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

The Ramsey City Council conducted a regular meeting on Tuesday, October 8, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen
Councilmember Randy Backous
Councilmember Jill Johns
Councilmember Mark Kuzma
Councilmember John LeTourneau
Councilmember Jason Tossey

Members Absent: Councilmember Chris Riley

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Fire Chief Dean Kapler
Public Works Superintendent Grant Riemer
Development Services Manager Timothy Gladhill
City Engineer Bruce Westby
Assistant to the City Administrator Patrick Brama
Management and Administrative Intern Meghan Mathson
City Attorney Joe Langel

1. CALL TO ORDER

Mayor Strommen called the regular meeting of the Ramsey City Council to order at 7:00 p.m., followed by the Pledge of Allegiance led by Mayor Strommen.

Mayor Strommen noted Councilmember Riley is out of State for a family funeral.

2. PRESENTATION

2.01: Presentation by Fire Chief Kapler to Fire Fighters

Fire Chief Kapler presented five new Fire Fighters with their badges: Jeff Kagol, Alex Merritt, Mike Nelson, Adam Schrag, and Scott Widstrom, indicating each had completed training including the Anoka County Fire Academy.

The Council extended its congratulations to the fire fighters and thanked each for their service to the City of Ramsey. The audience responded with a round of applause.

2.02: 2013 Happy Days Recap

Management and Administrative Intern Mathson provided a recap of the 2013 Happy Days. Staff thanked the team of volunteers involved with the planning, coordination, and execution of this event and recognized all who made vital contributions.

Mayor Strommen and Management and Administrative Intern Mathson recognized the following Happy Days Sponsors: Connexus Energy, Bank of the West, Northgate Church, The Residence at The COR, Bob 106 FM\HD, Do All Printing, Freedom Christian Church, Wendell's, Ramsey Raceway, Bolton & Menk, Phantom Lures, Ace Solid Waste, Connections Church, The Links at Northfork, NAU Country Insurance, One Hour Heating & AC, Coborn's, PSD, LLC, Command Tooling, St. Katharine Drexel, Metro Dentalcare, Comfort Suites, Parkplace Studio, Weikel Law Firm, PLLC, Mn Pro Paintball, Pearson Farm, Holiday Gas Station, Green Valley Greenhouse, The Bank of Elk River, and, CenterPoint Energy, Prevail Counseling Group. Happy Days Partners were also recognized: Anoka Women of Today, Ramsey Raceway, State Farm Insurance, and the Scouts of America.

Certificates of appreciation were presented to: Paul Buley, Kyle Beilke, Tim Buley, Christine Montour, Molly Sutherland, Howard Johnson, Xue Yang, Tom and Lucie Eisenreich, Mike Orn, Annah Reid, Ed Emmerson, Mark Reid, Ann Holland, Jackie Simone, Marcy and Mel Johnson, Anne Madison, Megan Niven, and Karl Janzen.

Assistant to the City Administrator Brama recognized Management and Administrative Intern Mathson for leading coordination of Happy Days and presented her with a certificate of appreciation. He also recognized members of Happy Days Committee for their contribution.

Management and Administrative Intern Mathson, on behalf of the Happy Days Committee, thanked the City Council for its support and in particular Councilmembers Backous, Tossey, and Riley for acting as liaisons.

The Council extended its appreciation to all who sponsored and volunteered to make 2013 Happy Days a success.

2.03: Presentation by President Kent Hanson

Kent Hanson, President of Anoka Technical College and Anoka Ramsey Community College, introduced himself and presented his goals for the colleges.

The Council thanked President Hanson for introducing himself and stated it looks forward to working with Anoka Technical College and Anoka Ramsey Community College.

3. CITIZEN INPUT

Eric Zaetsch, 6521 154th Avenue NW, credited Public Works staff for its efficiency during the fall Recycling Day.

4. CONSENT AGENDA

Motion by Councilmember Backous, seconded by Councilmember LeTourneau, to approve the following items on the Consent Agenda:

4.01: Receive 2013 Building Division Month End Report: September

4.02: Approve the following Meeting Minutes:

1) City Council Work Session – September 24, 2013

2) City Council Regular – September 24, 2013

4.03: Approve License Applications:

Temporary On-Sale Liquor

Church of St. Katharine Drexel, 7101 – 143rd Avenue NW, Suite G, Ramsey, MN 55303

Motor Vehicle

Dumarks, 7127 Highway #10 NW, Ramsey, MN 55303

DM's Auto Sales, LLC, 7820 Riverdale Drive NW, Ramsey, MN 55303

4.04: Approve Amendment to Resolution #13-09-172 Resolution to End Firefighters' Probation

4.05: Approve Receipt of Pedestrian and Bicycle Trail Easement

4.06: Adopt Resolution #13-10-174 Approving Cash Disbursements Made and Authorizing Payment of Accounts Invoicing Received During the Period of September 19, 2013 through October 2, 2013

4.07: Report from the Public Works Committee Meeting dated September 17, 2013:

1) Consider Allowing the Use of High Density Polyethylene Pipe for Water Service Line – *Ratify the recommendation of the Public Works Committee to amend City Code Section 58-113(a) to allow the use of High Density Polyethylene (HDPE) pipe in lieu of soft copper for water service lines from the curb stop to the residence.*

2) Signal Timing on Highway 10 Corridor – *Informational; no action required.*

3) 2013 Public Works Department Operations and Staffing Survey Results – *Informational; no action required.*

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Backous, LeTourneau, Johns, Kuzma, and Tossey. Voting No: None. Absent: Councilmember Riley.

5. APPROVE AGENDA

Motion by Councilmember LeTourneau, seconded by Councilmember Johns, to approve the agenda as presented.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers LeTourneau, Johns, Backous, Kuzma, and Tossey. Voting No: None. Absent: Councilmember Riley.

6. PUBLIC HEARING

6.01: Public Hearing – Introduction of Franchise Ordinances with Anoka Municipal Utility and Connexus Energy

Mayor Strommen closed the regular portion of the City Council meeting at 7:25 p.m. in order to conduct a public hearing.

Public Hearing

Mayor Strommen called the public hearing to order at 7:25 p.m.

Presentation

City Engineer Westby reviewed the staff report and explained this is a housekeeping consideration as the franchise ordinance had expired. He explained this ordinance is required to allow utilities to operate within the City's rights-of-way and it contains a clause to allow the proposed franchise fee. It was noted that each utility requires some unique language so one ordinance will no longer work for both utilities. He stated staff worked with each utility to draft that language and staff recommended introduction with second reading scheduled at the October 22, 2013, Council meeting.

Citizen Input

William Kingston, 15760 Andrie Street NW, asked that the Council display the ordinance so the audience can see what is included as it is a 20-year ordinance and includes the ability to institute a franchise fee. He recommended that the right to read the ordinance should not be waived so there is full disclosure.

