

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, November 24, 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

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Police Chief Jeff Katers
Parks and Assistant Public Works Superintendent Mark Riverblood
Public Works Superintendent Grant Riemer
Human Resources Manager Colleen Lasher
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 City Council Work Session to order at 5:32 p.m.

2. TOPICS FOR DISCUSSION

2.01: Continued Discussion of 2016 Budget and Levy

City Administrator Ulrich provided a brief overview of the items on the Work Session agenda and the timing for approval of each item. He reviewed the staff report and noted that a majority of the levy increases proposed for 2016 involve personnel and the addition of three new employee positions. He reviewed how the items help the City to reach the goals and objectives identified in the Strategic Plan.

Finance Director Lund continued to review items in the staff report, noting that there had been reductions to the preliminary budget that was adopted in September. She highlighted information within the staff report that had been requested by the Council at the previous discussion including the impact on a tax payer per position proposed to be added and the impact the added position would have on the budget not only for 2016 but for future years as well. She

noted that even if the three positions were removed from the budget, the proposed levy for 2016 would still be higher than the 2015 levy.

Community Development Director Gladhill referenced the portion of the staff report that highlighted the code enforcement position proposed to be added, highlighting activities that would be impacted if the position is not added. He noted that the City would continue to be complaint based in terms of code enforcement and explained that this position would not become proactive in seeking out violations. He highlighted some of the activities that the department would be able to participate in if this position is added. He noted that a consultant could be used but noted the high cost for that professional service.

Police Chief Katers stated that from the standpoint of the Police Department, direction had been given in the past for the department to handle the enforcement portion, but noted that assistance is needed from other departments in regard to interpretation and determination. He noted that high level of time needed for enforcement, explaining that other items are sometimes identified through violations such as parking deficiencies.

Asst. City Administrator/Economic Development Manager Brama provided the prospective from the economic development position and noted that the position would assist with leases. He stated that this role would fit well with the community development department and shifting this responsibility from economic development would allow the department to be more proactive with the EDA Work Plan and initiatives.

Community Development Director Gladhill noted that in 2004 there were 13 employees within the planning and building divisions, while currently there are only six employees.

Mayor Strommen stated that the information was helpful but she would like to focus on the five-year budget and the implications the added positions would have in future years.

Finance Director Lund reviewed the information found within the five-year chart in the staff report noting that some items were estimations using the information that is known today.

Councilmember Kuzma asked for additional information on the road debt.

Finance Director Lund provided additional clarification on the road debt that would be budgeted for each year through 2018.

City Administrator Ulrich provided information printed in a local newspaper regarding neighboring cities and their recent discussions regarding road debt and financing options. He stated that the road debt is a noticeable impact.

Councilmember Riley confirmed that equipment replacement was included in the future years.

Finance Director Lund noted that land sale proceeds could also offset some of the figures.

Councilmember Kuzma stated that Ramsey is still a growing city and is not fully developed, which means that growth continues to occur. He stated that the code enforcement will be an important factor, as it will allow the City to provide a continued level of service during this time of growth. He stated that the maintenance worker is also an important position because those services are noticed by residents. He stated that the drug task force position will also assist in making the City safe and will provide more access and resources through the drug task force. He stated that he would therefore be supporting the addition of these three positions.

Finance Director Lund clarified that the impact to the taxpayer would be per year, \$3, \$6 and \$6 per year for each position.

City Administrator Ulrich stated that staff prioritizes the added positions as follows, the code enforcement position, the public works position, and then the drug task force position as well.

Mayor Strommen stated that the drug task force position is also tied to image as problems in that area can spread and become public quickly. She stated that each of the positions has valid reasons but referenced the jump in the future budget jumps going into 2017 and 2018. She stated that the Council recognized that there would be difficulties ahead with the road debt. She noted that she struggled the most with the code enforcement position, as the position handles three types of duties, and asked if that would be the best use of community development staff for future growth. She wanted to ensure that the best investments for staff are made, as the future years will be tough in terms of budgeting.

Councilmember Riley stated that by accepting a larger budget this year, the City will be dooming itself for the next five years. He stated that the City has the ability to hold the line this year, which will make things easier in the future years.

Councilmember Shryock stated that she understands that the base value to the residents, \$16 for three positions is not bad, but also understands the impact that the decisions will have on future budgets. She stated that if these positions are added now, that will have an effect on the services that can be provided in the future years when the budget becomes tighter.

Councilmember Kuzma stated that when there was a discussion regarding whether a franchise fee would be used or the debt would be tied to the levy, there was a decision that the roads would need to be paid for and the franchise fee would not be used. He stated that hopefully, the new Armstrong bridge would bring in additional business interest and land sales as well as a possible business park. He noted that having a safe community that functions well will continue to draw in families and residents.

Councilmember Shryock referenced the code enforcement tasks that would be handled by the new position and asked how much of that work is currently being handled by outside consultants, as that could have a positive impact on the budget.

Community Development Director Gladhill explained how interns are currently used to handle some of the code enforcement duties, noting that half of the time the intern is with the City is

spent training them. He stated that currently case management and inspection is not contracted out to consultants.

Finance Director Lund stated that two interns were removed from the budget with the addition of this position, noting the cost per intern is \$16,000.

Asst. City Administrator/Economic Development Manager Brama provided additional information on the public improvements planned for future years that are not included in the five-year budget.

Mayor Strommen stated that she supports the public works position as that is consistent with maintaining roads and infrastructure. She suggested holding off on the other two positions and reevaluating those positions in one year when the City is closer to the 2017/2018 increase. She stated that she would also want to see more robust planning for items that will impact the tax rate, noting that while these are good investments there are other good investments as well and believed that the City should ensure that the investment is being made in the right areas. She noted that staffing positions have been filled by interns and the City has not dug into the staffing strategy and identified a long-term plan as to the best method to managing the use of interns.

