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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 13, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen
Councilmember Jill Johns
Councilmember Mark Kuzma
Councilmember John LeTourneau
Councilmember Chris Riley
Councilmember Melody Shryock
Councilmember Kristine Williams

Members Absent: None

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Fire Chief Dean Kapler
Police Chief Jeff Katers
Public Works Superintendent Grant Riemer
Community Development Director Timothy Gladhill
City Engineer Bruce Westby
Asst. City Administrator/Economic Development Manager Patrick Brama
City Attorney Joe Langel

1. CALL TO ORDER

Mayor Strommen called the regular meeting of the Ramsey City Council to order at 7:03 p.m., followed by the Pledge of Allegiance led by Mayor Strommen.

2. PRESENTATION

2.01: Receive Update on Status of Development Projects, Fire Station No. 2, and Armstrong Interchange

Community Development Director Gladhill provided an update on development projects including Harvest Estates, The Woodlands, The Gables, Sunwood Village, Parkview East, Casey's General Store, Life Fitness, and Dedicated Networks. He stated that there has been significant growth in new household starts, noting that the City has eclipsed the 25,000 estimated population mark in the new US Census. He noted that additional updates can be found on the website under development update or by calling the development department.

Fire Chief Kapler displayed a photograph taken from a bucket truck showing the progress on Fire Station No. 2 and provided a brief update on the progress of the construction. He commented that the construction continues to progress well and he has not heard any issues or complaints and commended the onsite management thus far.

City Engineer Westby referenced the Armstrong Interchange project, noting that there is a video available on YouTube as the County has been flying some drones over the project. He provided an update on the construction and stated that there has been a slight delay and a letter was sent to businesses advising them of the delayed substantial completion date.

Assistant County Engineer Andrew Witter stated that originally there was a lot of discussion as to whether this would be a one or two year project, with the ultimate decision being to proceed with an aggressive one year schedule. He stated that they are still on track to get the area open to traffic this year, which will help to spur some of the development and growth the City is already seeing in The COR. He stated that the main priority is to get the interchange open to all lines of traffic, noting that the bridge over Highway 10 will be open to traffic but will not be completely finished this year and advised of items that would be completed in 2016.

Councilmember Kuzma asked when the beams across Highway 10 would occur and whether traffic would be closed for that process.

Assistant County Engineer Witter stated that there would be some temporary closures that would occur as the beams are set, noting that work would occur during the nighttime hours. He stated that the County has been overseeing the schedule vigilantly, noting that the construction field has been very busy this season.

Mayor Strommen thanked Assistant County Engineer Witter for his presentation tonight. She thanked the businesses that have been patient during this time.

3. CITIZEN INPUT

None.

4. CONSENT AGENDA

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

- 4.01: Receive Cash and Investments for Period Ending September 30, 2015
- 4.02: Approve the Following Meeting Minutes:
 - 1) City Council Work Session dated September 22, 2015
 - 2) City Council Regular dated September 22, 2015
- 4.03: Approve Request to Declare Surplus Property
- 4.04: Approve Lease Agreement with RM Golf Carts for 7039 Highway 10
- 4.05: Approve Cold Storage Lease Agreement with RM Golf Carts for 6745 Highway 10
- 4.06: Accept Quote and Award Contract for Resurfacing of Police Garage Floor

- 4.07: Adopt Resolution #15-10-249 Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the Period of September 17, 2015 through October 7, 2015
- 4.08: Adopt Resolution #15-10-248 Authorizing Signatures for Financial Transactions
- 4.09: Adopt Resolution #15-10-243 Approving the Classification and Sale of Tax Forfeit Parcel in the City of Ramsey
- 4.10: Adopt Resolution #15-10-244 Approving the Classification and Sale of Tax Forfeit Parcel in the City of Ramsey
- 4.11: Adopt Resolution #15-10-250 Accepting Cash Donations to be Applied Toward the Happy Days Festival Fund
- 4.12: Adopt Resolution #15-10-251 Approving Master Partnership Contract with Minnesota Department of Transportation
- 4.13: Adopt Resolution #15-10-252 Accepting Municipal Agreement Program Funds for Extending Riverdale Drive from Traprock Street to Ramsey Boulevard
- 4.14: Adopt Resolution #15-10-260 Vacating Easement on Outlot C, ALPINE WOODS: Case of Oakwood Land Development, Inc.
- 4.15: Report from Public Works Committee Meeting of September 15, 2015
 - 1) Consider Request to Reconstruct Stormwater Treatment Improvement at Sunfish Lake: Consensus was reached to direct staff to calculate the size of pond needed, and the cost of wetland mitigation and bring this item back to this Committee for discussion
 - 2) Consider Recommending City Council Approval of Master Partnership Contract with Minnesota Department of Transportation for TH47 Pedestrian Crossing Improvements; Ratify the recommendation of the Public Works Committee to recommend that the City Council approve the Mn/DOT Master Partnership Contract as proposed

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

5. APPROVE AGENDA

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

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

6. PUBLIC HEARING

6.01: Public Hearing to Consider Adoption of Resolution #15-10-253 Adopting Assessment Roll Certifying Garnet Street and 168th Avenue Reconstruction Assessments; Improvement Project #13-10

Presentation

City Engineer Westby reviewed the staff report and recommendation to adopt Resolution #15-10-253 adopting the assessment roll certifying Garnet Street and 168th Avenue reconstruction assessments for Improvement Project #13-10.