Mayor Strommen explained that the consideration tonight is introduction of the ordinance and it was included in the Council's meeting packet and available on the City's website.

Jim Bendtsen, 14131 Junkite Street NW, stated he would like to see how this franchise fee ordinance relates to value and asked whether an unlimited level of charges can be placed as a franchise fee.

City Engineer Westby stated the language within these two ordinances allows the utility companies to operate within the City's rights-of-ways to locate and operate their utilities. The language included related to franchise fees indicates the City has the right to adopt franchise fee ordinances in the future. He explained that the franchise fee ordinance would specifically call out the level of fees.

Darrel Smithwick, 8353 168th Lane NW, asked if the two ordinances can be posted to the City's webpage so residents can read them prior to the next meeting.

Councilmember Backous asked staff to provide a link on the City's home page so it is easier for residents to find the information.

Councilmember Tossey asked if there will be another public hearing at the next meeting.

City Administrator Ulrich stated tonight is the opportunity for public input.

Mayor Strommen stated the public input is tonight but residents can read the ordinances posted to the City's website and provide comment to the Council prior to the next meeting when the ordinances will be considered for adoption.

Councilmember Tossey stated the language in these two ordinances allow the ability for the City to institute a franchise fee, which will be considered during the next agenda item.

Mayor Strommen asked whether this ordinance contains standard language that the utilities have been operating under for the past 20 years.

City Administrator Ulrich suggested, to avoid confusion, that this public hearing be continued until the public hearing is conducted on the franchise fee ordinances, as the two issues cannot be co-mingled.

Eric Zaetsch, 6521 154th Avenue NW, stated he has not read the Council packet and it is unclear to him if the franchise fee is intended to be charged against households or the fee imposed on the franchise holder (utility operator) that is passed through to everybody.

City Administrator Ulrich stated the franchise fee is a fee on the franchisee (utility operators) that is then passed on to the customers/consumers.

Mr. Zaetsch stated that even though imposed on the franchisee, it is ultimately the customers that pay it as a pass through, dollar for dollar.

City Administrator Ulrich stated that is correct and while utility companies are not required to pass it through, they do pass the fee along to their customers.

Mr. Zaetsch asked if the utility companies have the freedom to charge larger users a higher fee, or are they required to pass it through as a flat fee.

Mayor Strommen stated that is a topic for the next public hearing, may be answered in staff's presentation, or it can be raised during that public hearing.

Joe Field, 8021 152nd Lane NW, asked if the proposed ordinances are a renewal. He stated he noticed some language had been deleted and asked if that is the only change to the existing ordinance.

City Administrator Ulrich stated these ordinances have been in place and reached the end of their 20-year life, including the franchise fee language that has been in place for the past 20 years. This is a renewal for each of the utilities to operate in the City's rights-of-way.

Mayor Strommen recessed the public hearing at 7:42 p.m. in order to open the next agenda Case and related public hearing.

Councilmember Backous stated there is confusion because Page 6 in Ordinance #13-19 includes the proposed rates for the franchise fee.

City Engineer Westby stated the rate language in the Anoka Electric ordinance is not supposed to be included and should be in the franchise fee ordinance itself. Staff is working with Anoka Electric to remove that language from this ordinance. He explained the old single ordinance expired and the two new ordinances include much of the same language; however, were boilerplate documents from the two utility companies and one (Anoka Electric) contained rates that should not be included in this ordinance.

Mayor Strommen apologized for the confusion that resulted. She stated Ordinance #13-20 for Connexus, Section 9, references a franchise fee that a separate ordinance would impose. She asked if that language should be mirrored in Ordinance #13-19 for Anoka Electric.

City Engineer Westby answered in the affirmative.

Mayor Strommen stated if the Council supports introduction, that correction would be required to the Anoka Electric ordinance prior to consideration of adoption.

Councilmember Tossey stated he cannot vote on an ordinance that is not correct and he does not support including reference to franchise fees in these two ordinances because he does not support franchise fees. Councilmember Tossey stated because of that, he will oppose introduction of these ordinances.

William Kingston, 15760 Andrie Street NW, stated it was mentioned by staff that franchise fee language was in the ordinance adopted 20 years ago. He asked when the Minnesota statute was passed to allow cities to assess franchise fees for public utilities.

City Engineer Westby stated he does not know and cannot answer that question.

Mr. Kingston noted if the statute was adopted less than 20 years ago, the language relating to franchise fees could not have been included in the original utility ordinance.

6.02: Public Hearing – Introduction of Franchise Fee Ordinance with Anoka Municipal Utility, CenterPoint Energy, and Connexus Energy

City Administrator Ulrich introduced the topic and commented on the need for long-term funding to address a Street Maintenance Program (SMP).

Mayor Strommen closed the regular portion of the City Council meeting at 7:55 p.m. in order to conduct a public hearing.

Public Hearing

Mayor Strommen called the public hearing to order at 7:55 p.m.

Presentation

City Engineer Westby reviewed the staff report and background of this consideration to institute a franchise fee to fund a SMP. His presentation included details relating to Pavement Surface Evaluation and Rating (PASER) and aging streets, increasing costs, SMP 2013 estimated costs, current SMP funding sources, ideal SMP funding sources, other SMP funding sources, funding by franchise fees, franchise fee implementation terms and tentative implementation schedule, and conclusions.

It was noted staff's recommendation is to institute a monthly fee of \$8 per utility against both residential and commercial properties, which would generate approximately \$1.7 annually. If adopted, implementation would be conditioned on:

1. Special assessments would no longer be used to help fund street maintenance projects as long as franchise fees are collected.
2. Electric and gas utility franchise fee revenues must be dedicated solely to long-term street maintenance program projects.
3. Electric and gas utility franchise ordinances must include five-year sunset terms.
4. A franchise fee/special assessment rebate program must be implemented to prevent anyone currently paying a special assessment on a previous street maintenance project from also paying franchise fees on top of their assessment, including anyone who paid their assessment off early.

City Engineer Westby presented written comment received prior to tonight's meeting from: Amber Chrudimsky via e-mail; Andre Champagne via e-mail; MaryLou Peterson via e-mail; Irene Beberg of 7411-152nd Avenue NW, via telephone; John Scherle of 5354 140th Lane NW, via telephone; SueEllen Peterson via e-mail; Wayne Buchholz of 14621 Neon Street NW, via comment card; Susan Anderson via comment card; Linda Bybee, 5031 142nd Lane NW, via comment card; Cindy McKay of 7855 157th Avenue NW via comment card; Marilyn Potter of 14368 Waco Street via comment card; and, resident of 5530 156th Avenue NW via comment card.

City Engineer Westby stated these written comments will be appended to tonight's meeting minutes. He indicated staff recommends the Council introduce Ordinances #13-21, #13-22, and #13-23 and if introduced, asked the Council to verify terms of implementation.

