

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, June 4, 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 (arrived at 6:11 p.m.)

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Human Resources Manager Colleen Lasher
City Clerk Jo Ann Thieling
Development Services Manager Timothy Gladhill
City Engineer Bruce Westby
Assistant to the City Administrator Patrick Brama
City Attorney William Goodrich

1. CALL TO ORDER

Mayor Strommen called the City Council Work Session to order at 6:01 p.m.

2. TOPICS FOR DISCUSSION

2.01: City Attorney Finalist Review

City Administrator Ulrich read questions that will be asked tonight of the two finalists and explained why he had suggested each. He noted that on May 7, 2013, the Council conducted interviews of the seven law firms that submitted proposals in answer to the City's RFP for City Attorney civil and prosecution services. Following the interviews, the Council chose to remain with Randall, Goodrich & Haag for prosecution and directed staff to follow up with two different firms for civil. The firms chosen to move forward were Couri & Ruppe, PLLP and Ratwik, Roszak & Maloney, PA (RRM). City Administrator Ulrich noted the two firms have submitted a retainer proposal. He explained it is City policy to review outside professional contracts on a three- to five-year basis. The current City Attorney contract has been in place for three years and runs until July 1 but can be extended indefinitely under a 30-day termination provision.

City Administrator Ulrich presented the annual retainers as follows:

Couri & Ruppe, PLLP \$59,000 per year plus \$140/hour for exclusions
And \$160 per hour work billed third party

Ratwik, Rozak & Maloney \$48,000 per year plus \$145/hour for exclusions
And \$185 per hour work billed third party

It was noted the City's current law firm is retained and has proposed at \$48,000 per year and the exclusions are billed at \$110 per hour. Additional work has averaged somewhat less than \$20,000 per year over the retainer. Abatements and forfeitures are also covered under the current contract but would not be covered under the other two proposals. It was also noted that under the proposals of the two finalists, the City's expenditures for legal fees may increase \$5,000 to \$16,000 per year, an amount that would need to be added to future annual budgets.

Councilmember Backous noted in Mr. Couri's letter, he indicated he thought the current law firm was behind, and he would like to better understand the intent of that statement. He asked whether support staff is covered in the retainer.

City Administrator Ulrich stated a dollar amount is included for paralegal and secretarial assistance and the larger firm would have more staff to cover that work.

Councilmember Backous asked if that support staff would be dedicated to Ramsey.

City Administrator Ulrich stated he was unsure and added a question to address that issue.

Councilmember Kuzma stated it was indicated that Couri & Ruppe represent the City of Nowthen and even though it was indicated there would be no conflicts, he would like a question to touch upon that issue.

City Administrator Ulrich agreed, noting it may be a factor in the Council's decision. He stated he spoke to the Nowthen Clerk who indicated they had no issue with the firm also representing Ramsey. City Administrator Ulrich stated he called references and found both firms were top notch, and ranked in the 8-10 category in all cases. Both firms were found to be responsive, dedicated to municipal law, and the difference is in RRM being significantly larger with eleven attorneys and Couri & Ruppe having two attorneys. City Administrator Ulrich stated both firms would do a good job with RRM's relevant experience being that of Lino Lakes and Couri & Ruppe's relevant experience being that of Albertville.

Councilmember Backous asked if both firms provided a list of clients.

City Administrator Ulrich stated each firm provided a list of about six clients. In addition, the Police Chief made contacts with Lino Lakes' staff. He stated it was mentioned that RRM does not spend a lot of time in Lino Lakes and does most of their work with e-mail and telephone correspondence. He stated they attend two to four Council meetings per year.

Councilmember Tossey arrived at 6:11 p.m.

Mayor Strommen noted that will be a change for the Council as well as staff in how they interact with the City Attorney and asked if that can be implemented.

City Administrator Ulrich stated both firms would hold regular office hours so staff can address issues with them at that time and in conference calls during non-office hours.

Each of the two finalist firms were asked the following questions and made the following responses:

COURI & RUPPE

Please describe how you arrived at the retainer amount given in your proposal and indication you felt the City was behind in legal work.

Mike Couri, Couri & Ruppe, stated he reviewed the 2012 billings to get a feel for the work being done and what was retainer. They determined what was paralegal and attorney work, the total billing for 2012, and the effective rate came out to roughly \$142.50 per hour. He stated they had originally quoted \$140.00 so they felt that was in the “ballpark.” Mr. Couri stated he tells it like he sees it and they have followed the Randall, Goodrich & Haag firm at another city and learned they do things differently. In that case, his firm did more of a comprehensive approach and that client asked them to do more work than was previously being done as well as backup work that was not being done. Mr. Couri stated they estimated there will be 20-25% more work so they used 23% by \$48,000 and arrived at \$59,000. He stated he wants to quote a “real” figure and not have to come back and say it was not working out. They want to do the job right and will give a 100% commitment to get it done. Mr. Couri stated a lot of attorneys have the view to do the highest rate work first and prioritize clients by rate. His firm does not like that approach and did not quote a low rate that he thought was less than needed to get the work done. Mr. Couri stated Ramsey will be their top priority client and they want a long-term relationship that works for everybody.

What is an example of additional work you were required to do when following the Randall, Goodrich & Haag firm?

Mr. Couri explained there was a letter of credit with a bank and they jumped on Bankrate.com and realized the bank was in trouble. The prior firm called on the letter of credit and the bank said it would not pay it so the prior firm sent letters to the comptroller of the currency. Mr. Couri stated he suggested if you want the money, you better get it before the bank fails. They sued the bank, got a call within two days from their attorney, and got the money a week or two later. Mr. Couri explained this situation had languished for six months. Two months after they got the money, the bank failed. Mr. Couri stated his firm came in and did not wait for the administration to bring it up but looked at the issues and prioritized what had to get done.

What parts of the retainer, if any, would you recommend to be revised to give savings to the City?

