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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 22, 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 Chris Riley  
Councilmember Jason Tossey

Members Absent: None

Also Present: City Administrator Kurtis Ulrich  
Finance Director Diana Lund  
Fire Chief Dean Kapler  
Parks and Assistant Public Works Superintendent Mark Riverblood  
Development Services Manager Timothy Gladhill  
City Engineer Bruce Westby  
Assistant to the City Administrator Patrick Brama  
City Attorney Joseph Langel

**1. CALL TO ORDER**

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

**2. PRESENTATION**

None.

**3. CITIZEN INPUT**

None.

**4. CONSENT AGENDA**

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

- 4.01: Receive Cash and Investments for Period Ending September 30, 2012
- 4.02: Receive September 2013 Financial Reports – General Fund and Enterprise Funds
- 4.03: Note the Following Boards and Commission Meeting Minutes
  - 1) Environmental Policy Board Meeting Minutes – August 26, 2013
  - 2) Planning Commission Meeting Minutes – September 5, 2013
  - 3) Park and Recreation Commission Meeting Minutes – September 12, 2013
- 4.04: Approve the Following Meeting Minutes:
  - 1) City Council Work Session – October 8, 2013
  - 2) City Council Regular – October 8, 2013
- 4.05: Approve Request to Declare Surplus Property
- 4.06: Consider Request for Site Plan Approval for a Building Expansion on the Property Located at 6820 143<sup>rd</sup> Avenue NW; Case of Molin Concrete Products Company
- 4.07: Introduce Ordinance to Amend City Code relating to the Business Registration Certificate
- 4.08: Adopt Resolution #13-10-181 Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the Period of October 3, 2013 through October 16, 2013
- 4.09: Adopt Resolution #13-10-176 Approving Partial Payment to Dave Perkins Contracting for IP 13-12 North Commons (COR THREE) 4 Lot Residential Development
- 4.10: Adopt Resolution #13-10-177 Approving Partial Payment to Allied Blacktop for IP #13-00 2013 Street Maintenance Program; Division A
- 4.11: Adopt Resolution #13-10-179 Approving Final Payment to North Pine Aggregates, Inc. IP 12-20 CSAH 83 (Armstrong Boulevard) – Sunwood Drive
- 4.12: Adopt Resolution #13-10-180 Approving Partial Payment to Douglas-Kerr Underground LLC for IP 13-11 COR TWO Site Improvements
- 4.13: Report from the Finance Committee Meeting dated October 8, 2013:
  - 1) Review Proposed 2014 Schedule of Rates, Fees, and Charges – *Ratify the recommendation of the Finance Committee to accept the 2014 Schedule of Rates, Fees and Charges as proposed and bring to City Council for Ordinance Introduction as scheduled for November 12, 2013, regular City Council meeting.*
  - 2) Discussion and Review of 2014 Proposed General Fund Budget and 5-Year Budgets: 2014-2018 – *The Finance Committee tabled this item a future Finance Committee meeting scheduled for November 12, 2013.*

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

## **5. APPROVE AGENDA**

Motion by Councilmember Backous, seconded by Councilmember Kuzma, to approve the agenda as presented.

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

## **6. PUBLIC HEARING**

### **6.01: Public Hearing to Adopt Ordinance Amending Section 58-113 (Water Connections) of the Ramsey City Code**

Mayor Strommen closed the regular portion of the City Council meeting at 7:01 p.m. in order to conduct a public hearing.

#### **Public Hearing**

Mayor Strommen called the public hearing to order at 7:01 p.m.

#### **Presentation**

Parks and Assistant Public Works Superintendent Riverblood reviewed the staff report that had been presented in detail at the Council's October 8, 2013, meeting.

#### **Citizen Input**

Ben Minks, 17024 Barium Street NW, Andover, stated as a homebuilder with Capstone Homes, Inc., he supports this ordinance amendment as it will reduce costs to build in the City of Ramsey.

Motion by Councilmember Backous, seconded by Councilmember Kuzma, to close the public hearing.

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

The public hearing was closed at 7:05 p.m.

#### **Council Business**

Mayor Strommen called the regular City Council meeting back to order at 7:05 p.m.

The Council acknowledged this is the recommendation of the Public Works Committee and applauded staff for presenting this option. The Council indicated support to hear comments from homebuilders to assure the City remains competitive.

Motion by Councilmember Riley, seconded by Councilmember Kuzma, to waive the City Charter requirement to read the Ordinance aloud and Adopt Ordinance #13-18 Amending Ramsey City Code Section 58-113 (Water Connections).

