

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, April 23, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen
Councilmember Randy Backous
Councilmember Mark Kuzma
Councilmember John LeTourneau
Councilmember Chris Riley
Councilmember Jason Tossey

Members Absent: Councilmember David Elvig

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Parks and Assistant Public Works Superintendent Mark Riverblood
Human Resources Manager Colleen Lasher
Development Services Manager Timothy Gladhill
Assistant to the City Administrator Patrick Brama

1. CALL TO ORDER

Mayor Strommen called the City Council Work Session to order at 6:07 p.m.

2. TOPICS FOR DISCUSSION

2.01: Legal RFP Review Process

City Administrator Ulrich reviewed the staff report, indicating Requests for Proposals (RFPs) for legal services were published and 14 proposals were received. He noted Bill Goodrich has had the contract for 35 years and approved most recently three years ago. The policy is to submit major contractors (legal and auditors) through RFP process every three to five years. City Administrator Ulrich stated the last time the City Council was involved with interviews, staff narrowed the firms to six, prior to interview. He suggested scheduling interviews on May 17, 2013, and asked the Council to provide direction on the process for interviewing the firms and if it would like to be involved in narrowing down the firms to six.

The Council noted May 17, 2013, is the Mayor's Prayer Breakfast and also a Friday.

City Administrator Ulrich suggested consideration of May 7, 2013.

Mayor Strommen asked whether an RFP will also be undertaken for the HRA Attorney.

City Administrator Ulrich stated he will check the date when that was last undertaken.

The consensus of the Council was that all Council Members would participate in the final interview panel on May 7, 2013.

2.02: Consider Outsourcing of Property Management Services

Finance Director Lund reviewed the staff report and described the location and use of RALF properties. She stated it is staff's recommendation to outsource property management services for the RALF properties and six leases. It was noted those costs are eligible for reimbursement through RALF.

Assistant to the City Administrator Brama stated the function of leasing City-owned buildings is unique and outsourcing property management services would benefit the City considering lower staffing numbers and service level expectations. It would provide a higher level of professional service and could include negotiation of leases. Assistant to the City Administrator Brama stated the agreement will be written with a 120-day termination clause so if it is not working as expected, there is latitude.

Finance Director Lund noted up to January 2011, the City contracted with Premier Commercial Properties to oversee property management of the City's leased/leasable sites. That agreement called for \$200/month per site for property management and is proposed at the same rate. She pointed out that with the City handling property management services, it involves three departments: Finance, Administration, and Maintenance.

Councilmember Tossey stated after hearing staff's explanation and since these costs are eligible for RALF reimbursement, he supports staff's recommendation. In addition, it would free staff time.

Councilmember Backous asked if the management company will negotiate lease terms.

Finance Director Lund stated they will not be paid if a lease is extended but if a lease is renegotiated, they would be paid based on the lease.

Councilmember Backous stated he supports this option.

Mayor Strommen asked if this proposal covers all six of the leases: Northern Lights Church, RM Golf Carts, Independent Auto Care (two leases), Pro Sporting Goods, and Todd Bialon.

Finance Director Lund answered in the affirmative.

Mayor Strommen stated she also supports staff's recommendation as the City can recoup its costs and free staff time.

Councilmember Backous asked if another response had been received.

Finance Director Lund stated there was one viable response.

Councilmember LeTourneau asked if non-RALF properties would be under this contract.

Finance Director Lund stated they would not and if non-RALF properties were in the contract, it would have to be paid by City funds as it would not be RALF eligible.

The consensus of the Council was to support entering a property maintenance contract with Premier Properties at \$200 per month per site for the six RALF properties.

2.03: Memorandum of Understanding (MOU) for the Armstrong Interchange Project

City Administrator Ulrich reviewed the staff report and components of the Memorandum of Understanding (MOU) with Anoka County for financing the construction of a highway interchange at the intersection of Armstrong Boulevard and US 10. He stated an accounting of the City's contribution towards this project equaled \$7.059 million. It is estimated to be a \$35 million project for the full interchange across the railroad tracks and connecting to US 10 from Armstrong Boulevard. The MOU also caps the County and City contributions at \$10 million so the City's additional contribution would be approximately \$3 million. The MOU would show a commitment by both the County and City to fund the remaining portions of the project and be included as part of the TED grant.

Councilmember LeTourneau stated he supports moving forward and asked about reimbursement of the funding source and whether it is contingent upon future land sales.

City Administrator Ulrich stated the funding sources are Federal, State, County, and City. The \$3 million gap of funding would need to be identified and could come from a general tax capacity increase, bonding, existing TIF Districts, and/or undesignated fund reserves (i.e., Landfill Trust Fund).

Councilmember Tossey stated he understands the City would put forward \$10 million but the County would reimburse \$5 million back to the City.

City Administrator Ulrich stated with the MOU, the City is responsible for up to \$10 million and has already contributed \$7 million.

Councilmember Tossey asked what the County's share is.

City Administrator Ulrich stated Anoka County would be responsible for up to \$10 million and has indicated they put money- \$1.7 million - into the Sunwood Realignment Project.

Councilmember Tossey asked if that would leave \$15 million left to pay for the project.

City Administrator Ulrich stated he cannot say for certain but wanted to identify the City's contribution and that a cap of \$10 million was in place.

Mayor Strommen noted the City's contribution may be lower than \$10 million, depending on the project cost so if the County share and City share is each \$7 million, the City has already made its contribution.

Councilmember Tossey stated he wants to assure that Anoka County is responsible to make an equal contribution to Ramsey's contribution and will also cover the gap equally.

City Administrator Ulrich stated language could be added to address that concern.

Councilmember Kuzma asked how the funding to purchase the Wise property will be reimbursed.

Mayor Strommen stated that cost is included in the \$7 million total and counts towards the City's contribution.

Councilmember Tossey stated that is why it is important to have equal contribution between Anoka County and Ramsey. He noted that Anoka County Engineer Doug Fisher has assured the City that its costs to purchase Wisser Choice Liquor property would be part of the City's contribution. Councilmember Tossey stated Commissioner Look has indicated that County Transportation Improvement Board will also put in significant portions since the project is at a rail line, which will also be helpful.

City Administrator Ulrich stated he will revise the MOU language prior to Council consideration at its meeting tonight.

Mayor Strommen asked staff to assure the attachment is included in the documentation, as indicated.

The consensus of the Council was to support the MOU as revised.

3. FUTURE TOPICS FOR DISCUSSION

Assistant to the City Administrator Brama stated the EDA recently reviewed a case relating to the commercial node at Highway 47 and 167th Avenue. He advised that the potential user of the Super Value building has backed away so the EDA is considering how to move forward and directed staff to contact stakeholders to schedule a meeting mid- to late-May. He stated staff will be asking those stakeholders about their plans and will prepare a list of available tools to assist that commercial node.

Councilmember LeTourneau suggested staff also consider the golf course property owners.

4. MAYOR / COUNCIL / STAFF INPUT

Councilmember Riley stated he read the comments from the Commission surveys and a reoccurring theme was the Ramsey zip code. He stated this is an on-going issue and offered to champion a change in zip code to provide recognition to Ramsey.

Mayor Strommen stated a number of years ago, time was spent on that issue but it hit a dead end because there are only a certain number of zip codes available for this area and the post office would not issue a zip code without having a physical post office in the City.

City Administrator Ulrich agreed it may be time to revisit that issue.

5. ADJOURNMENT

Mayor Strommen adjourned the Work Session of the City Council at 6:41 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.