Mayor Strommen thanked residents for attending this important public hearing to provide input. She stated the public hearing is on the proposed franchise fee ordinance and the underlying problem is how to fund the SMP. She stated the Council would appreciate suggestions for alternative solutions to fund the SMP and asked residents to provide succinct comments, limited

to two-three minutes, to direct comments to the Council, and maintain Chamber decorum by refraining from display of opposition or support.

Citizen Input

Tim Mahoney, 5915 177th Avenue NW, stated he lives off CR 147 and asked if he would also receive an assessment from Anoka County. He stated he finds there to be a lot of “fuzzy math” relating to having a fee included in an ordinance that should not be included, and projecting cost estimates for future paving projects. He stated there is a five-year sunset, which may indicate the project cost is not known and he does not support a franchise fee in addition to assessments as it causes confusion and more cover-ups. Rather, he supported payment of assessments based on PASER. Mr. Mahoney felt it was misleading to think there would be a continual and steady flow of income from franchise fees because technologies change. He supported lowering City costs and finding other funding sources from the State of Minnesota. Mr. Mahoney did not support the franchise fee.

Mary Jo Olson, 8260 159th Lane NW, stated this “can has been kicked down the road” for a long time and applauded this Council for addressing it and to assure that in the long run, the roads are in good repair. She spoke in favor of a franchise fee to fund road maintenance but was not sure that an \$8 flat fee per utility was the right way to go. She felt franchise fees were the best concept but favored a tiered approach focused on property values. Ms. Olson felt franchise fees were a better funding source than assessments or raising property taxes. She liked the idea of having a little pool of money set aside every month to assure the roads remain in good condition, as she agreed with staff that some roads are reaching life expectancy, all drive them whether you own or rent, and it would benefit all to have it done. Ms. Olson stated franchise fee are the least painful way to fund this endeavor.

Jim Bendtsen, 14131 Junkite Street NW, stated the franchise fee would charge \$1.7 million to utility companies for use of the City’s rights-of-way who will then pass it on to residents, but it is not tied to property values. He stated the Charter specifies funding for local improvements and while sealcoating may be maintenance, reconstruction of a road is not considered maintenance. He felt use of a franchise fee was an attempt to circumvent the Charter and levy limits. Mr. Bendtsen stated the majority of this Council will be in office through 2016 and if they cannot focus on funding and rebuilding roads, he would ask how they will focus on keeping franchise fees where they should be. Mr. Bendtsen stated a property valued under \$242,000 will pay more in franchise fee than if on property taxes. At \$100,000 or less, you will pay three times more on franchise fees than on property tax. Mr. Bendtsen stated this should be a property tax tied to the value of what you own and if through a franchise fee, the utility should be tied into Anoka County property values. He noted if the house is valued over \$1 million, the franchise fee will be 20% of their taxes. Mr. Bendtsen stated it looks like the roads to be improved first are at the edge of Northfork and asked for that to be verified. He stated people with property values under \$200,000 pay 68% of the \$1.7 million; people with property values from zero to \$250,000 pay 87% or \$1.4 million of the \$1.7 million to be collected. Mr. Bendtsen asked if that is fair to those in the lower income ranges. He stated the Charter states that local improvements under assessments are to be tied into property values but franchise fees do not tie to property values in

any way. Mr. Bendtsen supported keeping focused on repairing the roads and putting the costs on property taxes.

William Kingston, 15760 Andrie Street NW, stated he read Ordinances #13-21, -22, -23 for the franchise fees and understands, based on the Work Session, that directives are to be achieved. One is to spend franchise fees only on the SMP but none of the ordinances address that directive or the five-year clause. He stated he asked previously about the administrative fees to handle the franchise fee and it is clear in all three ordinances that there is the ability for the utility to tack on a surcharge to administer the franchise fee so the end result may be an amount somewhat higher than \$8 per month per utility. Mr. Kingston stated the analysis has forgotten that the franchise fee is a tax that is non-deductible from federal income taxes because it is a fee and not a tax. He asked the Council to be clear to the public on what the Minnesota law will allow the City to do to raise the levy. Mr. Kingston stated the analysis is ten years of \$2.5 million, which indicates to him that after the five-year term there will be a second franchise fee that is at a higher rate than what is proposed today.

Merlin Hunt, 17860 Nowthen Boulevard, stated his ancestors moved to Anoka County in the 1850s and he grew up on 167th and Nowthen Boulevard until 1963. Then he lived out of State until he decided to return to Ramsey where he grew up. Mr. Hunt stated his father was farming, and whenever the County wanted something, they asked to buy right-of-way, and his father did not have to pay any fees. The County paid the fees to him. Mr. Hunt stated it now seems like he is always having to pay a fee and sometimes he thinks his dream of moving to Ramsey will turn into a nightmare because residents are totally controlled in paying a fee on everything they do. Mr. Hunt stated on franchise fees, he thinks it is the wrong direction. He noted that with the last federal budget, President Obama refused to talk about it unless the rich were taxed, it was finally done, and now it is being fought again. He stated the Minnesota Governor ran for election based on taxing the rich and he has passed it. Mr. Hunt stated when he attended the open house, he thought the franchise fee was a done deal but found it interesting that comparing franchise fee to increasing property tax shows that a \$250,000 home would pay the same amount as the franchise fee if property taxes were increased to pay for the SMP. But, a person with a \$100,000 home will pay way more on a franchise fee than if the property taxes were increased. A person with a \$500,000 home pays more, but he felt they can afford more. Mr. Hunt said he heard someone cannot afford the fees and that may be true with the owner of a \$100,000 home or if struggling to make mortgage payments. He stated if the taxes are increased based on the home, he would not be hurt as much but the franchise fee is doing the opposite of what the President and Governor did by taxing the poor instead of the rich. Mr. Hunt stated he will pay more on real estate tax than the franchise fee, but can deduct it on his federal income taxes. He stated the City is trying to be open by passing a franchise fee, but someone else mentioned he lives on CR 5 and has 40 acres that do not touch a City street. The utilities come through his property and has an easement to build and maintain the road but he owns it. Mr. Hunt stated the State law says that because the City has right-of-way for streets and alleys, it can pass on a franchise fee. But, it does not say anything about roads that are outside of the City's jurisdiction and just before the previous franchise fee ended, he went to the County Attorney and tried to get it clarified that he (Mr. Hunt) owns the land under the road and the County Attorney said the City of Ramsey has no ownership influence or control over CR 5. Mr. Hunt asked how the City can apply a franchise fee to him. The County Attorney said it is because he travels on the roads. Mr. Hunt asked how

the City can charge a franchise fee to someone who does not live on a City street and asked the Council to reconsider and fund the SMP through real estate tax instead of a franchise fee.

