection rates have been reduced to reflect the recommendation of the Comprehensive Sewer and Water study. The only proposed increases are related to the storm water utility charge and SAC charge dictated by the Metropolitan Council.

The consensus of the Council was to support the proposed 2013 Schedule of Rates, Fees, and Charges, as presented.

**2.02: Sunwood Drive / Armstrong Boulevard – Consider Change Order #3**

Interim Engineer Nelson reviewed the staff report and Change Order #3 to provide an ADA concrete crosswalk at the access drive to serve the existing retail area (Coborn's, Acapulco, etc.),

storm sewer modifications in COR TWO retail area, and other minor storm sewer and curb alignment revisions on Sunwood Drive.

Councilmember Strommen asked if these costs are associated with the plat or the Sunwood Drive or the Armstrong Boulevard project.

Development Manager Lazan explained it is a combination of all three. When the driveway was realigned as part of the Sunwood Drive project, the City reserved a section of trail easement for future connection. As the plan developed, it was decided to install the trail with the Sunwood Drive project so now an ADA crosswalk is required. He explained that doing the work now eliminates having to tear up the road for later installation.

Councilmember Strommen asked whether this is the opportunity to change the plans to fit the plat and if it should have been anticipated originally.

Development Manager Lazan explained originally the City was not going to install the trail but now it is being installed. In addition, as plans for COR TWO were developed it was determined where the storm sewer was to be located. He indicated that doing the work now will make for better sequencing.

Councilmember Strommen noted the funding source is the Equipment Revolving Fund but some costs should be allocated to the retail project.

Deputy City Administrator/Finance Director Lund stated the costs will be broken out once they are determined. She noted that when originally presented, the estimate was higher because Northstar Market Place had been included.

Development Manager Lazan indicated some costs will be allocated to the retail project but the retail project is also taking on the trail project so staff will need to determine a reasonable split.

The consensus of the Council was to approve Change Order #3, an increase of \$23,559.72.

### **2.03: Sunwood Drive Project – Consider Additional Electrical Receptacles**

Interim Engineer Nelson reviewed the staff report and proposal from Connexus to move/install street light fixtures, power to the center of the roundabout, and to install duplex receptacles at tree locations along Sunwood Drive. He advised this is an optional item and not necessary for the project.

Mayor Ramsey asked if the conduit is already installed.

Interim Engineer Nelson stated it is not. He indicated this would be 110 volt so new cable needs to be run to provide power to the receptacles and install a new transformer near the SuperAmerica site. The costs cover new receptacles, transformer, and to extend power to tree receptacles.

Development Manager Lazan stated there is no power west of Zeolite. He explained that Connexus was asked for a bid to provide power so if the project came in under bid, it could be considered. Now Connexus has realized the number they provided was incorrect and the actual number is higher. The cost under consideration is to extend power to trees west of Zeolite where there are no receptacles. He noted this is not a hardscaped section as in front of City Hall so he did not think it was as critical to have power to every tree.

Mayor Ramsey asked about piping music into that area.

Development Manager Lazan recommended music be only piped to the COR ONE area.

Councilmember Wise stated he did not support the extra cost, noting you can also get power from the poles.

Councilmember Backous agreed it would never be cheaper or easier than to do it now but it is a “want” versus a “need.” He stated if the cost were half this amount, he may consider it.

Interim Engineer Nelson stated the cost per outlet is the same as the original proposal but this would add receptacles.

Development Manager Lazan noted the total cost for receptacles is probably \$50,000 with what was included in the bid plus this additional cost.

Councilmember Elvig arrived at 5:53 p.m.

Mayor Ramsey stated you need to envision what it will look like if this section does not have lit trees and indicated he would not support this additional cost.

Interim Engineer Nelson stated he was unsure whether the work included in the bid has already been started but thinks most of the cable is installed to service the original 33 receptacles.

Councilmember Wise asked about the location of the original 33 receptacles.

Development Manager Lazan stated those locations can be designated.

Councilmember McGlone noted there will be a monument sign on the Armstrong Boulevard side, the gateway into the project, whether or not urban streetscape. He asked about installing the contract receptacles at the entry up to the round about, provided there is no extra cost.

Mayor Ramsey asked staff to find out how much is already installed and utilize what has been allocated at the entry.