Mr. Couri stated if they are wrong on the retainer amount, they would knock it back because their intent is to provide the service needed at a reasonable rate. He stated they will track their hours and show them on the monthly bill. Mr. Couri explained they did not have a good feel for the amount of work they would do. He stated they do not want to quote a rate over \$140 but

there is an unknown factor. He indicated he does not think the City's work can be done for \$48,000 a year. Mr. Couri stated he would guarantee that if at the end of any year Ramsey does not think they got the value of the retainer, the City Council can knock it back to \$48,000. But, he thinks Ramsey wants to change attorneys because they do not think they are getting the value. He stated he is confident that Ramsey will be satisfied with their work and they will stand behind their numbers.

Please describe how you would provide coverage in absence of Mr. Couri and the secondary attorney. Who would be the back up? What do you have for support staff and paralegals?

Mr. Couri stated he has not anticipated being incapacitated, but he and his partner coordinate their schedules starting with vacation so they are never both out at the same time. If out of the office, they have cellular telephone service. However, this is a blessing as they both work as a team approach and are very involved with the client and knowledgeable with what is going on so either can answer questions. But, the down side is that there is not a third attorney. Mr. Couri stated in the past, they have had that person but found that third person generally cannot help with a specific matter but can only give a general answer.

Mr. Couri stated their support staff has been with them for 17 years, is a secretary/paralegal and well trained. But, she is not an attorney and does not practice law or do primary work but drafts documents and then he picks it up from there.

The City of Ramsey has worked with the same attorney and law firm since incorporation in the 1970s. What would you do assure effective and seamless transition?

Mr. Couri stated he and his partner will be here for several weeks, on and off, with staff, ask to see what the legal issues are, and review the Charter and ordinances to gain familiarity. He stated the first month to month and a half they will be involved in that work, which is included in the retainer. Once they have a good understanding, the Council will tell them what they want the current attorney to finish and then his firm will start with the other matters. Mr. Couri noted the union attorney will continue with that work and they will make recommendations along the way.

What elements comprise a successful attorney/client relationship?

Mr. Couri stated it is trust, trust, trust, and they pride themselves on understanding the Council has been elected by its constituents to represent them and the last thing that should happen is the City Attorney impeding their work and that representation. Mr. Couri stated his firm's job is to give options and recommendations, tell it like it is, and then the Council makes the decision and he will then implement it with City staff. For the Council's best interest, they will not "sugarcoat" it and tell them what they need to hear, though diplomatic, about what the law says. Mr. Couri stated they will do that consistently so the Council has their trust.

In your proposal, you disclosed the conflict of representation with the City of Nowthen. Please address issues you may see and how potential conflicts would be handled.

Mr. Couri stated they did bring it out that they work with Nowthen, were one of the attorneys that incorporated Nowthen, and then represented them in 2010. Prior to that, they helped draft the Joint Powers Fire Agreement between Ramsey and Nowthen. Mr. Couri stated that is the only outstanding issue he is aware of as you can rule out annexations under current law since they are rare and not anticipated. Mr. Couri stated if there is an issue with Nowthen, they would step back and withdraw from both sides even though they could continue with both clients if both consented. Mr. Couri stated they want to represent Ramsey 100% so if a situation of conflict arises, they would withdraw from both sides and have Ramsey bring in other counsel.

Why do you believe your firm is the best firm to serve as Ramsey's City Attorney?

Mr. Couri stated their experience, as they have specialized in municipal law and 90% is city/town representation and the other 10% is private property owners in condemnation by the State or County. He stated he has been in this business for 22 years, seen a lot, and this is a business where experience matters. Mr. Couri stated he has attended more than 1,000 council meetings, to give a sense of his experience. He stated he understands the importance of a relationship with the Council and public, and you cannot teach that in law school. You either have it or you do not and it is not something you find in every attorney. Mr. Couri stated he believes they are the best firm because of their breadth of experience. Secondly, they will work until they get the job done no matter if it is day, night, or weekend. Mr. Couri stated his partner has 12-13 years of municipal experience and 10 years of litigation experience before that. Neither are unfamiliar with work nor shy wallflowers and will be there front and center whether an adversarial situation or one with residents. Mr. Couri stated their firm has long-term relationships with clients with the longest municipal relationship being 22 years

Mayor Strommen asked Mr. Couri if he had questions for the Council.

Mr. Couri stated they are resourceful and have looked at Ramsey's agendas/agenda packets and know the Ratwik, Roszak & Maloney firm has proposed a \$48,000 retainer. He stated he does not think, in the long run, that is enough to get the job done. He noted that Ratwik, Roszak & Maloney also represents the City of Red Wing that has a population of 17,000 and a similar retainer agreement. Mr. Couri stated he does not know the scope of that work but that retainer is \$113,000 per year. He noted their proposal for a \$48,000 retainer is 40% of that (the Red Wing retainer) and from his experience, you cannot work at 40% of the rate long term and have the client and attorney happy without increasing the rate. Mr. Couri stated he could have quoted that figure and dealt with it later, but that is not their style. He stated he is happy to bring down the number if they find the work is not the level they think it will be. Mr. Couri stated he thinks they are the lowest priced qualified attorney rate wise, and cheaper than the current City Attorney and the Ratwik, Roszak & Maloney firm. He stated he would love to represent Ramsey and would give "both barrels." He stated he looks forward to establishing a long-term relationship where Ramsey is comfortable calling and vice versa. Mr. Couri stated it is only 19 miles from his office to City Hall. He thanked Ramsey for both opportunities to meet with the Council and noted if he cannot advocate for himself, he cannot advocate for his clients. He assured Ramsey that they will see that same level.

Mayor Strommen thanked Mr. Couri for attending a second round of questions.

RATWIK, ROSZAK & MALONEY

Please describe how you arrived at the retainer amount given in your proposal.