Wayne Buchholz, 14621 Neon Street NW, stated he is upset because of the impact to senior citizens, noting that 80% living in the senior apartment building do not even drive and some pay rent with vouchers yet would get charged a franchise fee with an electric bill. He stated next door, in the upscale apartments, it is all electricity so they will each only pay an \$8 fee, which he thinks is off base on being fair. Mr. Buchholz felt property tax was the fairest way to go and it is in the City's Charter for a reason. He stated it is harder but that is why the Council was elected. Mr. Buchholz stated past history is no different than Social Security or Medicare and asked how that is working because the federal government has "their hands in everything." Mr. Buchholz stated this is government and this Council may not be here in four years and the next Council may change things and use the money for something else. He stated he also visited another apartment building and they did a petition with 1 person supporting franchise fees out of 28. He submitted the petition to staff. Mr. Buchholz stated past Councils managed to reduce taxes and put money aside for road repairs by not hiring. He stated the members elected supported putting staff back on salary but there are "wants" and "needs" and the Council cannot "have the cake and eat it too." He stated the Council wants to hire an EDA Manager at \$70,000 to \$80,000 a year, which he does not support and asked what the past EDA Manager brought into the City that is still here today. He felt if taxes are kept down, businesses will come.

Eric Zaetsch, 6521 154th Avenue NW, stated he is worried about the "guppy that will swallow the whale." He felt there was incentive to shuffle more to the franchise fee as there are levy limits. He asked the Council to consider safeguards in the Charter, not the ordinance, as it is harder to undue when there is a new Council with new thoughts. He suggested an annual cap with a sunset rule in the Charter. Mr. Zaetsch stated the last Council borrowed from one fund to pay another and if there is a franchise fee, there should be no borrowing to fund something else, which he felt would be another good safeguard to include in the Charter. He stated the Charter Commission is interested in franchise fees and will arrange to have a hearing on it. Mr. Zaetsch stated he also serves on the Charter Commission and asked the Council to think about it.

Tanya Hufnagel, 5741 158th Court, stated in these economic times we need to live within our means and as projects come up, the City is talking about additional taxes and franchise fees but she felt the City needed to instead look at cuts. She stated there are "wants" and "needs" and if roads are a need, then it should be looked at instead of charging something else. She felt the City needed to stop doing what is "nice" and "extra" and get back to the basics instead of looking at how to get more money. Ms. Hufnagel stated she does not support increased taxes or franchise fees and supports the Council making cuts instead of burdening residents because of these projects.

Nancy Bendtsen, 14131 Junkite Street NW, stated the 2014 levy is being increased by almost 10% already and by adding the franchise fee, it is an additional 20%, and residents may not be aware that their taxes will increase 30%. She stated at the last meeting, a motion passed to attach delinquent utility bills to property taxes if the property owner was behind in making utility payments. Ms. Bendtsen stated she had asked what percentage of residents struggle to pay water, sewer, street lighting, and storm drainage. It is 15-17% of residents who are already

behind on their utility bills and she guessed they are probably not the people in the \$500,000 homes. She found the franchise fee to be a regressive tax, not what the Federal and State are doing to get the rich people, but it hits people who use vouchers for rent “below the belt,” and those who are maybe paying \$800 in property tax that will increase to over \$1,000 with a fee that cannot be deducted. Ms. Bendtsen agreed the streets need to be maintained but it should be done the right way and attached to the property.

Erika Ruch, 15446 Radium Street NW, stated it is creative but if sticking in fees and assessments, not being taxes, she still pays more. She stated it is alarming that nothing was said about making cuts, it was solely based on what fees can be taken from residents. She stated she does not know how the train station and Municipal Center works but she would have preferred to sit on a folding chair in some church basement and not have to pay an additional \$16 per month. She stated CenterPoint Energy is already raising their base rates and this franchise fee would be additional. Ms. Ruch asked if this is a formality or if resident input will make any impact because if not, they should have stayed home.

Joe Field, 8021 152nd Lane, stated he is not speaking as a member of the Planning Commission or Charter Commission but as a private citizen about his concerns with the City Council proceeding with a franchise fee approach to funding. He stated he reviewed the proposed ordinances and found no reference to a five-year cap. In terms of transparency, it may be a glitch but has to be corrected. Mr. Field felt the most basic function of City government is to provide for its infrastructure, meaning roads, which is a base and it should come from the general levy. He agreed that special assessments can be burdensome for residents; however, the proposed ordinance does not indicate special assessments will be eliminated nor is it a proposed Charter amendment. Mr. Field stated City government should care for roads from the general levy, noting special assessments are a temporary tax but those homeowners see an improvement adjacent to their property and that special assessment cannot be set higher than its value to the property, as contained in the Charter. With the franchise fee, there is no limit or connection to the increase in property value, so it is a “bottomless pit” with no constraints. He stated nothing prevents a future City Council from raising the rates for whatever reason and the proposed ordinance does not specify funding is limited to roads. Mr. Field stated the City can eliminate the special assessment but then needs to find ways in the general levy to get the roads funded. He felt the franchise fee was a “taxing stealth device” and calling it a fee without a tax deduction. He noted residents pay in more than one way because if at a lower income level, 87% of the homeowners in Ramsey will pay more in a franchise fee without a tax deduction than if funded from the general levy. Mr. Field stated the City has not hit the levy limit and has close to \$1 million to work with that could be tapped into. He stated if the shortfall is \$2.2 million and there is \$500,000 in reserve, using the additional \$1 million of levy gets the funding close if the budget is also trimmed. Mr. Field stated the need is five years and the levy limit is for only one year and then it will be released. He stated no one wants to raise the general levy and that may be why it is not being considered. Mr. Field stated he felt there was no cap to franchise fees, it would let “the genie out of the bottle,” and residents would start to see a new form of taxation without accountability. He stated just because other cities have not explored deeply the issues behind a franchise fee does not mean they have made the wise choice and he believed that Ramsey should stand its ground and say franchise fees are wrong. He invited the City Council to not proceed with a franchise fee and “dig in” to find other alternatives, which is the hard work

for the City Council. Mr. Field stated these are his comments based on the information that was provided to him. He stated he opposed the franchise fee and urged the Council to do the same.

Darrel Smithwick, 8353 168th Lane NW, commended the Council for addressing the need for a solution to fund the road projects. He felt the projections were aggressive with 174 miles of streets, many of which are short and not heavily traveled so they will require less maintenance. He noted that if this is approved, staff recommends that every street be seal coated every three years and then overlaid but he thinks that not every street will require that scheduled maintenance. Mr. Smithwick stated he thinks the projected rates are really high. He agreed the flat tax is not the right way to go and asked what the utilities will charge for handling these fees. Mr. Smithwick stated instead of a scheduled maintenance every three or six years, it should be based on PASER.

Richard Cich, 6440 170th Avenue NW, stated this fee is another fee for government to be wild on. He questioned the real level of transparency and stated there needs to be taxes so they can pay the federal government and midgets in St. Paul.