Public Hearing

Mayor Strommen called the public hearing to order at 7:35 p.m.

Citizen Input

There was none.

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

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

The public hearing was closed at 7:36 p.m.

Council Business

Councilmember Riley stated that the assessment policy is 25 percent of estimated costs, noting that the assessment is currently at 22 percent, and asked if this would create a problem in the future.

City Engineer Westby explained that this project began by talking to appraisers with the intent to keep the assessment at \$7,000 or under, as that is a reasonable rate for projects of this nature. He stated that if the current assessment of \$6,500 were increased to 25 percent that would jump to \$7,350. He stated that the preliminary was assessed for \$6,500 and that is what was noticed to residents. He recommended staying at the \$6,500 assessment but noted that assessments would be higher on a reconstruction in the future. He referenced the third case on the agenda for tonight and stated that the benefits for the properties in that case were closer to \$7,000. He noted that there are several different types of projects being considered tonight and stated that further discussion could occur before the next round of projects.

Councilmember Riley asked if the appraisal service is serving the intended purpose.

City Engineer Westby stated that the appraising services help to validate the assessment rates that are proposed, noting that this assessment was probably on the low side and the projects could have been assessed a bit higher. He stated that if the assessment would have come in over 25 percent, only the 25 percent would have been assessed.

Mayor Strommen thanked staff for their efforts and stated that this is a learning process and perhaps a debriefing could occur following this round of projects to better gauge the policies.

City Engineer Westby agreed that he would also find a debriefing beneficial after this round of projects is completed.

Motion by Councilmember Riley, seconded by Councilmember Kuzma, to Adopt Resolution #15-10-253 Adopting Assessment Roll Certifying Garnet Street and 168th Avenue Reconstruction Assessments for 2016 Payable Tax Year; Improvement Project #13-10.

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

6.02: Public Hearing to Consider Adoption of Resolution #15-10-254 Adopting Assessment Roll Certifying 2015 Street Maintenance Program Overlay Improvement Assessments; Improvement Project #15-00 Division B

Presentation

City Engineer Westby reviewed the staff report and recommendation to adopt Resolution #15-10-254 adopting the assessment roll certifying 2015 Street Maintenance Program Division B, Overlay Improvement for Improvement Project #15-00.

Public Hearing

Mayor Strommen called the public hearing to order at 7:52 p.m.

Citizen Input

There was none.

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

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

The public hearing was closed at 7:52 p.m.

Council Business

Motion by Councilmember Kuzma, seconded by Councilmember Riley, to Adopt Resolution #15-10-254 Adopting Assessment Roll Certifying 2015 Street Maintenance Program Division B, Overlay Improvements; Improvement Project #15-00.

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

6.03: Public Hearing to Consider Adoption of Resolution #15-10-255 Adopting Assessment Roll Certifying Jarvis Street Reconstruction and Railroad Quiet Zone Improvement Assessments; Improvement Project #15-20

Presentation

City Engineer Westby reviewed the staff report and recommendation to adopt Resolution #15-10-255 adopting the assessment roll certifying Jarvis Street Reconstruction and Railroad Crossing Quiet Zone Improvements for Improvement Project #15-20.

Public Hearing

Mayor Strommen called the public hearing to order at 8:00 p.m.

Citizen Input

David Huan, 16341 Jarvis Street, stated that he is present for himself and his mother who lives at 16321 Jarvis Street and his mother did submit a written letter. He stated that he was opposed to this project from the beginning. He stated that the street was put in poorly and repairs are already being made. He noted that there are poor soils and believed that should have been dug out prior to this project moving forward. He stated that he opposes the \$4,500 special assessment for the ten property owners and believed that amount should have spread over the residents as many more residents use that roadway. He stated that he does not have the assessment and therefore will have to place the amount on his taxes and does not think that the interest should be charged in addition to the assessment. He did not believe the roadway would last in the manner it was installed and believed that the City should be fairer to the ten property owners and the assessment should be spread across to the users of the roadway. He asked that the Council lower the assessment to \$3,000 or even drop the interest. He asked that the Council not adopt the assessment.

Mayor Strommen stated that the Council does have the written letter from his mother as well to submit into the record.