Joe Langel, Ratwik, Roszak & Maloney (RRM), stated the retainer is the same amount as proposed by the current attorney. He explained they looked at the hours, meetings, and information available on line and think, given the work involved, they can do it within that dollar figure. He noted the City usually asks for a four-year retainer and while it is tough to do that, they could do it for a couple of years and see where they are at. He explained that retainers are tricky because while you can know what the last person was doing, they may do it differently. Mr. Langel stated they are concerned with doing it timely, which may require putting more people on it and spending more time. Mr. Langel stated he thinks they are good at \$48,000.

Why is your retainer for Red Wing quite a bit higher than proposed for Ramsey?

Mr. Langel stated he and Mr. Quiring are not involved in negotiating that retainer and for whatever reason, Red Wing is a high consumer of legal services. He explained their effective rate on that client was pretty low even though the retainer amount was high, noting Red Wing has a lot of unique challenges, such as a Port Authority, a nuclear plant, and an airport across the river in Wisconsin. Mr. Langel stated Red Wing consumes a lot of legal services and that retainer is a lot higher than being proposed in Ramsey because their staff calls for everything.

Mr. Langel stated with Lino Lakes, which has a larger population than Red Wing, would be more in common with Ramsey. He noted cities like Ramsey and Lino Lakes have professional staff and do not need to be “babysat” by a lawyer. Mr. Langel stated he is not concerned with the discrepancy in the Red Wing retainer.

What parts of the retainer, if any, would you recommend to be revised to give savings to the City?

Mr. Langel stated it will always cost the most to have an attorney attend meetings. In Lino Lakes, they started getting away from having the City Attorney attend Council meetings to save money but a lot depends on staff’s level of comfort. He acknowledged that a face-to-face discussion is different than a telephone call and more can be accomplished. Mr. Langel stated he spoke with Lino Lakes about attending staff meetings every once in a while because there is a lot “hanging in the air.” He had suggested attending on a monthly basis to get everyone on the same page. Mr. Langel stated you have to “play it by ear” but that is the single biggest issue that could result in savings. He reviewed the list of Ramsey meetings they are expected to attend in addition to having office hours.

Mr. Langel stated from the current retainer, they did not make a distinction in personnel issues that go more than three hours. In addition, legal research and opinions that go beyond eight hours are also in the retainer.

Please describe how you would provide coverage in absence of Mr. Langel and the secondary attorney. Who would be the back up? What do you have for support staff and paralegals?

Mr. Langel stated he would be primary, Eric Quiring would be secondary, and there is no conflict with their meeting schedules in Ramsey. He stated it does not come up that often when there would be a conflict. Mr. Langel stated they do not put out an RFP unless they know they have the time to take care of the client and provide quality service, not just service. He stated they get nervous if they are so busy they cannot keep track of things. Mr. Langel stated he and Mr. Quiring have talked about the anticipated load and feel comfortable in being able to take on Ramsey's work. Mr. Langel assured the Council there would be backup at all times. Beyond that, they have two attorneys with municipal experience and plenty of depth in the event the two of them are not available. He stated that would be rare and he does not see it as an issue

Mr. Langel stated their support staff has been with the firm for 20+ years and is extremely efficient and talented and can handle all the paralegal work. He stated the firm is taking on additional secretaries because they anticipate adding attorneys so more support staff will be needed.

The City of Ramsey has worked with the same attorney and law firm since incorporation in the 1970s. What would you do to assure effective and seamless transition?

Mr. Langel stated it is important that they meet with staff to get on the same page on pending issues, what nasty things are going on, and those types of things and that is part of the retainer. In addition, they offer to meet with the former attorney to work through his files but sometimes that offer is not taken up. Mr. Langel stated if possible, it can be very helpful and especially if there is an ongoing and contentious issue. They do not charge for that kind of thing, as it is part of the transition and making it easier. Mr. Langel stated they need to get and review open files from current counsel and open their own files, which is part of the retainer.

What elements comprise a successful attorney/client relationship?

Mr. Langel stated communication is the most important of all as to expectations, timelines, what the risks and benefits are to a certain course of action. Secondly, it is timeliness. He stated they are acutely aware that municipalities have expectations about when things need to be responded to and a lot of times, it is the same day or within 24 hours and if not that quickly, they have that discussion up front to tell them what it will take.

Mr. Langel stated competency and experience are also very important and they have been doing this for a long time and all they do is municipal law so they have that "base" covered. He noted the City has probably contacted their references and heard the same.

Why do you believe your firm is the best firm to serve as Ramsey's City Attorney?

Mr. Langel stated it encompasses everything they have been talking about. They are a specialty niche firm and that is how it started out 26 years ago. All they do is municipal work, it is 99% of their billings, and they do not represent developers or people who want trust work. RRM is very

good at municipal work because it is what they do and it interests them. Mr. Langel stated he went to law school to be a private attorney in municipal work. Their clientele is narrow, municipalities, but what they do for them is pretty broad and encompasses most everything except bond counsel. RRM has twelve attorneys and it is important for Ramsey, as it is no longer a small town, to have a law firm that can handle the breadth of issues that it will face going into the future. RRM also has depth so they can get things done and do that in a timely manner.

Mayor Strommen asked Mr. Langel if he had questions for the Council.

Mr. Langel stated they have talked about the retainer, what it includes, and explained their idea was to include everything except what was excluded. Office hours are included in the retainer. He felt it would make sense to have the retainer go for a couple of years and then have a discussion of the hours. Mr. Langel stated he does not have a contract with any of his cities, as he did not feel it was necessary because if the relationship is not working the City should be free to part ways. He stated they try to be flexible with their clients and their relationship with clients is important. Mr. Langel stated if the City wants a written contract with a specific retainer amount, they will agree. Or, if the City decides to make a change and reduce things then they will talk about it and come up with a new amount. He stated they are not that hard to get along with. Mr. Langel stated the question is what they can do to be Ramsey's lawyer because his firm will do a great job for the City. He offered to answer questions or provide more information to get their firm to that point.

Mayor Strommen thanked Messrs. Langel and Quiring for attending a second round of questions.