Randy Villa, 15125 Garnet Street NW, stated all he has heard is about raising taxes or fees and nothing was offered on cutting the budget, reducing projects, and improving infrastructure. He stated it was known there would come a day when roads would have to be improved or maintained but it has been ignored. He felt that once imposed, it has to be paid so the “reliable source” being mentioned by staff is actually the resident who has to pay it. Mr. Villa stated he is adamantly opposed to franchise fees, noting he has not had a raise since the recession while all of his other costs have gone up. He felt it would price residents out of existence, the Council should start by cutting the budget, and stated he supported the comments made by Mr. Field.

Jennifer Carlson, 7540 163rd Lane NW, asked the Council to consider what happens if through the franchise fees, there is excess revenue, as the Council is trusted to be fiscally conservative. She also asked what happens if there is a budget shortfall and costs are higher than projected, and how cities not using franchise fees fund road repairs.

Eric Zaetsch, 6521 154th Avenue NW, stated he agrees with what Mary Jo Olson suggested to tier the fees instead of having a flat fee that stings the poor more than the rich. He also supports what Mr. Field stated. Mr. Zaetsch asked how amenable the Council would be if the Charter Commission puts forward an amendment.

Matt Look, 5635 142nd Avenue NW, stated he recalls being in a similar situation with a packed Council Chambers, which can be intimidating. He commented on the support of a past Public Works Director for a \$20 million Public Works Station that did not get traction but if it had, there would be a \$20 million Public Works debt service plus roads. He stated at that time, the City never heard anything about the impending catastrophe with roads but maybe that was because there was a competing interest. Mr. Look stated he noticed a lot of attention in Town Center with MSA dollars on Sunwood Drive and that the MSA funds were spent in advance. He stated this Municipal Center was built with belief there would be “wheelbarrows of cash” coming from the Ramsey Town Center, but it did not come to that point. Mr. Look stated at some point it will come, but the economy has not responded. He stated the Council says there is

not enough money for roads but is still considering hiring so there is some money. He stated he is a prior Councilmember and the emphasis was to cut taxes because the economy was dipping. Mr. Look supported the Council looking at staffing levels, which are 70% of the budget, even if services are not as efficient. He noted that if the average house pays \$600 for the City tax portion, adding \$200 in franchise fees is an onerous addition, an increase of 30-33%. He stated while campaigning he found situations of two-parent and single-parent unemployment resulting in a level of uncertainty where it becomes an issue of feeding their families and keeping their house, not a matter of what sports their children will play. Also, there are many foreclosed homes because of the difficult economy. Mr. Look stated he felt fortunate he had not gone through those financial concerns but thinks a \$200 increase is significant. He stated there has been discussion of “leaders versus politicians” and that leaders make difficult decisions but elective government represents residents and he does not think this direction represents his personal view. Mr. Look suggested that if there is public support, put it on the ballot and ask residents if they support paying \$200 a year for roads.

Jim Bendtsen, 14131 Junkite Street NW, asked if the City will receive a large amount of money from TIF coming off line plus LGA. He asked if that total was more than \$800,000 a year and if it is planned to be spent and what on.

Grant Rademacher, 15920 St. Andrews Lane, stated he hopes to be rich some day and it baffles him to hear comments about “taxing the rich more than me.” He stated he has been a Ramsey resident for many years and a franchise fee is a fee and should be called a fee. Mr. Rademacher stated he pays water and sewer rates for a business in Ramsey that is twice what he pays in Andover or in Brooklyn Park and it is all money out of the pockets of residents. He stated the Council was voted to do the job, to be honest, and to do what is best. With regard to picking battles, he noted all were sitting at a “Taj Mahal,” which is crazy, and he wished he had a steady pool of income but many are out of funds, are putting off vacations, projects, their children’s college funds, and there is not a lot left at the end of the day. Mr. Rademacher stated the City is now adding more taxes. Mr. Rademacher stated he is firmly against this.

Vicky Hesselgrave, 7601 166th Avenue NW, stated good points have been made relating to housing without gas service or those that use wood and if they would receive a break with franchise fees in only paying half or not at all. She stated Elk River was said to have a franchise fee and she knows residents who are disappointed in the outcome of their franchise fee and there was also a recent article in the newspaper about that. She asked the City Council to do more research and to listen to the people. Ms. Hesselgrave stated Ramsey has been fairly okay over the years in listening to the people and she appreciates that. She stated the City already bills for utilities and asked why a franchise fee was chosen instead of charging a fee through that means. With regard to property owners who cannot afford to pay their utility bills, she asked what happens to that fee and who is paid to collect it. Ms. Hesselgrave asked the Council to listen to all of the input and come away with a better solution.

Todd Embury, 9041 159th Lane NW, stated he came without an opinion or fully understanding the concept. He stated he has sympathy for the Council as they are taking “a lot of heat” but they have to listen to resident feedback. Mr. Embury stated no one likes taxes and no one will vote to increase taxes, if given the choice. He stated Ramsey needs first class roads and the staff gave a

good presentation. He stated one impact is sprinkler systems that spray onto the roads and causes destruction. Mr. Embury stated the streets need repair and a steady funding source, which may be the residents, but it is needed. He stated when he leaves his cul-de-sac, he needs to use the main thoroughfare and several years ago those who live on that street raised such a ruckus that they intimidated the Council to not make the improvement so that street is now at a Level 1 or 2 instead of a Level 5. Mr. Embury stated he understands the need for a reliable source of funding but it sounds like a franchise fee may have some downfalls and not a course of funding that is fair to everyone. He indicated he would like to hear more about whether property taxes are a fair funding source. Mr. Embury stated whether it is a property tax or franchise fee, maybe more time is needed for discussion instead of moving forward tonight.

David Elvig, 18026 Ute Street NW, stated he appreciates the Council is taking on this issue and listening to comments. He stated in his experience as a former Councilmember and wrangling the issue, if funded by the General Fund, there is not as much control in where it is spent. But, if a franchise fee, the use of the funds is locked. His concern is management of the funds so it is not commingled and invested only in infrastructure. Mr. Elvig suggested the ordinance define "repair" and "reconstruction" as being for existing infrastructure and not for a developer. He supported the ordinance indicating no loans, interfund loans, pet projects, or no fees that artificially bolster the general fund. Mr. Elvig stated proper management is his concern and he likes the franchise fee because it can be isolated and transparent. He also supports the sunset provision, noting that the past franchise fee had a sunset and when the goal was met, the franchise fee was removed. A franchise fee is not a long-term assessment on property taxes that continue into perpetuity and that is the problem with funding by property taxes. Mr. Elvig stated the ordinance language does not include a soft sunset. He felt five years may not be long enough and may need to be ten years, but a term should be set. Mr. Elvig stated if there is a change or loans, the issue needs to come back for public input to assure proper management of the funds. He stated the City spent about \$30,000 on a survey of several hundred randomly selected residents who were called and the vast majority said a franchise fee makes sense to them as opposed to other mechanisms. Mr. Elvig stated Ute Street was reconstructed so he had a \$5,000 assessment and is paying \$500 per year as opposed to \$200 per year he would pay through a franchise fee. Mr. Elvig stated he would prefer paying the \$200 per year.