Jeff Dillerud, 16395 Jarvis Street, stated that he agrees with the comments made by his neighbor. He stated that the road needed to be replaced and is not arguing with that fact. He stated that this is a County road and does not see much pedestrian traffic and therefore the improvements were excessive. He agreed that the assessment should be spread across additional users rather than focused on the ten properties. He commented that 90 percent of the traffic that goes past his house is Country traffic going to the waste treatment center or into Northfork and very little of the traffic is from the ten properties that are being assessed.

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

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

The public hearing was closed at 8:08 p.m.

Council Business

City Engineer Westby referenced the issue of soils and quality of the project raised. He stated that the City of Elk River stated that there was one soft spot which they were letting heal before paving the final wear coarse, noting that he would follow up to identify the location and obtain more information. He explained that the City has in the past found soft areas that have not healed over time and required additional follow-up, noting that if that is found in this case the City would work with Elk River as there is a warranty on the project and those costs would be of the contractor and would not be paid by the City of Ramsey. He referenced the assessment policy and explained that the City this year chose to include the properties, which access their property from the improved street, noting that the assessed properties are the only properties that have direct access to their property from Jarvis Street. He explained that this policy ensures that a property owner is not charged for many different projects over the course of a few years.

Councilmember Riley stated that this project was reviewed by the Public Works Committee and explained that curb and gutter provide a better project that has a longer lifespan. He stated that the assessment policy was discussed 1.5 years ago when the Council considered the use of franchise fees. He stated that in this case the City is only assessing 13 percent of the cost, compared to the 25 percent specified under the policy. He stated that other residents will have assessments on their properties in the future when their roadway is improved. He asked if this would create bad policy by not assessing the 25 percent.

City Engineer Westby stated that staff is feeling their way through the assessments with the first round of projects in terms of applying the 25 percent rate. He explained that this project does not include utilities and therefore staff felt that this assessment should be lower than the Garnet Street project. He stated that staff will look into the assessment policy in the future and will most likely recommend higher assessment rates for future projects.

Councilmember Riley referenced the issue of interest and explained that the City pays the bill right away and as a convenience allows residents to pay their assessment over the course of ten years and therefore charges a low interest rate. He stated that the City does have interest free rates and suggested possibly not charging interest for three years in this instance.

City Engineer Westby stated that the City is still using bonds to pay for part of the project and those have interest.

Finance Director Lund explained that a redistribution would need to occur as the County cannot change the rate of interest throughout the ten-year period. She provided further clarification noting that the three years of interest would be subtracted from the total interest amount and then redistributed over the ten-year period.

Mayor Strommen stated while that may work in this case she would want to ensure that the City is fair and equitable across projects throughout time and therefore would not want to set a precedent.

Finance Director Lund stated that a statement could be made in the motion that the three years interest free is being offered because the City of Elk River is contributing to the project interest free.

City Attorney Langel stated the purpose of the policy is to create uniformity to provide residents with notice of how things will work in the future and therefore there are concerns with tweaking the policy on a case-by-case basis. He explained that the purpose is for the City to recoup their costs. He stated that in this case, this particular project is being financed in a non-typical way and therefore this financing option could be changed as Jarvis Street is unique and would not set precedent.

Mayor Strommen stated that the Council has considered for many years how to distribute the cost for road repairs evenly and fairly to residents. She noted that the City is bearing the majority of the cost, while the residents on Jarvis are bearing a portion of the cost. She explained that as long as the policy is carried through, that ensures that everyone is treated fairly and equally. She noted that in the future interest rates can fluctuate and does not want to see the Council making changes on a case-by-case basis.

Councilmember Kuzma asked and received confirmation from staff that the properties were assessed and it was determined that the project would increase property values by \$7,500 to \$8,000. He noted that the policy is set at 25 percent of the project cost and this is only proposed to be assessed at 13 percent, which he felt was fair.

Councilmember Shryock referenced the four percent interest rate and asked if that is based on market rate. She stated that the Council would not want to set precedent by arbitrarily changing the interest rate but noted that she would not have a problem passing on cost savings that the City obtains.

Finance Director Lund provided additional information on the interest rate calculation, noting that the City sets the rate at two points over the ten-year treasury rate.

Councilmember Shryock noted that the City is bonding for part of the project cost and asked for input from Finance Director Lund regarding the interest and whether passing on that cost savings would have an impact on the City.

Finance Director Lund stated that the City does receive three years interest free from Elk River, but the City is still carrying that amount and cannot use those funds for other projects or costs.

Motion by Councilmember Kuzma, seconded by Councilmember LeTourneau, to Adopt Resolution #15-10-255 Adopting Assessment Roll Certifying Jarvis Street Reconstruction and Railroad Quiet Zone Improvements; Improvement Project #15-20.