Mayor Strommen then turned the discussion to the Council for questions and comments.

Councilmember LeTourneau stated both firms are competent and good firms and it is a difficult decision. He stated he was originally concerned about the smaller size of the Couri & Ruppe firm but after tonight, he does not have as much of an issue about that.

Councilmember Riley stated he sees the world in numbers and one of the differences is what they anticipate for work. He noted the Randall, Goodrich & Haag retainer divide is 336 hours of work and Couri & Ruppe has a higher rate at 421 hours so a similar amount of work is anticipated. The RRM proposal is for 331 hours so they are anticipating less work. Councilmember Riley stated that is the difference and Mr. Couri stated he is anticipating more work than the City has been getting, which may not be doing himself any favors.

Councilmember Kuzma stated he likes the demeanor of the Couri & Ruppe firm and got the impression they would back off the retainer, to some degree, if the workload is not as heavy as anticipated. Councilmember Kuzma stated he likes that they are "sticking to their guns" in what it will take and since Ramsey has had issues, that may be part of their judgment call.

Councilmember Tossey stated there is courage for the Ramsey Council to consider changing legal firms from the firm the City has had since its incorporation. He stated both finalist firms are awesome and he appreciates Councilmember Riley's comment on the numbers.

Councilmember Tossey stated he had more concerns with Mr. Couri going into this, than now. Councilmember Tossey stated Anoka County is odd and there have been a lot of issues. He noted that Mr. Couri practices in Anoka County but Mr. Langel is from Hennepin County. Councilmember Tossey stated he wants an attorney who is outside of Anoka County.

Mayor Strommen noted Mr. Langel's firm also represents Lino Lakes, which is in Anoka County.

Councilmember Tossey stated Red Wing does have a lot of problems with sand mining and windmills so he understands why it consumes a lot of legal services. He stated he could "flip a coin" because both are good firms.

Councilmember Backous stated if you look at the Couri & Ruppe retainer, it is 60% of that amount so he would ask, what is the difference. He stated before tonight he supported Mr. Couri who presented his case very well, which says a lot about who to hire. Councilmember Backous stated Mr. Couri did a good job of pulling him to the very center but the tie breaker is the sheer size and resources that RRM has, the number of attorney and that the firm will have experience in everything Ramsey faces, more so than a two-attorney firm. RRM also has more support staff and since all have lives and vacation and families, the more resources the better. Councilmember Backous stated he does not know if the retainer is the right amount as Ramsey has used the same firm for decades, so it will be trial and error. He stated he appreciates the honesty of both saying they do not know if their retainer is the right amount and all need to be flexible. Councilmember Backous stated these are the most important contractors that the City has available and the City needs competent attorneys that are not afraid to "go to bat," be tough, and even be tough with the Council, when needed. He stated he supports RRM because of the size of the firm and available resources.

Mayor Strommen stated this is the first time in a long time the City has made a decision on attorneys so it should not be an easy one. It is a big decision, which is part of the struggle. She stated she feels good that either firm would serve the City very well and she sees pros and cons on both sides. Mayor Strommen noted the higher retainer has the lower hourly rate and it came to a difference of approach in using the current retainer and adjusting in a couple years compared to thinking there were not enough hours presently, starting higher, and then seeing if it needed to be adjusted downward. Mayor Strommen agreed with Councilmember Backous that having a bigger firm with extra support is beneficial; however, there would still be only several attorneys that would be familiar with the issues in Ramsey. She noted that was the case made by Mr. Couri, that only one to two attorneys would be familiar. Mayor Strommen stated she was impressed with Mr. Couri's attention in dissecting the billings and reviewing the meeting minutes and explaining how he determined the retainer, showing service orientation already.

Councilmember Kuzma stated he likes Mr. Couri's demeanor but also thinks that RRM will do a good job. But he would ask, "Who do you want to go into battle with, if needed. Councilmember Kuzma stated he thinks Mr. Couri had a stronger demeanor do go into a fight.

Councilmember Backous noted RRM said the City does not need the attorney at Council meetings and he would agree with that, which may have been factored into that firm's retainer

amount. He stated Mr. Couri mentioned he assumed the City was making a change because it was not getting value. Councilmember Backous stated he does not agree with that assumption because he thinks the City is getting great value from Randall, Goodrich & Haag. However, it was more that he felt Randall, Goodrich & Haag do not have the resources to deal with the items the City is now addressing.

Councilmember Riley stated regardless of the firm selected, neither wanted the retainer and both said they would be flexible and that lower hours would equal a lower bill. He stated the Council needs to decide if the City Attorney needs to attend meetings and if the City should get away from a retainer. He noted Mr. Couri said Ramsey would be a top priority client, which is important for him. Also, with the transition, Mr. Couri took ownership of the City and indicated he and his partner would be here to review everything and talk with everyone. Councilmember Riley noted Mr. Langel said they would meet with staff and figure out what is going on. He stated both firms are qualified but he leans towards Couri & Ruppe.

Councilmember LeTourneau stated when asked about a successful relationship, Mr. Couri said “trust” three times which is important but Mr. Langel answered it was about measurable outcomes and clear focus. Councilmember LeTourneau stated the RRM firm said they are a specialty firm and concentrate on what they do best. In addition, Mr. Langel talked about communication and expanded it to identify what your expectations are, which he found to be amazing. Councilmember LeTourneau noted Mr. Langel stated RRM is successful because they know expectations and timeliness and outcome, which speaks to process. He stated if RRM was that deliberate in how they do their work, to lay out that type of process, he was impressed and it makes a big difference to him.

Councilmember Backous stated to him it comes down to the reasons he wanted to make a change. If going with Mr. Couri, he felt it was going to the same thing, as he does not see a lot of difference. Councilmember Backous stated if the Council supports Mr. Couri, he would not have supported changing from Randall, Goodrich & Haag. He stated both firms are successful but Couri & Ruppe is a small firm, and the Council does not know of their succession plan should one partner retire. With a larger firm, there is a succession plan and other lawyers are coming up. Councilmember Backous stated that is why he does not think it is the right action to go with Couri & Ruppe.