Councilmember McGlone stated he would support an additional \$1,000 if needed for one or two tree receptacles to complete the area.

Interim Engineer Nelson reviewed the project schedule and indicated he would contact Connexus Energy tomorrow.

The consensus of the Council was to not approve the proposal from Connexus Energy at an estimated cost of \$28,760 to install 27 additional electrical receptacles and direct staff to determine the location of the original 33 receptacles and focus them along the entry.

Deputy City Administrator/Finance Director Lund indicated this consensus will result in removing Item 8 from tonight's Consent Agenda.

#### **2.04: Discuss Requesting / Allocating Funding from Anoka County Housing and Redevelopment Authority toward The COR Development Project**

Management Analyst Brama reviewed the staff report and advised that in addition to the annual levy, the resolution opens the opportunity to utilize the current Anoka County HRA undesignated Fund balance of \$575,000 for economic development projects within Ramsey.

Karen Skepper, Assistant Anoka County HRA Executive Director, explained that if the City put forward a request today, it could cover some specifically related housing projects in The COR.

Mayor Ramsey asked if there is a downside to using these funds.

Management Analyst Brama indicated this option was originally introduced at the EDA level and a number of questions were asked of Anoka County relating to liability, ability to opt out, and all responses indicate it is a safe action for the City. He explained that after five years, the City can opt out via Council resolution so the City is not being exposed to extra levy or liability.

Ms. Skepper stated approval will add flexibility to spending and more options and she cannot think of a down side since there is no additional liability.

Councilmember Backous asked how long the funds have been accumulating.

Ms. Skepper explained that Ramsey joined the HRA about 12 years ago. The County has placed an HRA levy for all of those years. Some funds were pledged to support the senior housing should rents not cover all expenses but it is cash flowing so that has not occurred and the fund has grown. Ms. Skepper noted a past Council also used funds to purchase land in The COR for senior housing projects. She explained the County elected officials want to know the City Council has approved use of these funds so a resolution is required to spend the funds.

Deputy City Administrator/Finance Director Lund indicated it was 2009 when the Town Center land was acquired and the City drew \$600,000 for that purchase.

Councilmember Backous stated there are a lot of economic development needs in Ramsey and asked why the City has not tapped into these funds for other projects.

Mayor Ramsey stated the Council did not know the funds were available.

Ms. Skepper advised that Anoka County did not have economic powers until 2009 so that was not an option until then. Since 2009, Anoka County has been working with cities but when Ramsey was approached, it was not interested in participating. She believed now is a good opportunity to access those funds.

Councilmember McGlone stated this option was introduced at the EDA level and he found it to be a “bait and switch” on taxpayers because they were taxed for housing projects and now Anoka County is coming up with new reasons and ways to spend the money. Councilmember McGlone stated he would rather leave this money in bank until Ramsey has a housing need. He stated he did not care for the program that Anoka County laid out so he is opposed and will continue to be opposed.

Councilmember Strommen noted if the City opts into economic development activities, it will have more flexibility in the programs it can choose. She asked whether there is a specific program the City has to follow or if its EDA can make recommendations to address cuts its levy has sustained.

Ms. Skepper stated the Anoka County HRA is a very reactive agency and waits for the City to set the course then checks Statute to determine if it is a fundable project.

Councilmember Backous asked whether the Ramsey EDA has provided a recommendation.

Management Analyst Brama stated there were split feelings so the EDA took no action on this item at its last meeting but wanted to talk about it again at its next meeting, which is scheduled for this week Thursday.

Councilmember Backous asked why this matter is being considered by the Council tonight if it is still under consideration by the EDA.

Management Analyst Brama explained this matter had been brought forward during the HRA meeting and while the EDA could make a recommendation on the Anoka County’s economic development activities, it is a Council decision via adoption of resolutions.

Councilmember Backous stated he understands the Council makes the decisions but he relies on recommendations from those appointed to the HRA.

Mayor Ramsey pointed out these are HRA dollars, not EDA dollars. He stated he supports this option because the City has already undertaken EDA functions in The COR.

Deputy City Administrator/Finance Director Lund reviewed that when the HRA levy was adopted in the budget meeting, it was with using Anoka County funds for COR activities and those funds only qualify if economic development related. This matter was placed on tonight’s agenda because the Anoka County HRA will be meeting on October 23, 2012.