A roll call vote was performed by the Recording Secretary:

Councilmember Tossey	aye
Councilmember Kuzma	aye

Councilmember Riley            aye  
Councilmember Johns           aye  
Councilmember LeTourneau    aye  
Councilmember Backous        aye  
Mayor Strommen                aye

Motion carried.

## **7. COUNCIL BUSINESS**

### **7.01: Continuation of Introduction of Franchise Ordinances with Anoka Municipal Utility and Connexus Energy**

City Administrator Ulrich explained these franchise ordinances were currently expired and consideration is to reinstitute the same ordinances.

City Engineer Westby reviewed the staff report and described the corrections made to the ordinance language. He presented staff's recommendation to introduce tonight and consider Second Reading of Franchise Ordinance #13-19 and #13-20 on November 12, 2013, with or without modifications.

Councilmember Tossey stated since the language within the ordinances still allow for a franchise fee by separate ordinance, he will not support introduction.

The Council acknowledged the franchise ordinances under consideration will allow utility companies to operate within the City's rights-of-way.

Motion by Councilmember LeTourneau, seconded by Councilmember Riley, to introduce revised Ordinances #13-19 and #13-20 and call for a public hearing on November 12, 2013.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers LeTourneau, Riley, Backous, Johns, and Kuzma. Voting No: Councilmember Tossey.

### **7.02: Introduction of Franchise Fee Ordinances with Anoka Municipal Utility, CenterPoint Energy and Connexus Energy**

City Administrator Ulrich stated during the October 8, 2013, meeting a public hearing was held and 20 questions posed. Staff drafted responses to each and that information was contained within the meeting packet and is also posted to the City's website. City Administrator Ulrich clarified that based on current law, utility companies cannot charge an administrative fee. He stated opponents of the franchise fee have promoted that franchise fees will result in a 30% tax increase. This figure had been derived by taking the difference between this year's and last year's levy and adding the franchise fee, referring to it as a tax, and saying it was a 30% tax increase. However, due to the TIF decertification that will offset the debt service on the Municipal Center, the tax capacity rate is projected to go down. As a result, in most cases, there will be a slight decrease in tax. City Administrator Ulrich stated the proposal is to institute a

franchise fee of \$8 per utility per month to raise \$1.7 million, which is about 12.6% of the proposed 2014 budget. The offset would be the elimination of special assessments for City road improvement projects.

City Engineer Westby stated as directed by the Council, staff incorporated ordinance language to address: 1) A five-year sunset term; 2) Elimination of special assessments while a franchise fee is in place for street maintenance projects; 3) Funds collected would be dedicated solely to street maintenance projects; and, 4) A rebate program incorporated as part of the franchise fee program to rebate the lesser of the two costs (franchise fee or special assessments). City Engineer Westby read the sections of the ordinances that relate to these four items and explained that going forward, there would be no new assessments over the life of this franchise fee ordinance.

Councilmember Tossey stated, based on discussion at the Work Session, he will not argue every point but while there will be a decrease in the tax capacity by 1%, that is because there is more capacity since a TIF District came off-line. He felt it was disingenuous to say there would be a tax reduction as residents will be paying franchise fees of \$192 per year, which is a high increase. He agreed there are issues with special assessments but there is nothing to prevent future Councils from still doing both special assessments and franchise fees. He thinks those issues should be addressed within the Charter.

Councilmember Kuzma stated there has been a lot of discussion about tax increases but the issue is the problem with roads and aging infrastructure that is not being addressed. He noted residents need to realize that if nothing is done, in four to five years there will be more serious assessments. Councilmember Kuzma stated the Council wants to address this problem now.

Councilmember Backous stated the ordinance includes an exclusivity clause to assure franchise fee revenue is only spent on road reconstruction, yet it leaves the Council open to also using the levy towards roads. He stated the Council wants to assure accountability with both franchise fees and the levy so he would ask whether it should all be in one place.

Mayor Strommen stated that clause does not force it all to be in one place but does force the City to dedicate franchise fees for that purpose. She suggested that point be discussed further.

Charter Commission Chair Field stated the Charter Commission convened yesterday to discuss the issue of a possible Charter amendment pertaining to alternative funding sources, in particular the use of franchise fees as a funding source. He presented background on the City's Charter (Constitution), noting only 4% of the State's municipalities use a Charter to govern its affairs and the rest utilize statutory authority. Ramsey is a Home Rule Charter City and the Charter can institute powers, as long as they do not conflict with State law. Chair Field stated the Charter Commission meets to consider constitutional issues, and chose to act on the franchise fee discussion. He reported on the proceedings of the October 21, 2013, Charter Commission meeting, discussions held, and motion approved on a 6-1 vote to amend the City Charter, Section 10.4, Power of Regulation Reserve. The first sentence currently reads: "Subject to any applicable State Statutes, the Council may by ordinance reasonably regulate and control the exercise of any franchise, including the maximum rates, fares, or prices to be charged by the grantee." The proposed amendment would add the following language to that sentence: "except

that any franchise fees imposed under applicable State Statute must be limited to defraying increased municipal costs occurring as a result of utility operations and may not be used to raise general revenue.”