Mayor Strommen stated one concern with Couri & Ruppe is their relationship with Nowthen, noting there is already a Joint Powers Agreement between the two and a joint services discussion is occurring. She asked whether there are other issues on the horizon that could come up.

City Administrator Ulrich stated the five-city joint service agreement is an issue coming up and long-term there are potential issues with border development/roads. He noted that possibly, very long-term, could be an issue with annexations if Ramsey can provide services.

Mayor Strommen asked for staff’s perspective.

City Administrator Ulrich stated Couri & Ruppe presents a closer relationship with a bigger presence at City Hall, more “boots on the ground,” and their experience with land use is good.

He stated in Lino Lakes, it is more of a corporate law firm approach, noting Lino Lakes paid \$35,000 per year so they have cut back the number of hours and put more onus on staff to address legal issues. City Administrator Ulrich stated Ramsey has professional staff that can handle a lot of that but Couri & Ruppe may be a better working relationship. He stated Mr. Couri bringing up the Red Wing issue against RRM may have been a good tactic but would have been questionable if RRM did not have a chance to respond. He agreed with comments that RRM has a bigger pool to draw from and could be used more for personnel issues since they do not exclude personnel issues over three hours. City Administrator Ulrich stated dollar for dollar, it will be cheaper to go with RRM but it is a different level of service and relationship in not being as close.

City Clerk Thieling stated both firms are very personable. She found Mr. Couri to be more staff oriented as far as "I'm here if you need me." City Clerk Thieling stated Mr. Langel indicated along the lines of "there are things you can figure out because you know what you are doing," showing confidence in staff. She stated in dealing with both over the past couple of weeks, she likes them both.

Development Services Manager Gladhill stated if price was not a consideration, he would lean towards Mr. Couri but he had not thought about the comment of Councilmember Backous relating to the reason for making the change so he is now leaning away from Couri & Ruppe but remains in the middle.

Councilmember Tossey stated he supports RRM but that is not a slight on Couri & Ruppe. He noted Councilmember Backous pushed him more toward RRM in saying if the Council wanted a Couri & Ruppe type of firm, it should have stayed with Randall, Goodrich & Haag for civil work. He stated he thinks RRM will provide the type of firm the City needs for the future.

Councilmember Backous stated he understands that everyone likes Randall, Goodrich & Haag but the City needs someone to "go to bat" for the City and stand before the judge on the City's behalf.

Mayor Strommen stated the City needs someone it can talk to, trust, and if needed, "go to bat."

Councilmember LeTourneau stated the City can work with either firm, they were similar in that regard.

City Administrator Ulrich noted the references all stated both were trusted firms, personable, and represented their city well.

Mayor Strommen stated tonight's conversation shows this is a tough decision, the two firms are very close, but a slight preference for RRM has been voiced, primarily because it is a different type of firm than the City has had. She found there are pros and cons for both.

Councilmember LeTourneau agreed that there is consensus supporting RRM.

Mayor Strommen stated she is comfortable with either firm.

Councilmember Riley stated it will be important to review the retainer in one year's time.

Mayor Strommen stated she would recommend the attorney attend meetings during the transition period so they can learn of the Council's needs, perceptions, and questions and the Council can build that relationship.

Councilmember LeTourneau asked all to remember that during the transition, the Council will determine its expectations. He thinks there is opportunity to not have as much legal representation, noting the City has professional staff.

City Administrator Ulrich stated the Police Chief is concerned that forfeitures and abatements are not included in the retainer. With forfeitures, under the current arrangement, the City pays per hour but the standard is that they get 30% on value of forfeiture. The Police Chief wants to continue the current process for an hourly basis instead of going with a percentage.

Councilmember Riley stated forfeitures were on the prosecution side of the contract so that was not covered with the firms that offered only civil work.

City Administrator Ulrich stated staff will work that out.

2.02: Conflict of Interest Policy and Disclosure Form

Human Resources Manager Lasher reviewed the staff report and Guiding Principles for elected officials, appointed Commission members, and staff.

Mayor Strommen stated the Council did a Code of Conduct during the strategic planning process but she did not see a Conflict of Interest Policy as being tied together.

Human Resources Manager Lasher stated they are somewhat related and in actual practice they can be. However, the two can be separated if the Council desires. She referenced the League of Minnesota Cities policy relating to the Code of Conduct and indicated that language does tie them together.

Mayor Strommen stated the Council did a Code of Conduct and Guiding Principals during the strategic planning process so it only needs to define how to deal with conflicts of interest.

Human Resources Manager Lasher stated the Personnel Policy can be lengthy and to have a three-page section specifically to this can be long for that Policy but she is open to the Council's preference.

City Administrator Ulrich stated the main focus of the document is that it calls for disclosure at different levels including Statutory, level of interest/allegiance, and that it should be disclosed during discussion so decision makers are aware of the issue. In that way, everyone would know of the potential conflict and a determination can be made whether to still participate in the discussion.

Councilmember LeTourneau asked if the body of work being proposed is around the issue of how to deal with conflict of interest, not the Code of Conduct or values.

Human Resources Manager Lasher stated that is the emphasis and other cities and the League have tied them together as somewhat related but the emphasis of this case is to identify real or perceived conflicts of interest and how to deal with such conflicts. She stated she spoke with the League of Minnesota Cities Human Resources and Susan Hansen of Madden, Galanter, and Hansen, LLP (the City's employment law attorney) both expressed it is critical from an employment perspective that terms and conditions of City employment remain unchanged and that conditions/circumstances that may exist be evaluated cautiously. Human Resources Manager Lasher recommended the City Attorney review the language to assure those concerns are addressed. She presented staff's recommendation to consider the best approach to protect the City against conflicts of interest while maintaining rights to privacy and adhering to all State and Federal laws. She stated the City Conflict of Interest Policy was reviewed by City Attorney Goodrich who made suggested revisions as shown in the document.

