

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, October 22, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen  
Councilmember Randy Backous (arrived at 5:44 p.m.)  
Councilmember Jill Johns  
Councilmember Mark Kuzma  
Councilmember John LeTourneau  
Councilmember Chris Riley  
Councilmember Jason Tossey (arrived at 5:34 p.m.)

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

**1. CALL TO ORDER**

Mayor Strommen called the City Council Work Session to order at 5:32 p.m.

**2. TOPICS FOR DISCUSSION**

**2.01: Review of Franchise Fee Information**

City Administrator Ulrich stated staff has provided additional information as well as responses to the 20 questions asked at the public hearing. He stated during the Council meeting, he intends to review each of the questions systematically. The Council also received a revised ordinance that included provisions for a dedicated fee, sunset date, and payback of assessments. City Administrator Ulrich stated the Charter Commission met last night and took action, which can be presented by the City Attorney.

Councilmember Tossey arrived at 5:34 p.m.

City Administrator Ulrich stated staff has prepared spreadsheets relating to different rate scenarios such as a higher franchise fee for commercial/industrial and/or higher valued residential property.

Mayor Strommen stated Charter Commission Chair Field will be given an opportunity to offer information during the regular Council meeting.

City Attorney Langel stated last night the Charter Commission met to discuss the pending franchise fee ordinances and had extensive discussion about types of funding available for road improvements, but mostly focused on the power to impose this fee, sections of the Charter that impact the imposition of the fee, and rights of the Charter Commission to place parameters on the City for imposing such a fee. Following discussion, the Charter Commission passed a motion to amend Chapter 10.4 of the Charter. That Chapter currently contains a sentence indicating: "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." City Attorney Langel stated that Chapter gives the Council the authority to impose a franchise fee. The amendment was to limit that Council authority given in Chapter 10.4 by referencing language in State Statute 216.B36 that contains a sentence indicating: "Under the license, permit, right or franchise, the utility may be obligated by any municipality to pay to the municipality fees to raise revenue or defray increased municipal costs accruing as a result of utility operations, or both." City Attorney Langel explained this language allows the City to impose a franchise fee to raise fees, without a particular reason, or to offset costs of utility operations. The Charter Commission referenced that Statute language; however, worded the amendment to limit the City's ability to impose franchise fees except for the purpose of defraying municipal costs as a result of utility operations. This would not allow a franchise fee to generate additional revenues and drastically limit the City's ability to make much money from franchise fees. City Attorney Langel stated with the wording of "defraying municipal costs," there is a question on what costs would be considered and how they could be calculated. Because of this, franchise fees would be of limited use to the City as a revenue generator. He indicated the Charter Commission motion was made and passed and expressly submitted under Minnesota Statute 410.12.7, which is a method of amending the Charter by sending it to the Council, not for general or special election. Under that procedure a public hearing has to be published and held within one month, the City Council vote has to occur within a month of the public hearing, and it has to be unanimous to approve the Charter amendment. City Attorney Langel stated Commissioner Niska had indicated that the intent of the motion was to start a dialogue with the Council about franchise fees and not the expectation that this amendment would be approved by unanimous decision of the Council.

Mayor Strommen stated the main impetus of the Charter Commission was to start a dialogue with the Council and create some parameters around a franchise fee. She stated the Council can also discuss if it wants to consider alternative options as presented by staff.

Councilmember LeTourneau stated he is not quite sure of the process, noting that as of last night, the Charter Commission made a recommendation that calls for a certain set of circumstances to occur.

City Attorney Langel stated the Charter Commission recommended an amendment to the Charter pursuant to Statute that requires public hearing and unanimous Council decision.

Councilmember LeTourneau asked whether it restricts the Council's action tonight to adopt an ordinance.

City Attorney Langel stated there are currently a franchise fee ordinance and franchise ordinance pending as well as a recommended Charter amendment. He stated there is no reason why the franchise ordinances could not proceed regardless of what happens with the issue of franchise fees.

Councilmember Backous arrived at 5:44 p.m.

City Attorney Langel stated it is up to the Council if it wants to continue the franchise fee discussion.

Mayor Strommen asked if the Council wants to push out discussion of the franchise fee in order to allow additional time to hold discussion with the Charter Commission about its recommended amendment. She agreed the Charter amendment does not change the franchise ordinances, which had been delayed because the fees were co-mingled within the ordinances. Mayor Strommen stated the Council has before it information on responses to questions raised, timeline for consideration, request for dialogue with the Charter Commission, and changes to the ordinances based on public input.

Councilmember Riley stated the proposed franchise fee ordinance has a five-year sunset. If enacted and the Charter amended, he asked whether the franchise fee would run for five years and then go away forever.

City Attorney Langel stated he is still looking into that issue but thinks if the Charter is amended, because it is a constitutional document, it would take priority over any ordinances that do not comport with the Charter. He stated he will verify that position, but that is what he thinks will be the outcome.