Further discussion: Councilmember LeTourneau appreciated the input from the residents tonight. He explained that the Council has looked at many options to mitigate the cost for improving the roads. He empathized with the position of the residents but recognized that the roadwork needs to be done and believed that the Council should be consistent in their application of the policy. Councilmember Riley stated that the Council tried to find the best method to be fair.

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

7. COUNCIL BUSINESS

7.01: Consider Approving a TIF Agreement between the City of Ramsey and Parkview East LLC (PSD LLC)

Asst. City Administrator/Economic Development Manager Brama reviewed the staff report and recommendation to adopt Resolution #15-10-261 authorizing execution of the tax increment financing agreement between the City of Ramsey and Parkview East LLC.

Councilmember Riley explained that if construction does not occur on time, that impacts the amount of funds that are available to receive through TIF, as the City only pays out the money as it is received.

Councilmember Kuzma noted that this TIF would allow the City to bring in more rooftops which then attracts more development in The COR.

Motion by Councilmember LeTourneau, seconded by Councilmember Williams, to Adopt Resolution #15-10-261 Authorizing Execution of a Tax Increment Financing Agreement

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

7.02: Consideration of Adopting Resolution #15-10-256 Approving Change Order No. 1 for Ridgepoint Development Improvements, Improvement Project #15-21

City Engineer Westby reviewed the staff report and recommendation to adopt Resolution #15-10-256 approving Change Order No. 1 and amended Assessment Agreement for Ridgepoint Development Improvement, for Improvement Project #15-21, contingent upon approval by the City Attorney. He provided additional details on the change order and further remediation that could be done by a developer in the future. He provided a site restoration agreement developed by the City Attorney today, which allows the developer to pay the City a lump sum without an assessment, which will be used to pay the contractor for their work. He stated that there would be a warranty on the work so the contract would not be closed this year and a small retainage would be held to ensure that work withstands.

Councilmember Riley stated that in this situation, the City would be paying the contractor for this work and asked why the developer would not just pay that amount.

City Engineer Westby explained that the City contracted for this work and in order to move ahead with this contractor at the unit prices specified, the City would need to continue in this manner.

Mayor Strommen stated that it appears the most efficient method to get the results would be to move ahead in this manner.

Councilmember Kuzma asked if the grant funds would be impacted if this was not completed in a specified amount of time.

City Engineer Westby provided additional information on the federal aid design standards, noting that while there is not a timeline the City should not delay in that restoration.

Mayor Strommen stated that this is an unfortunate situation for the City and Village Bank and believed the best path would be for the parties to get this finished in the most efficient manner.

Councilmember Riley asked for additional information on the plat.

City Engineer Westby stated that the plat would not be recorded until the site is cleaned up in a manner in which the development could move forward as proposed.

Councilmember Riley referenced specific language in the agreement, which states that Village Bank could hold the escrow and asked if that is a conflict of interest.

City Attorney Langel stated that he has seen it done in both ways and has not seen any problems with an involved bank holding escrow. He stated that the language could be modified if the Council desires.

Councilmember Riley stated that he wants to be easy to work with and business friendly but wants to ensure the City and residents are protected and would like to see the escrow held at another bank.

Councilmember LeTourneau stated that it does not seem that the change would be hard to make but wanted to help make things move forward easily. He stated that the opinion of City Attorney Langel was that the City would have little to no risk and therefore felt comfortable leaving the language as is.

City Attorney Langel stated that if another bank is chosen, an escrow agreement would be necessary with that bank.

Councilmember Kuzma stated that he would also be comfortable having Village Bank hold the escrow.

Councilmember Riley asked if there is an escrow agreement in place with Village Bank.

City Attorney Langel stated that there was not sufficient time for that agreement to be drafted today.

Councilmember Riley referenced the proposed resolution language, which specifies that the cost will be assessed to Village Bank, and asked if that means the assessments would be to those properties.

City Attorney Langel stated that phrase would be removed and instead there would be a reference to the site restoration agreement with Village Bank. He stated an additional statement could be added to the resolution that would approve the execution of the site restoration plan.

Motion by Councilmember Shryock, seconded by Councilmember LeTourneau, to Adopt Resolution #15-10-256 Approving Change Order No. 1 for Ridgepoint Development Improvements, Improvement Project #15-21, as amended to remove the special assessment language for Village Bank and adding a second item approving the execution of the site restoration plan.

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

8. MAYOR, COUNCIL AND STAFF INPUT

City Administrator Ulrich announced upcoming meetings and events.

Councilmember Riley stated that he attended the Fire Department open house the previous weekend, which was well attended.

Councilmember Shryock stated that she attended the Taste of Ramsey the previous Thursday, which was also well attended.

9. ADJOURNMENT

Motion by Councilmember LeTourneau, seconded by Councilmember Shryock, to adjourn the meeting.

Motion carried.

The regular meeting of the City Council adjourned at 9:00 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.