Councilmember Riley asked if the League of Minnesota Cities already defines this and has sample policies the City can use.

Human Resources Manager Lasher stated that is correct, as well as the policy being written in a value statement format. She stated she is comfortable with the information from the League.

City Administrator Ulrich stated the value of the League's information is that it has been run past their legal staff and they have a template Code of Conduct.

Mayor Strommen asked about the Conflict of Interest Policy from the League. She noted there are two different pieces but the Ramsey Code of Conduct was done with the strategic plan and it can be discussed if it should be imbedded in Ramsey's Personnel Policy. Mayor Strommen stated the questions are: when a potential issue arises, how is it disclosed, to whom is it disclosed, does it have to be disclosed to the Council's colleagues, and how is it decided whether it is a conflict of interest. She asked what is the process and how is a decision made, noting that is not included in the League information.

Councilmember Tossey stated the Council may not be the best authority to implement this because there is nothing you can do to an elected official outside of what the Statute or Charter indicates. He suggested this matter (conflict of interest) be discussed by the Charter Commission, noting they are not elected officials but appointed by a judge.

Councilmember Riley stated that feels almost like amending the Constitution to make a law. He asked if this needs to be a City of Ramsey policy or can the Council adopt what the League already has laid out for Ramsey.

Mayor Strommen stated the information provided does not mention a Conflict of Interest Policy.

Councilmember Riley asked if Ramsey can adopt language as defined by the League.

Mayor Strommen stated the League may have a suggested process but it has to be the decision of Ramsey.

Human Resources Manager Lasher noted the last page of the League's Official Conflict of Interest document addresses a complaint and hearing process.

Mayor Strommen noted that is for after-the-fact but the Council needs to address the process prior and how to disclose a potential conflict of interest.

City Administrator Ulrich stated the prepared document does say there is a responsibility to disclose; however, that should be done up front in the process, and if not you are in violation. He explained the City cannot infringe on the rights of employment.

Mayor Strommen stated having "teeth" without a process that all know would be pointless.

Councilmember Tossey stated the process is being offered but not what is an actual violation such as where is the line and when is it crossed. He noted the League is offering language on how to file a complaint or make an allegation. But, the Council wants to know at what point they need to come forward and declare a conflict. He noted when the union contract for Police Officers came forward, he felt it may have been a conflict so he discussed it with his lawyer and the City Attorney. Both said it was not a conflict but he still withdrew from the vote even though he was not part of that same union.

Councilmember Backous stated there are varying degrees of conflict and in some cases, it may be argued you could financially benefit which is a statutory conflict of interest so the Charter Commission does not need to address that issue. However, it comes down to personal common sense and he would ask where the "teeth" on that are. He stated an example is if his brother-in-law has a real estate company and buys property in Ramsey, noting he could legally vote on that because he would not personally benefit financially but ethically, in his mind, he should step away. Councilmember Backous stated it is not what is already laid out in the law, but the ethics of the situation and being open and transparent.

Councilmember Tossey stated in that example, the City could do nothing to Councilmember Backous to hold him accountable should he have voted on his brother-in-law's project except to bring it up during his reelection campaign.

Councilmember LeTourneau stated with the initiative of "A New Day – A New Beginning" and wanting something to address conflict of interest, he looked at the draft included in the case. He noted that under Tier 2, it addresses indirect conflict and calls out categories and the level it should be scrutinized. He asked if this document should be further developed to assure all are accountable.

Mayor Strommen agreed this is along the lines of what she had in mind but she was confused with the value-based League document and what staff's recommendation was to bring them together.

Councilmember Riley stated this document is doing what the Council intended. He noted the League's document is 40 pages long and does cover violations, related laws and punishments, and defines processes to follow. He asked if the Council wants to adopt something like the League document.

City Administrator Ulrich stated part of the Code of Conduct covers transparency and the level of transparency the Council wants. He stated even if a conflict is known, without statutory backing, the Council would not have the authority to prevent participation.

Mayor Strommen pointed out that if no one is aware of the conflict, that discussion would not occur. She stated some of the League language could be adopted by reference but that would not be a City of Ramsey Policy. She felt the process and expectations in the City of Ramsey need to be included, what the Council can expect from each other, and what the public can expect when there is a conflict.

Human Resources Manager Lasher stated this is a complex issue and in talking with City Attorney Goodrich, he referred to the League's value based statement. She noted facilitator Anita Duckor's draft identifies procedures with conflicts of Councilmembers, staff, and when there is doubt to refer the issue to the City Attorney.

Councilmember Kuzma stated during his League training, they were specific about conflict of interest, penalties, and to not do it. He stated in his short tenure on the Council, any time there has been a remote possibility of conflict, he has passed.

Mayor Strommen agreed the statutory definition of conflict of interest is narrow and relates to financial gain. She asked if the Council wants to stick with that narrow definition or also address perception and ethical conflicts, which can cause stress for the Council and community. She stated it is difficult to draw hard lines because it depends on the situation and relationship. She asked if a member can raise his/her hand and disclose the relationship that may be a conflict and have that discussion or whether it is all right for that member to vote or to get a legal opinion.

Councilmember LeTourneau stated this document is a great start and proposed staff conduct further vetting and then bring it back for the Council's consideration.

Mayor Strommen added that the Council should also spend time reviewing the document and if there are specific issues, to address them as the City Council also needs to "own" this document.

Councilmember Riley asked if there had been comment or a preference by City Attorney Goodrich.

Human Resources Manager Lasher stated City Attorney Goodrich had mentioned the drafted policy was "long and fuzzy" and the League has better material.

Mayor Strommen suggested staff use the League's Conflict of Interest Policy and marry the two for future consideration.

Human Resources Manager Lasher noted the Bloomington policy contains a conflict of interest section from the employee's perspective.