Councilmember McGlone stated the Council has not set the final levy and needs to talk about that without using this pot of money because he thinks it is “bait and switch” to the taxpayers.

Mayor Ramsey stated he did not agree with that opinion, noting the Council will be talking about a senior housing project.

Councilmember McGlone felt it would then be a standalone project and the City could go back to Anoka County for funding of just that project.

Mayor Ramsey stated he opposed levying more taxes or using reserves and preferred to use the money now.

Deputy City Administrator/Finance Director Lund asked when Anoka County took over the debt and how long Ramsey had to stay in the Anoka County levy.

Ms. Skepper advised the Joint Powers Agreement lasts the length of the debt, which has 20 years remaining. The time out piece was a period of five-years during which if the project did not cash flow, the City was responsible for that amount. However, that did not occur and the five-year period of time expired.

Management Analyst Brama stated if the City chose to opt in with EDA activities, it is not dedicating to a specific path or program, it is just allowing the use of the funds so it would not tie the hands of the EDA. He stated this discussion started because of the County’s Economic Guardian Program and opting in only allows the ability to use the funds.

Councilmember Elvig asked whether HRA funds are taxed and pooled.

Ms. Skepper stated they are not and when economic development powers were added, it did not include a separate EDA with levy authority. The funds can be used for housing, redevelopment, and now economic development.

Councilmember Elvig agreed with the comments of Councilmember McGlone that this is a “bait and switch” situation. He asked whether Ramsey citizens are aware Anoka County is levying HRA dollars for EDA activity.

Ms. Skepper explained that is why Anoka County is working with City Councils, to have discussions and resolutions and assure it is openly aired.

Mayor Ramsey indicated that HRAs generally have more authority than EDAs and can do economic development activities with EDA dollars. He felt there was no difference in this case just because the money has “HRA” on it.

Councilmember McGlone stated when the City bought The COR, the Council talked about what it needed to do. He noted a restaurant needs people and that is the reason for the Flaherty building. Councilmember McGlone felt \$500,000 could be quickly used with an apartment building and he thinks the City will get another opportunity to use that money in one project.

Councilmember Backous stated he agreed with Mayor Ramsey that there is no difference but it is an EDA activity so he was uncomfortable on the surface with this option. He stated he also agreed with Councilmember McGlone that it is a tax on residents where funds were to be dedicated for a specific purpose but are now being used in other ways. Councilmember Backous stated he preferred to opt out of the Anoka County levy and instead have the City do its own levy.

Councilmember McGlone supported allowing that money to sit in the bank because he thinks in the next year or two the City will have a housing project and can use the money then. He noted that an additional 200 residents can make the difference in the success of some projects.

Mayor Ramsey pointed out that TIF can be used for those types of projects.

Councilmember Strommen asked what other information needs to be provided to Anoka County on the projects.

Ms. Skepper explained that traditionally Anoka County has worked on a specific project and done reimbursement of expenses. This is a new step if Anoka County were to work with Ramsey on funding part of the HRA budget. Ms. Skepper stated Anoka County is asking for City Council resolutions of support, its budget, and the Anoka County HRA will determine if it can waive the reimbursement process. He indicated this option is being considered by the Management Committee and awaiting action by the Ramsey City Council.

Councilmember Strommen reviewed the list of projects submitted to Anoka County.

Councilmember McGlone stated if there was an HRA budget on the City, the Council would not have to work off such a list. He felt approving this option was opening "Pandora's Box."

Deputy City Administrator/Finance Director Lund reviewed the HRA budgeted items and those related to The COR expenses, the Podawiltz Development Corporation's project, and the senior project.

### **3. FUTURE TOPICS FOR DISCUSSION**

#### **3.01: Review Future Work Session Topics and Calendar**

Councilmember Strommen noted all three cases discussed are on tonight's Consent Agenda and asked why they were not regular agenda items.

Deputy City Administrator/Finance Director Lund stated the intention was to hold the discussion at the Work Session.

Councilmember McGlone stated his intention to pull Consent Agenda Items 4:12.

### **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 6:25 p.m.

Respectfully submitted,

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Diana Lund  
Deputy City Administrator/Finance Director

ATTEST:

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Jo Ann M. Thieling  
City Clerk

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