Councilmember Backous stated he is disappointed the Charter Commission did not take this up in 2011 when the topic came up but is glad they are doing so now. He supported taking a step back so protections can be placed within the Charter such as the sunset provision. He stated this is a partnership and the process is working well with the Council receiving factual input from residents, which has been valuable. Councilmember Backous stated it is a small minority, but there have been useful comments. He stated it would also be good to have time to educate and address the misinformation that is currently out there. He stated people need to know the facts, remove the politics, and come to the best solution. He supported giving the Charter Commission time to work on this and the Council time to work with the Charter Commission and its residents to find a solution that is workable and assures proper protections.

Councilmember Johns asked Councilmember Backous what type of sunset he is suggesting.

Councilmember Backous stated a sunset within an ordinance can be easily changed but if within the Charter, it is not as easily changed. He stated he would rather have time for fact finding and dialogue with the Charter Commission before moving forward. Councilmember Backous stated

the Council has good intentions but residents raised good points that the sunset provision needs to be assured so it is not continued to raise funds for things besides roads.

City Administrator Ulrich stated the Charter Commission wanted to open a dialogue and it would be good to do that and determine if common ground can be achieved. He noted that the Council has spent years on this issue but the Charter Commission is coming at it from a different context; however, he understands the benefit of stepping back, holding that discussion, and a joint planning process to achieve the outcomes desired by the Council and meeting the interests of both parties. City Administrator Ulrich stated there is a clear need to fix the streets, have a long-term funding solution, and to do it sooner rather than later so the impact does not become too big of a burden to bear. In addition, opening that dialogue recognizes the Charter Commission has the authority and ability to look at what the Charter regulates and how it can address this issue.

Councilmember Tossey stated if the franchise fee ordinances move forward and the language is drastically changed, it has to be reintroduced and a new public hearing held.

City Attorney Langel stated if there are significant changes to the substance of the ordinance, he would recommend another public hearing be held.

Councilmember Tossey stated in 2011 when this was first brought forward, City Engineer Olson stated the cost to the City was much higher and that was the main driver to find an alternative way to deal with the roads without using the Charter process. He stated he called Charter Commission Chair Field at that time and suggested the Charter Commission address the counter petition process as it cost the City close to \$200,000 with the Andrie project. But, at that time, there was not a lot of motivation for the Charter Commission to address the counter petition language. Councilmember Tossey stated if the Charter Commission considers an easier method, not as rigid, to further road projects, he would support opening that dialogue. He stated he appreciates the fact the Charter Commission wants that dialogue with the Council.

Councilmember Riley stated he is not interested in talking about implementing a franchise fee for one year even if phased out or it is sunset. He stated he knows the funds are needed and delaying for one more year is “kicking the can” but he would not support a franchise fee if it is only imposed for one year. Councilmember Riley stated the Charter Commission is suggesting a change but it should have to be made by the residents of Ramsey through a public vote.

Councilmember Kuzma stated he would not be in support of the Charter amendment as stated but would be open to talking about how things could be made better and slowing the process to open that dialogue.

Councilmember Johns stated she has no problem with slowing the process, taking information from whoever offers it, and not put up roadblocks by ignoring the request of the Charter Commission. She stated the important thing is getting the projects done and the Council wants the support of the Charter Commission with the process.

Councilmember LeTourneau stated to some degree, there was an invitation for a dialogue from the Charter Commission, which he respects. Although, he feels “dicey” in the manner they

requested it because the proposed amendment is so restrictive and clearly in opposition to the work the Council has been doing. He is concerned about that. Councilmember LeTourneau asked if it is necessary to go through the process and then decide whether to vote on the language, or have it rewritten, which takes the decision out another 120 days. He stated he does not know why that strategy was used or maybe it was not understood how this would encumber the consideration by the Council.

Mayor Strommen stated Charter Chair Field can speak to that issue during tonight's Council meeting, as it was discussed by the Charter Commission that they wanted a "backstop." She stated the Council has to act within the timelines prescribed but the Council could also have a simultaneous discussion on what the language should contain. She felt it would not cause a major slowdown as both can follow parallel paths.

Councilmember LeTourneau stated the other part, that he may not have made clear, was that he appreciates the request for dialogue and as stated by Councilmember Tossey, another option is to look at the counter petition piece that is also reasonable and may be part of the solution. He stated the way the amendment is stated, it will require another six months.

Councilmember Tossey stated Charter Commissioner Anderson stated she was afraid Ramsey was being run by special election so she supported it coming before the City Council. It was noted the cost for a special election is approximately \$17,000 so this method (unanimous Council vote) opens the dialogue and the City is not being run by a special election that usually has low voter turnout. Councilmember Tossey stated if the Council does not consider this amendment, the Charter Commission has the option to go to a special election. He noted the proposed language is from the Statute, not created by the Charter Commission.

Councilmember Backous stated the main reason he wants the dialogue is to slow the process so all understand each other and to talk about the special assessment process, which he thinks has caused all the trouble. That has to be done through the Charter Commission, to find a solution between the franchise fees and special assessments. Councilmember Backous stated franchise fees will raise revenue 30% and he wants people educated on the facts and not given disinformation.