Wayne Buchholz, 14621 Neon Street NW, stated Mr. Elvig raised fine points but the poorest of the poor pay for this no matter how you cut it and that is wrong.

Dennis Olson, 8260 159th Lane NW, stated the people voted for the Council and he believes the Council would not do anything that residents would not support. He stated residents want the roads fixed and the Council has the ability and knowledge of what to do. Otherwise, the roads will be crumbling and residents will say they want them fixed. Mr. Olson stated he feels sorry for the Council having to take this input when it is doing its job as best as they know how. He stated Ramsey's taxes are lower than others and while no one likes bills, the franchise fee is small. Mr. Olson stated Minneapolis does not maintain its streets and the potholes are large. He stated all want businesses in Ramsey and it would be nice to attract big businesses, which pay a very high tax, to lower resident's taxes but big businesses want good infrastructure. Mr. Olson stated the City has to maintain its image so it doesn't have problems with crime. That is another reason businesses will want to come to Ramsey, because it is a good and upcoming community.

Mr. Olson stated all want good businesses and restaurants and thanked the Council for doing a good job for its residents.

Mitch Peterson, 17252 Potassium Street NW, stated residents need roads and putting the cost on the levy without oversight creates a “pothole.” He stated he has not had a raise for a long time as a private consultant but has not raised his rates since 1999. Mr. Peterson felt the City had not lived within its means as his taxes have increased yet his property values have gone down for three years. He stated people have to look at cuts such as going to community college instead of a collage they want to. He stated he has been in Ramsey for 20+ years and believes the railroad tracks and train going by every fifteen minutes will block any big businesses from The COR. He stated the businesses that have been attracted don’t pay taxes and the City needs to figure out how to get taxes to pay for roads. He stated the City needs to look at infrastructure and asked why it builds roads that have service roads that dead end so you have to turn around or roads that go in circles. Mr. Peterson stated it is time to look at what is important and that is infrastructure because if in place, businesses will come to Ramsey. He stated the Municipal Center is nice and maybe more than the size of Ramsey should have and he would like the train station to be a success, but it is also subsidized. Mr. Peterson stated it always comes from the pocket of people who work day in and day out for a society of people who always want more.

Jim Bendtsen, 14131 Junkite Street NW, stated no one said the roads don’t need to be fixed and stated again why he believed the costs should be tied to property values that should be increasing. He stated he supported putting the cost on the water bill, since it is a tax, instead of using gas and electric utility companies that will charge a fee. It would also be more transparent.

Jeff Wise, 7901 165th Avenue NW, stated he appreciates the Council’s position and agrees with many comments made that a lot of the money can come from savings found in ways other than increasing the budget. He stated the franchise fee idea could possibly be a good idea if it had major “teeth” and done at the Charter level to make it difficult for future Councils to spend the fees in another way. Mr. Wise supported the funds being dedicated and had favored franchise fee while on the Council because it gets everyone in Ramsey to pay, not just those who own property. He stated it may be that 65% to 75% of residents are property owners but all use roads even if they do not own property and would now pay their fair share. Mr. Wise stated support for getting rid of special assessments due to the staff time it takes and ability of residents to kill a project so the \$150,000 spent on engineering is completely useless. He believed the majority of funds can be found in the current budget by eliminating things the City does not need, or may be a want. He stated if a franchise fee is passed, he would support a tiered fee that is eventually eliminated. Mr. Wise stated if the money is dedicated for road reconstruction, it would remove most of his concern.

Motion by Councilmember LeTourneau, seconded by Councilmember Johns, to close the public hearing.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers LeTourneau, Johns, Backous, Kuzma, and Tossey. Voting No: None. Absent: Councilmember Riley.

The public hearing was closed at 9:38 p.m.

Council Business

Mayor Strommen called the regular City Council meeting back to order at 9:38 p.m.

Mayor Strommen again thanked all who shared input tonight, noting the Council is also struggling with this issue and appreciated listening to comments made. She explained the ordinances are in draft form and agreed the directives need to be incorporated. Mayor Strommen stated given the amount of input received and the need to have the draft ordinances in better form, she would suggest continuing action to the next meeting so there is more time to wrestle with the issues raised. She suggested the two ordinances in Case 6.1 also be continued for the same reason. Mayor Strommen asked staff to respond to the questions raised by the public.

City Administrator Ulrich stated in 2014, additional levy capacity of \$931,000 was not exercised. Since the Council established a preliminary levy, at this point, that additional levy capacity cannot be captured for 2014. He stated if living on private roads, there may be a way to accomplish not charging them if the Council establishes such a policy but the thought is that all use public roads. On the question of projects the EDA Manager brought in, that can be researched and presented. City Administrator Ulrich stated if there is an excess of franchise fee funds, the Council can reassess revenues and expenses. If there are excess funds the franchise fee can be lowered and if there is a shortfall, the franchise fee can be increased. He explained that funds not used within a calendar year would be invested and used for future projects.

Mayor Strommen stated when looking at five-year needs, Year One may be less and Year Two may be more. Because of this, there may be an excess or shortfall in any given year; however, it is annualized to be equal each year.

City Administrator Ulrich indicated that is correct. He stated cities that do not have franchise fees for road repairs typically use a 20-50% special assessment. He suggested the City Attorney address the question raised relating to a Charter amendment to include rates and sunset dates, noting it would have more stature and be more difficult to change than an ordinance. With regard to the tax increment district coming back on line, it was projected to coincide with debt service on the Municipal Center so there would not be a big hit to property taxes. City Administrator Ulrich explained if homes do not have gas or electric service, they would not be charged for the franchise fee. He stated staff discussed whether it was an option to put a fee on the City's sewer, water, street light, or storm sewer bill; however, there is no Statutory right for such a road improvement utility. If someone is on financial support, he does not know whether the fee would be waived by the utility company.

Mayor Strommen asked staff to determine whether The Residence at The COR have both gas and electric service, respond to the process to eliminate assessment in the ordinance, and determine if maintenance is conducted whether or not it is required or within the PASER. She also requested clarification on use of future MSA funds, and definitions around street maintenance.

Councilmember Backous stated a question was raised about having a tiered fee to counteract the progressive nature.

City Administrator Ulrich stated a tiered method is easy if residential has one category and there are multiple-tiers for commercial. He explained if the City wants a residential tier it would be allowable, but the City would have to administer and rebate based on value of the home, resulting in high staff overhead in having to create a new billing system.

Finance Director Lund stated the utility company does not charge an administrative fee and in 2003 and 2004, an administrative fee was also not charged.

Mayor Strommen asked if the utility companies would be amenable to revising the ordinance language since that is their business practice.