Chair Field stated this amendment would require a direct correlation between the franchise fees and covering increased utility operating costs and cannot be used to raise general revenue. He stated this clarifies and limits the fee to only the qualifying costs of the utility. Chair Field stated the Council has discussed eliminating the special assessment process; however, that provision was not originally contained within either ordinance. The Charter Commission was in general agreement that eliminating or lowering the special assessment process was a good option but did not have time to consider it and will discuss it at a future meeting. He described the process in Ramsey to approve a Charter amendment. With this recommendation, approving the Charter amendment requires a unanimous vote by the Council. If not, the amendment will die but the Charter Commission reserves the right to reconvene again and submit a different amendment or to bring it to the voters directly. Chair Field stated one member opposed the amendment because she wanted the amendment to go to the voters and not the Council.

Mayor Strommen thanked Chair Field for the thorough report.

City Attorney Langel stated the process for the Charter amendment pursuant to Statute 410.12.7 is to send it to the Council as a recommendation. Approval requires a unanimous vote of the City Council before becoming effective. The Council has two weeks to one month to notice the public of the amendment and hold the public hearing. Then, within one month, the Council is required to vote on the amendment. This process will take about two months. If there is a unanimous vote of the Council, it would become effective 90 days from publication, resulting in at least a five-month process.

Mayor Strommen summarized the discussion during tonight’s Work Session in being appreciative to the Charter Commission for the amendment, supporting the request to initiate a dialogue, and directing staff to organize a joint Work Session between the City Council and Charter Commission to discuss governance issues. The Council was concerned with limits and had placed them in the ordinance. The Charter Commission is recommending those limits be placed in the Charter. Mayor Strommen stated the Council also discussed holding a budgeting and funding discussion on how the roads can be paid for. She noted the July 2011 resident survey showed three-fourths of those surveyed said the City should have a plan and policy for long-term road maintenance. Mayor Strommen stated there is not clear consensus in the community and the Council would benefit from additional dialogue on those issues as well as governance issues with the Charter Commission. She stated the Council supported slowing the process, not introducing the ordinance tonight, and holding more conversation with the Charter Commission and residents. Mayor Strommen asked staff to assure the Charter Commission received the updated ordinances.

Councilmember Backous thanked Chair Field and the Charter Commission, stating he is delighted they are taking on the issue as the ordinance does not contain enough “teeth” and the Council is sincere in wanting to place limits and proper protection. He stated it is difficult for residents to keep up with everything that is going on but this discussion has made them aware of

the problem with roads and need for funding. Councilmember Backous stated he is proud of this Council for tackling this issue and while they have taken a “political hit,” he wants to continue to receive resident’s input. He felt this process would lead to a better solution than originally considered, noting all need to stay informed, be open minded, and show respect. Councilmember Backous stated he is also proud of the Council for not forcing what had been originally considered, for being open to hearing other ideas, and evolving away from political “ugliness” and halftruths.

Councilmember Riley stated two weeks ago, he was unable to attend but watched the webstream of the meeting and heard all of the public input. He stated the streets now need to be replaced; it is a long-term problem so a long-term solution needs to be found. Councilmember Riley stated franchise fees came about as the best compromise and best idea to meet all the needs with the most benefits and least downsides. As a Council, safeguards were placed in the ordinance. Councilmember Riley stated more public input can be gained with the process being slowed down so all can collaborate and listen.

Mayor Strommen stated she is also proud of the Council, noting it started with a Strategic Plan that was presented to all of the Commissions. The Council committed to that Plan and the action under consideration shows its commitment to value Commission’s input and determination to work together collaboratively and find the best solution.

City Administrator Ulrich stated the Council has discussed how to address road projects since at least 2011 and it is critical to address the road issue and find a long-term sustainable funding source. He recommended postponing introduction of the ordinance indefinitely and directing staff to schedule a joint Work Session with the Charter Commission to discuss a solution to this issue.

Motion by Councilmember LeTourneau, seconded by Councilmember Backous, to indefinitely table consideration of Franchise Fee Ordinances with Anoka Municipal Utility, CenterPoint Energy and Connexus Energy.