Mayor Strommen stated she favors entering a dialogue with the Charter Commission, which was strongly considered during strategic planning, that it is a collaborative process between the Council and its Commissions. She noted one issue is around governance of franchise fees, which is in the "wheelhouse" of the Charter Commission. The other issue is in the prevue of the Council, which is how to fund roads long term. Mayor Strommen stated in the resident survey from July 2011, three out of four respondents believe Ramsey needs to develop a long-term street and reconstruction funding policy. When asked about the funding mechanisms, 49% favored a franchise fee, 39% favored putting it in property taxes, and 77% opposed assessments. When asked about all three, 44% favored franchise fees with 18% supporting it strongly. Mayor Strommen stated she has received a lot of varied responses, some like assessments, some like it on property taxes, and others like a flat fee. She stated it would be good for the Council to dive into that question with its residents in what a long-term road and reconstruction funding policy

looks like. She stated it was unfortunate the survey was not followed up with a community process piece.

Councilmember Riley stated with slowing down the process, he would like it followed up with the fact the Council is following legal and Charter processes so it does not look like the Council has done something wrong. He noted the Council could take up this issue again, if desired. Councilmember Riley stated there is a need for education of the problem, need for funding, and if a franchise fee is not approved then a new education needs to occur as the problem remains but the solution would change. He stated the Charter Commission discussed the need for a unanimous Council vote, which was put into the Charter for administrative purposes, such as to tweak the Charter but not to make a substantive change to the Charter. That should go to the residents for a vote.

Councilmember Backous agreed and indicated he would like to ask the Charter Commission additional questions including whether Ramsey needs a Ward system.

City Administrator Ulrich stated the Council's agenda contains consideration of two ordinances and asked if both can be continued or if the ordinances should be considered so the utility companies have agreements under which to work. He felt it was difficult for the public to distinguish between the two.

City Attorney Langel noted that both franchise ordinances have already expired.

Councilmember Riley stated the ordinances are different and that can be explained to eliminate confusion.

City Attorney Langel stated the City can continue to operate under the old franchise ordinances but ideally, the franchise ordinances should be addressed.

Mayor Strommen supported moving the franchise agreements forward and holding off on the franchise fee discussion. She stated at the last meeting, confusion resulted because the fee language was included in the franchise ordinances.

City Engineer Westby stated the franchise fee schedule has now been removed from the revised ordinances.

Mayor Strommen stated both the Council and Charter Commission are looking at limits. The Council is looking to place those limits and a five-year sunset within the ordinance and the Charter Commission support limits within the Charter where there would be more "teeth." She stated the intent of both is not that far apart and she supports moving that discussion forward.

Mayor Strommen suggested that at tonight's meeting, the Council address the two franchise ordinances, ask Charter Commission Chair Field to present the Charter Commission's discussion and then the Council can decide if those franchise fee ordinances should be delayed.

The Council agreed to follow that process at tonight's Council meeting.

Mayor Strommen stated she also supports opening a public dialogue in how to fund, long-term, road projects.

City Administrator Ulrich stated the public hearing was already held on the franchise ordinances and asked whether there is a time limit on how long it can be tabled.

City Attorney Langel stated the Charter does not contain language addressing whether there is a timeline on the public hearing.

Mayor Strommen stated her goal is to err on the side of more public input, not less, but a public hearing may not be the best way to gain information.

Councilmember Tossey stated there have been substantial changes to the franchise fee ordinance so it may need another public hearing and reintroduction.

City Attorney Langel agreed that could be the case.

City Administrator Ulrich asked if staff should schedule a joint Council and Charter Commission meeting and frame up discussion points.

The Council supported that suggestion, noting more than one meeting may be needed, and to consider the governance issue separately.

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

Following discussion, the consensus of the Council was to direct staff to schedule discussion of whether to reduce the Council Update, its content and format, and to request an update from Police Chief Way on hunting permits.

### **4. MAYOR / COUNCIL / STAFF INPUT**

Councilmember Backous asked whether the Ford Taurus being sold has only 59,000 miles.

City Administrator Ulrich stated that is correct but it has severe rust issues and determined by the mechanic to be unsafe.

Police Captain Katers stated in March of 2011, the Council adopted a resolution supporting a public safety data system. He provided an update on that system, noting there are critical votes coming up relating to funding through bonding and the Anoka County Joint Law Enforcement Council and Fire Protection Council both need to approve it prior to bonding in addition to the County Commission. Police Captain Katers explained how it would be funded, noting contract negotiations are ongoing with the vendor so the exact numbers are not yet known. He described the four major equipment components included in the public safety data system and stated there are 6,000 functional requirements. Police Captain Katers stated this is a good project in which to be proud. He described cooperative informational services that are shared under security

between agencies, which is uncommon elsewhere. He stated another city paid \$1.2 million for this system but in this case, that is the total cost and it will be shared by the 11 agencies.

**5. ADJOURNMENT**

Mayor Strommen declared the Work Session of the City Council adjourned at 6:34 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.*