Finance Director Lund stated the utility companies could be asked. She recapped the 2014 budget, impact of levy limits, and indicated in prior years the tax rate was at about 44.28 and now it is at 43.37 so taxes should be constant or reduced. She then reviewed the three levies, explained the increases and how the Municipal Center debt was refinanced last year and use of tax increment funding this year will keep the tax rate constant. Finance Director Lund stated GASBY rules require to identify designated funds and only the City Council can decide to change the use of funds. With the 2003 franchise fee, the Council received a quarterly revenue report and the same reporting could be done if this franchise fee is approved. She explained the property taxes are received in a lump sum, not as a continual monthly revenue stream, and relies on everyone paying their taxes. Finance Director Lund reviewed the MSA fund allocation and projects to which it has been committed. She stated the utility companies are not able to accommodate a tiered fee but can create a new fee on the bill for "road reimbursement" and once established, it can go on the bill. Otherwise, a tiered rate would have to be administered manually through the City with a reimbursement check sent back to property owners. She stated the levy increased by \$725,000 but there is a constant tax rate because of tax increment coming back on line.

City Engineer Westby stated the County does not assess properties along its roads but uses other funding sources. He stated other cities fund street programs through bonding, assessments, MSA, and a dedicated street maintenance budgeted item if not using franchise fees. He described the maintenance schedule that had been presented and what the costs were based upon. City Engineer Westby stated the maintenance schedule does not have to be followed in every case and while the costs assume a full reconstruction at the end of the useable life of the road, it may require a reclaim that would be a much lower cost. He recommended that a regular sealcoating program be followed to prevent pavement from becoming brittle but explained that overlays may not be needed as scheduled. He stated he preferred to estimate high at this point than to come in low and not have funds at the end. City Engineer Westby agreed with the suggestion to define terms and did not think it would be an issue with the utility companies.

Mayor Strommen stated questions were raised about the Charter and how it meshed with the Council's consideration of instituting a franchise fee.

City Attorney Langel stated there is no question that the City Council has the authority under the current Charter language to institute a franchise fee, as the Charter gives the City Council authority unless otherwise stated in the Charter. City Attorney Langel explained the Charter Commission can put parameters/limitations on a franchise fee if it does not conflict with State law but the Charter is a constitutional document so the Commission needs to use care when amending for any issue.

Mayor Strommen asked staff to research other information requested and to post responses to the City's website to assure resident access.

Councilmember Tossey stated staff mentioned those who have paid an assessment will receive a rebate and asked if it is a rebate of the assessment or the franchise fee.

City Engineer Westby stated the rebate would be the franchise fee as long as the assessment was not less than that. If the assessment was less than the franchise fee, it would be a rebate of the assessment.

Councilmember Tossey stated 22 people spoke tonight and 18 expressed opposition. He took issue with staff's mention that the budget has already been reached and the extra levy limit not used. He rejected that notion because he had argued that it should be done fairly, not regressively. Councilmember Tossey stated he thinks there is a compromise and the Charter Commission should take this up. He stated the staff's position is that it did not like to spend money to design a road project when 50% plus one could counter petition, stop the project, and the money spent on engineering lost. Councilmember Tossey felt this franchise fee was a way to avoid that counter petition process and it would be burdensome on the City's middle income and poor residents because it is regressive. He supported approaching the Charter Commission to consider a lower percentage than 50% so those engineering dollars are not lost. Councilmember Tossey stated he will never support franchise fees but knows roads are an issue because they are a basic function of government.

Councilmember LeTourneau stated it has been an interesting couple of hours listening to the public. He stated this is a draft process, as can be seen in the document language by design, to get resident's feedback and assure all understand what the Council wanted to accomplish, to maintain and repair roads. Councilmember LeTourneau stated he appreciates residents for participating in the process and supports having the matter come back in several weeks. He stated franchise fees may not be perfect but neither are special assessments or other options and the Council has to find a solution that is the most appropriate.

Councilmember Kuzma thanked residents for coming out tonight, for the comments made, and stated it is obvious the Council needs to do more work to find a process to fix the roads. He stated he is new to the Council, is still learning, and not responsible for what happened in the past but is working to find a solution to fix the roads and consider all options available to do that. Councilmember Kuzma stated franchise fees seemed to have appeal but after listening to the resident's comments, he will have to consider all of the ramifications.

Councilmember Backous thanked all for participating, noting this is far from a “done deal.” He stated people have been participatory, rational, and understand there is a problem. Councilmember Backous stated he is a senior member on the Council and been serving just over two years, noting none on the current Council created this problem or the budget problem. He noted comments were made about the Municipal Center, but it is already here so the focus needs to be on what can be fixed. Councilmember Backous stated he heard a lot of excellent comments tonight that he had not yet considered. He stated the ordinance needs to include a sunset, dedication of funds, surcharge, safeguards in the Charter, and removal of the special assessments process. Councilmember Backous stated that is the only reason he would support franchise fees, to remove the assessment process. He stated Councilmember Tossey’s suggestion to have a compromise on the assessment counter petition is a good one. Councilmember Backous stated the roads need to be fixed and citizens will pay for it whether through a franchise fee, assessment, or tax. Councilmember Backous stated he would like to pursue a tiered approach to franchise fees but avoid a scenario of “ten-cent rebates.” He stated he likes keeping it in the levy and a five-year sunset that requires mandatory decrements each year to force the Council to look at the budget and funding issue each year. Councilmember Backous agreed with the concerns of a perpetual franchise fee, noting if the ordinance language eliminates the franchise fees in five years, then after that everything could be in the levy without franchise fees or special assessments. Councilmember Backous stated his mind is still open and the City will only arrive at the proper solution if all provide input and show respect.

Councilmember Johns thanked everyone for attending, noting it has been an interesting process during her two months on the Council. She stated all are listening and noted the Council has already discussed many of these points and raised a lot of questions to staff.

Mayor Strommen stated at this point in the City’s history, the roads are of an age where the cost to maintain is increasing but the budget has never been structured to include these costs. She noted that as the City approaches this point, many past Councils have considered how to fund infrastructure projects, and some are not comfortable with the burden of staff preparing engineering and feasibility work only to have the project counter petitioned. She noted a \$4,500 or \$5,000 assessment is also a burden and financial hit on everyone, cannot be budgeted for, and if not paid in full the property owner is charged 4.5% interest over the life of the assessment. Mayor Strommen stated there is no perfect solution, noting other cities are experiencing the same challenges because it is not built into the budget until infrastructure becomes of a certain age. Mayor Strommen noted the State has infrastructure issues of its own to address and not in a position to bail out cities. She thanked the Councilmembers for tackling this issue, for working to find a solution, and thanked residents for becoming part of the process. Mayor Strommen stated the seven-seated Councilmembers will probably not be all in agreement with the final solution but she appreciates all engaging in the process. Mayor Strommen asked staff to research the option for a tiered franchise fee that gives a break to lower-valued properties.