Mayor Strommen stated the "fuzzy" conflicts also need to be addressed and a process determined in how to disclose that conflict and put it on the table. She asked staff to find out if City Attorney Goodrich knows of other policies addressing that issue.

City Administrator Ulrich stated the attorney deals with the law but the Council may want to deviate into the ethics area so the City Attorney may not be as much help to craft the process rules.

Mayor Strommen stated she is surprised that other cities have not tackled the process for "fuzzy" conflicts of interest.

City Administrator Ulrich stated staff will conduct further research to find other examples.

Councilmember Tossey stated there may not be other examples because it is already defined in Statute. He asked whether a former Council had established a Code of Conflict that was not part of the Charter and had no "teeth." He stated he wants something that has authority because otherwise it means nothing.

Councilmember LeTourneau stated a new Council may see things differently so such a policy may not live beyond the current membership.

Councilmember Tossey agreed they are self-regulated rules but when a new Council is seated, he wants the new Council to hold to the same rules and ethics. That is why he wants it put into the Charter, so it has some "teeth" for enforcement.

Councilmember LeTourneau stated if the document has enough significance to have cultural significance, then it will become part of the DNA of this organization.

Councilmember Backous stated he is skeptical whether the Charter Commission can draft a document that covers all situations because of the wide variety that can arise. But, he thinks it is worthwhile for the Charter Commission to discuss it.

Mayor Strommen suggested staff ask whether the League and/or State has any other policy language, and schedule this discussion for a future Council Work Session with the documentation provided in advance so the Council has time to review the language and determine if it supports the concepts.

Councilmember Backous stated he would like a Charter Commission review before too much work is done on the front end. He stated the Council is trying to take the Statute conflict of interest laws and make it more restrictive; however, everyone has different ethics and the only way to make it enforceable is to have the Charter Commission review it. He agreed that in the

future with a new majority, this policy could “go out the window” so he would ask if it is worth the effort.

Councilmember Tossey stated the League document already exists and the Council needs the political will to put in some “teeth,” which can be provided by the Charter.

Mayor Strommen asked how the “teeth” can be included if there are no current policy and procedures in place.

Councilmember Tossey stated in 1997 and again in 2002, the Ramsey Council addressed this same issue.

Mayor Strommen asked if that addressed a conflict with a family member or perceived conflict of interest, noting it does not lay out the process to declare a conflict.

Councilmember LeTourneau stated all this is to provide transparency and whether there is a big enough consequence is not the point. The point is to provide transparency and have a process of which the public is aware.

Councilmember Tossey stated the process is dependent on whether all on the Council decide to be strong links in the chain and if there is a weak link and it is not a statutory defined conflict, then there is nothing the Council can do. Councilmember Tossey noted if a member does not like what another member does they can cast allegations, make it political, and bring that to the public, but he would ask, what if it is an honest mistake.

Councilmember LeTourneau stated he supports a process that is proactive, not reactive.

Mayor Strommen agreed and noted it relates to creating a process to have a discussion and disclose a conflict.

Councilmember Tossey stated all want the Council to have a team approach but often times it is thought that an outside influence may be impacting the vote instead of the Councilmember considering what is good for constituents. He stated he does not want to “reinvent the wheel” but wants there to be “teeth” for enforcement.

Councilmember Kuzma stated if he feels he has a conflict, he will bring it up before the Council and talk about it. If the Council finds it to be a problem, he will recuse himself from the vote. He explained he has already had situations where someone wants him to print something or give him a bid but if he feels it can be an issue, he passes on it.

Councilmember Backous asked whether all agreed to have the Charter Commission review this.

Mayor Strommen stated she is not in agreement with that review.

Councilmember Backous asked if the Council wants all of the work completed prior to a review by the Charter Commission.

Mayor Strommen asked whether the goal is transparency or having punitive restrictions. She stated for her, it is about transparency and if that is the issue, it does not need to be addressed by the Charter Commission. Mayor Strommen stated she is not opposed to investigating whether there should be enforcement as a separate tract.

Councilmember Backous stated the Charter Commission sets its own agenda and can decide whether or not it wants to review this topic. He noted this would provide a forum for public dialogue but he agrees it needs “teeth” to a certain extent.

Councilmember Tossey stated concern that it will fall into the same trap when a government does not enforce one law, it creates another law. He stated he will not be part of a rule that has no “teeth” or substance.

Mayor Strommen stated the Council was not clear in what it wanted and there is some interest around transparency and other interest around enforcement. She asked if any are interested in forwarding the transparency aspect.

Councilmember LeTourneau stated this came up during strategic planning and was on the list of tasks to be accomplished so it had value from that exercise. He stated he sees it as bringing a method/tool for transparency and he would like it to be looked at through that lens, whether it would bring more value to create a methodology that is more transparent and communicate better to constituents/stakeholders. Councilmember LeTourneau felt that at some point, if the tool becomes extremely valuable, he would then support including another entity and putting it in a permanent position in the organization. However, he preferred to try it first.

Councilmember Backous stated this effort is reasonable and worthwhile.

Councilmember Riley stated transparency and having a process is a good start.

Councilmember Kuzma agreed.

Councilmember Tossey stated he is willing to give it some time but not for Tuesday after Tuesday and spinning the wheels.

City Administrator Ulrich stated staff will revise the document, noting the Charter does not need “teeth” to remove someone from office but even mentioning it in the Charter shows it is important to the community to annually adopt a Code of Conduct. He stated this will be scheduled for discussion at a future Work Session.

Mayor Strommen stated this is not uncommon in nonprofit, corporate, or at the State level and she will share some samples for staff to review.