Councilmember Kuzma stated that one thing assumed with the projections is the automatic increase of two percent each year, noting that does not have to be planned as staff is already being paid at a high level and the wages are competitive.

Councilmember Shryock agreed with the comments of Mayor Strommen. She agreed that public works is an important issue and probably one of the issues that receives the most resident feedback. She also agreed that it would be more comfortable to wait one to three years to better digest the needs of the City before adding the other positions.

Councilmember Kuzma stated that the positions would add \$6 per year, which will not break the bank. He stated that cutting the positions is not going to decrease the huge increases that are coming because of debt services.

Mayor Strommen agreed but stated that there are a number of items that are not even included in the projections and the City cannot afford all of the items. She agreed that expenditures will need to be increased but there are a number of them coming in the next five years and the City cannot do each and every one of them, therefore she is reluctantly drawing a line to take a more conservative approach.

Community Development Director Gladhill asked the comfort level of the Council. He stated that if the position is not added for code enforcement he would want the ability to provide more appropriate timelines for customers, noting that building permits and review times would need to be reflected. He also asked for at least the use of one intern if the position is not added.

Councilmember LeTourneau stated that he is interested by the discussion, as this is a healthy discussion. He noted that the Strategic Plan was drafted with an opinion of where the City would like to go and that Plan would allow the City to move to a new place, which comes with risk. He

stated that from his point of view a lot of the things that are presented are in support with the direction the Council has wanted to go. He noted that the decision will cause some angst and asked how ready the Council is to assume the risk. He stated that he wants to be confident that the Council is doing the right thing and will continue to do the right thing. He noted that he gets comfort that the information is here and adjustments can be made along the way. He wanted to make sure that the City is aware of the end results and how they are going to get there without the assumption that The COR will fill out. He stated that he is comfortable adding all three new positions and is confident that the Council will make it work. He noted that the Council has said that this is the direction they want to move.

Councilmember Kuzma stated that he would like to see the drug task force position added for at least one year to determine the impact that could have on the community.

Mayor Strommen was unsure the return that position could add in just one year.

Police Chief Katers stated that an evaluation could be done after one year as the current Joint Powers Agreement allows for a member to leave the group during a year if notice is provided by July. He stated that numbers can be produced in terms of the number of arrests and the measurable amount of drugs taken off the street, but was not sure the long-term impact that would be known after one year.

City Administrator Ulrich stated that another option would be to consider whether the planned officer addition in 2018 is needed, as that decision could be delayed with the drug task force position continuing.

Councilmember Riley stated that he would support the position of Mayor Strommen as that is the closest that he has seen to what he has desired in terms of not adding to the budget. He stated that having the five-year plan is wonderful but noted that the plan does not include all the elements. He stated that he does not want to keep going down the road the City is going down and believed it would be a mistake to approve a higher budget.

Councilmember Williams stated that she is unsure whether she has heard that the three positions have been prioritized or whether one position would be more impactful than the other and therefore she does not support adding any of the three positions. She stated that she has not supported the proposed increase from the start and therefore would oppose the added positions. She stated that she would like the Council to focus on growing the community in an effective way and remain budget conscious while still attempting to accomplish the goals identified in the Strategic Plan.

Mayor Strommen stated that this budget will come before the Council at the next regular session and she would like to see a budget presented that will gain four votes. She noted that this discussion was healthy and included different perspectives. She referenced the time left in the Work Session and asked if there is a consensus of the Council at this time.

Councilmember Johns stated that she tends to support the addition of the three positions. She stated that in terms of prioritization she would like to see the code enforcement, public works

and then the drug task force position. She stated that the City is poised to do some growth this year and therefore the code enforcement position will be vital. She believed that the City could manage with the added positions.

Mayor Strommen stated that her intention was not to hold the discussion for a year until the next budget discussions but to continue to discuss the item going forward to provide a better position to manage the risk.

Councilmember Kuzma stated that there is a new truck budgeted in 2016 and asked if that could be postponed.

Finance Director Lund explained that would not impact the levy.

Councilmembers Kuzma, LeTourneau and Johns stated that they would support the addition of the three positions.

Councilmember Shryock stated that the cost to the resident of \$16 per year to add the three positions does not seem like that much. She stated that although home values are increasing, the financial position of residents may not be increasing. She referenced the two percent pay increase planned and stated that she wants to ensure that the good base of staff that the City has now continues. She stated that she does have a hard time supporting the three positions and would support the public works position. She stated that as the discussion continues she would like to find out why the interns are only here for three months and can the City get them for longer, as that could provide more potential to provide alternate solutions.

Finance Director Lund asked if the code enforcement position is removed could she then add the two interns back into the budget.

Mayor Strommen agreed that the two interns could be added back into the budget. She confirmed that there would most likely be consensus for adding one position to the budget.

Finance Director Lund stated that if there is not four votes of support, the levy would default back to the 2015 levy, which would be a decrease of \$700,000 from the proposed budget.

Councilmember Riley stated that he would presume that the Fire Chief in the future would be at a lower rate in the future than the current Fire Chief.

Finance Director Lund confirmed that notification was received from the current Fire Chief the previous week.

Human Resources Manager Lasher stated that the current Fire Chief is at step six and the new hire would most likely come in between steps one and three. She stated that further in the hiring process she would have a better idea of where that salary will fall but acknowledged that there will most likely be some savings in that area.

2.02: Review 2016-2020 Capital Improvement Plan (CIP)

This item was not discussed.

2.03: Amend City Funds Policy and Review of Respective Fund Balances

This item was not discussed.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

None

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:55 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.