Further discussion: Mayor Strommen encouraged everyone to remain engaged in this discussion and process.

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

**7.03: Consider Request for Approvals Related to Brookfield 4<sup>th</sup> Addition; Case of Capstone Homes, Inc.**

Development Services Manager Gladhill reviewed the staff report and recommendation to adopt Resolution #13-10-173 granting Preliminary Plat approval of Brookfield 4<sup>th</sup> Addition, contingent upon compliance with the Staff Report File dated September 27, 2013, upon the Applicant entering into a Development Agreement with the City, and approval of the Preliminary Draft of the Development Agreement for Brookfield 4<sup>th</sup> Addition. He indicated the Planning Commission recommended approval contingent upon the staff report and the Parks and

Recreation Commission recommended utilizing park development and trail fee dollars to create trail connectivity. Development Services Manager Gladhill disclosed this project would create another connection to 168<sup>th</sup> Avenue and Garnet Street. He provided information considered during the additional public meeting relating to the project's features and revitalization of the existing homeowner's association, noting if the homeowner's association is operational, the new homes may be added. Development Services Manager Gladhill clarified that the sanitary sewer would be extended on a future 168<sup>th</sup> Lane to the adjacent lot per owner request, impacts to the water level in the stormwater pond due to the additional impervious surface, and indicated staff will address construction traffic concerns.

City Engineer Westby stated this development is not being required to meet the Lower Rum River Water Management Organization's Third Generation Plan requirements as this pond was originally designed for the full build out of this property.

Ben Minks, Capstone Homes, Inc., stated he is happy to be working in Ramsey and is willing to cooperate with the existing homeowner's association if it becomes operational.

The Council thanked Mr. Minks for bringing 77 new homes to the City, his cooperation with residents, and quickly responding to their concerns.

**a. Adopt Resolution #13-10-173 for Preliminary Plat Approval of Brookfield 4<sup>th</sup> Addition**

Motion by Councilmember Riley, seconded by Councilmember Johns, to adopt Resolution #13-10-173 granting Preliminary Plat approval of Brookfield 4<sup>th</sup> Addition, contingent upon compliance with the Staff Review File dated September 27, 2013 and contingent upon the Applicant entering into a Development Agreement with the City.

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

**b. Approve Preliminary Draft of Development Agreement for Brookfield 4<sup>th</sup> Addition**

Motion by Councilmember Backous, seconded by Councilmember LeTourneau, to approve the Preliminary Draft of the Development Agreement for Brookfield 4<sup>th</sup> Addition.

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

**7.04: DISCUSSION ONLY: Review Status of Mississippi River Corridor Critical Area (MRCCA/Critical Area) Rulemaking Process by Minnesota Department of Natural Resources**

Development Services Manager Gladhill displayed a map depicting the established critical area and stated there will be a joint meeting with the Planning Commission and Environmental Policy

Board to discuss this issue. He indicated staff intends to provide comment during the local government official's meeting on October 24, 2013.

The Council thanked staff, and in particular Development Services Manager Gladhill, in how this issue has been handled and in formulating a letter to the DNR to summarize resident concerns.

## **8. MAYOR, COUNCIL AND STAFF INPUT**

**8.01: Joint Meeting: 6:30 p.m., Tuesday, October 29, Alexander Ramsey Room – City Council, Planning Commission, Environmental Policy Board, and Economic Development Authority**

**8.02 Local Government Officials Meeting: 6:00 p.m., Wednesday, October 30 – Cedar Creek Natural History Area, East Bethel**

**8.03: 11<sup>th</sup> Annual Taste of Community: 5:30 p.m., November 7 – Greenhaven Golf and Banquet Center, Anoka**

City Administrator Ulrich announced upcoming meetings and events, presented updates on development, and an analysis of the customer request management system. He welcomed Building Official Rick Jarson to City staff and stated the Police Department is now posting advisories on the City's Facebook, including lost pets that have been returned to their owners.

Councilmember Backous congratulated Northern Light's soccer teams for their success during the Fall State Tournament and for well representing the City of Ramsey.

Councilmember Kuzma provided an update on the October 17, 2013, Lower Rum River Water Management Organization's action relating to an amendment to the JPA and voting structure for capital improvements, which was forwarded to its attorney.

Councilmember Tossey announced an opportunity to contribute, for those who are able, to defray costs for cutting edge technology that would help Gavin Pierson, a 7-year-old Ramsey resident suffering with brain cancer.

## **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 8:33 p.m.

Respectfully submitted,

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Kurtis G. Ulrich  
City Administrator

ATTEST:

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Jo Ann M. Thieling  
City Clerk

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