2.03: Council Committee Utilization

City Administrator Ulrich reviewed the staff report and current Council Committee structure that allows staff to bring forward items for discussion/recommendation followed by formal Council action under the Consent Agenda. It also allows items to be brought forward to the Council that same evening, if time is of the essence. He noted the most active committee is the Public Works Committee, then the Personnel Committee followed by the Finance Committee. He stated the Public Works Committee has more active audience participation to resolve neighborhood issues related to streets and utilities and that saves time for the Council as a whole. He explained that during strategic planning sessions, the Council discussed streamlining processes and holding fewer meetings. City Administrator Ulrich explained that if time is of the essence, such as with Personnel Committee items recently, the case may be considered by the Committee and Council on the same evening.

Mayor Strommen asked the Council to identify where Committees add value.

Councilmember Tossey stated the Public Works Committee is very valuable but he does not see a lot of value in the Finance Committee because they do not meet that often and have not discussed labor contracts, as that has instead been considered by the Personnel Committee. He stated the Public Works Committee and Personnel Committee are very valuable as well as special purpose Committees (Happy Days).

Councilmember Backous stated with personnel, the issues come to the Committee when staff wants input. He stated he thinks the Committee structure is fine as long as they are not meeting just to meet, noting the Public Works Committee has canceled when there is nothing to discuss. He suggested holding Committee meetings as needed and asked about eliminating one of the Council Work Sessions each month.

Councilmember Kuzma stated he finds the Committees he serves on as being helpful in learning his job and he does not mind attending.

Councilmember Riley stated the Public Works Committee is a good use and while he is not on the Personnel Committee, he wants to hear what is being considered and discussed since it will be on an upcoming Consent Agenda. He stated he does not find the Personnel Committee to be as effective because he wants to attend those meetings anyway.

Councilmember LeTourneau stated he shares a similar story and likes to attend the Personnel Committee meetings so he knows what he is going on but trusts the membership to make the right decisions and have positive outcomes whether or not he is present. He stated if he did not like the Personnel Committee recommendation, he would pull it from the Consent Agenda.

Councilmember Riley stated the Finance Committee does not meet often because anything that involves spending money comes to the full Council.

Mayor Strommen asked if there is a nature of Personnel Committee cases the Council needs to hear and weigh in on. She noted that is why the Finance Committee has less of a role, the Council wanted to be part of that conversation and decision making process. Mayor Strommen

stated if people feel that way about Personnel Committee issues, it could be a different conversation.

Councilmember Backous noted there are also topics of investment and others that can be considered by the Finance Committee so he thinks it is important and he trusts staff and those members to make those decisions.

Mayor Strommen agreed and stated she had served on a more active Finance Committee. She suggested that Committee could discuss and make recommendation on alternate sources of revenue and what is going on with Local Government Aid.

City Administrator Ulrich stated one of the issues with the road reconstruction effort is largely a financial issue and the Finance Committee and/or Public Works Committee could weigh in on that, or it may be a big enough issue that it needs to be addressed by the Council as a whole. He stated the Finance Committee can be more proactive with financing recommendations, to review and report on what is occurring with the budget, and tracking investments. City Administrator Ulrich stated if there is consensus to eliminate one Work Session per month it would be best to eliminate the first Tuesday Work Session and hold Public Works and other Committee meetings on the third Tuesdays.

Councilmember Backous asked if the City's involvement in the Lower Rum River Watershed Management Organization (LRRWMO) can be discussed at a Work Session. He stated he has concern that Ramsey has one vote in four but pays 49% of the budget and can easily get out voted and be required to fund 49% of the project.

City Administrator Ulrich stated the LRRWMO Joint Powers Agreement, Rum River Dam project, and whether to contribute to Anoka's grant application are also matters of related discussion.

The consensus of the Council was to schedule LRRWMO related topics for discussion at a future Work Session.

Mayor Strommen stated she thinks the Committee structure is working well, all are participating, and if there is nothing on the agenda there is no need to hold the meeting. She supported eliminating one Council Work Session per month.

City Administrator Ulrich asked if there is interest in changing the start of the Committee meetings to a morning time.

Following discussion, consensus was reached that the evening meeting time is best to assure transparency as well as member and resident participation.

Mayor Strommen stated the Highway 10 Ad Hoc and Landform Committees have worked well to address topics not under the prevue of an established Committee as it preserves Committee time for their topics.

Human Resources Manager Lasher asked for more discussion on the Personnel Committee. She stated from a process improvement standpoint and in making Personnel actions timelier, she would like the Personnel Committee meeting to be followed by action the same evening. Human Resources Manager Lasher noted that otherwise, it can add a month between authorization to recruit and authorization to hire.

Councilmember Tossey stated he would support same evening consideration with some issues like taking someone off probation but if it involves a funding increase, he thinks it should not be considered on that same night's Consent Agenda. He stated he wants the Personnel Committee to have that ability to determine if the hiring or promotion is needed and also have the ability for the full Council to review those meeting minutes prior to being asked to make a decision.

Mayor Strommen noted one solution if it needs to go before the Council the same night is to place it on the agenda as a regular item with a staff report presented. She stated that could be the case for any Committee item that is considered by the Council on the same evening.

Councilmember Tossey stated he supports that suggestion.

The consensus of the Council was to make no change at this time to the Committee structure, to consider same night Committee items as a regular agenda item (not on the Consent Agenda), and to eliminate the Council Work Session held on the first Tuesday of the month.

3. FUTURE TOPICS FOR DISCUSSION

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

City Administrator Ulrich provided an update on on-going projects and staff work.

Development Services Manager Gladhill reported that Building Official Lee Gladitsch took a job with the City of St. Cloud and his last day will be June 1, 2013.

Human Resources Manager Lasher stated the Economic Development Director position is posted and advertised. So far, three individuals have submitted applications and the first review date is June 10, 2013.

Mayor Strommen noted there was a nice article on the momentum building around the Highway 10/Armstrong Boulevard interchange project and other positive steps.

City Administrator Ulrich stated he will include that information in the *Weekly Update*.

City Administrator Ulrich indicated that Eric Hagen will be the new reporter for the *Anoka County Union* newspaper.

5. ADJOURNMENT

Mayor Strommen declared the Work Session of the City Council adjourned at 8:56 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.