Motion by Councilmember LeTourneau, seconded by Councilmember Kuzma, to postpone consideration of Ordinance #13-21, Implementing an Electric Energy Franchise Fee on the City of Anoka, a Municipal Corporation, for Providing Electric Energy Service within the City of Ramsey, Minnesota; Ordinance #13-22, Implementing a Gas Energy Franchise Fee on CenterPoint Energy Minnesota Gas (“Centerpoint Energy”) for Providing Gas Energy Service

within the City of Ramsey, Anoka County, Minnesota; and, Ordinance #13-23, Modifying the Electric Franchise Fee on Connexus Energy for Providing Electric Service within the City of Ramsey to the next meeting.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers LeTourneau, Kuzma, Backous, Johns, and Tossey. Voting No: None. Absent: Councilmember Riley.

6.01: Public Hearing – Introduction of Franchise Ordinances with Anoka Municipal Utility and Connexus Energy - continued

Mayor Strommen reopened the public hearing at 10:30 p.m. and asked if there are additional public comments on this Case.

Wayne Buchholz, 14621 Neon Street NW, asked the Council to postpone consideration of these ordinances to the next meeting.

Motion by Councilmember Tossey, seconded by Councilmember LeTourneau, to close the public hearing.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Tossey, LeTourneau, Backous, Johns, and Kuzma. Voting No: None. Absent: Councilmember Riley.

The public hearing was closed at 10:31 p.m.

Council Business

Mayor Strommen called the regular City Council meeting back to order at 10:31 p.m.

Motion by Councilmember Backous, seconded by Councilmember Kuzma, to postpone consideration of Ordinance #13-19, Granting to the City of Anoka, a Minnesota Municipal Corporation, its Successors and Assigns, Permission to Construct, Operate, Repair, and Maintain in the City of Ramsey, Minnesota, an Electric Distribution System and Transmission Lines, Including Necessary Poles, Lines, Fixtures and Appurtenances, for the furnishing of Electric Energy to the City, its Inhabitants, and Others, and to Use the Public Ways and Public Grounds of the City for Such Purposes; and, Ordinance #13-20, Granting to Connexus Energy, a Minnesota Cooperative Corporation, its Successors and Assigns, Permission to Construct, Operate, Repair, and Maintain in the City of Ramsey, Minnesota, an Electric Distribution System and Transmission Lines, Including Necessary Poles, Lines, Fixtures and Appurtenances, for the furnishing of Electric Energy to the City, its Inhabitants, and Others, and to Use the Public Ways and Public Grounds of the City for Such Purposes.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Backous, Kuzma, Johns, LeTourneau, and Tossey. Voting No: None. Absent: Councilmember Riley.

7. COUNCIL BUSINESS

7.01: Introduce Ordinance Amending Section 58-113 (Water Connections) of the Ramsey City Code and Call for Public Hearing

Public Works Superintendent Riemer reviewed the staff report and recommendation to amend the ordinance to allow the use of High Density Polyethylene (HDPE) instead of Class C soft copper. Staff recommended introduction of Ordinance #13-18 and calling for a Public Hearing at the October 22, 2013, Council meeting.

The Council acknowledged this amendment is recommended by the Public Works Committee and supported by builders as it will reduce project costs.

Motion by Councilmember Tossey, seconded by Councilmember Backous, to introduce Ordinance #13-18, An Amendment to Chapter 58 of the City Code, which Chapter is known as Zoning and Subdivisions of the City Code of Ramsey, Minnesota, and call for a Public Hearing at the October 22, 2013, Council meeting.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Tossey, Backous, Johns, Kuzma, and LeTourneau. Voting No: None. Absent: Councilmember Riley.

7.02: Consider Final Plat Approval for Oakwood Acres Located Along 167th Avenue, West of Nowthen Boulevard and Approve Development Agreement; Case of Oakwood Land Development

Development Services Manager Gladhill reviewed the staff report and the recommendation of the Planning Commission for approval of Oakwood Acres, contingent upon the developer entering into a Development Agreement. He answered questions of the Council relating to the three-lot area north of 168th Avenue that terminates in a cul-de-sac but will go away with the Brookfield 4th Addition.

Motion by Councilmember LeTourneau, seconded by Councilmember Johns, to adopt Resolution #13-10-178 Granting Final Plat Approval of Oakwood Acres, Contingent upon the Developer entering into a Development Agreement with the City.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers LeTourneau, Johns, Backous, Kuzma, and Tossey. Voting No: None. Absent: Councilmember Riley.

7.03: 15153 Nowthen Boulevard Property Development: Adopt Public Input Process

Assistant to the City Administrator Brama reviewed the staff report, background of the subject site, and process background. He indicated the Council decided to re-engage surrounding property owners prior to moving forward with a Comprehensive Plan amendment. Assistant to the City Administrator Brama described how surrounding property owners would be engaged via a proposed study Group. He recommended that a Councilmember be selected to participate in

the proposed study group, to adopt the formation of the ‘Old Municipal Center Study Group,’ and to direct staff to begin the proposed public process.

Mayor Strommen stated Councilmember Riley has expressed interest to serve on this Study Group.

Motion by Councilmember Backous, seconded by Councilmember LeTourneau, to select Councilmember Riley to participate in the proposed study group; to adopt the formation of the ‘Old Municipal Center Study Group,’ and, to direct staff to begin the proposed public process.

Further discussion: Councilmember Tossey stated he does not support rezoning this property to Light Industrial as there is no assurance Connexus will come in with a data center. He stated he hopes the Study Group will arrive at that same conclusion so he will support this motion. Mayor Strommen stated support for forming this Study Group regardless of the outcome, as residents support involvement.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Backous, LeTourneau, Johns, Kuzma, and Tossey. Voting No: None. Absent: Councilmember Riley.

8. MAYOR, COUNCIL AND STAFF INPUT

8.01: Former Municipal Center Collaborative Process originally scheduled for Thursday, October 24 is being Rescheduled

City Administrator Ulrich announced upcoming meetings and events.

8.02: Discuss Potential Joint Meeting for 5:00 p.m., Tuesday, October 29, 2013 – Alexander Ramsey Room – City Council / Planning Commission / EDA

City Administrator Ulrich announced the scheduling of a Joint Meeting for 5:00 p.m., Tuesday, October 29, 2013 – Alexander Ramsey Room – City Council / Planning Commission / EDA. Tentative topics of discussion are: 1. U.S. Highway 10 Access Planning Study; 2. Small Area Planning – 2a) Former Municipal Center/Current Fire Station – 2b) 167th Avenue Node, 2c) Future Business Park; 3. Mississippi River Corridor Critical Area Rulemaking – Mn/DNR.

9. ADJOURNMENT

Motion by Councilmember Tossey, seconded by Councilmember Backous, to adjourn the meeting.

Motion carried.

The regular meeting of the City Council adjourned at 10:52 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.