

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, August 8, 2017, 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 (arrived at 5:47 p.m.)
Councilmember Melody Shryock
Councilmember Kristine Williams

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Fire Chief Matt Kohner
Police Captain Tim Frankfurth
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

1. CALL TO ORDER

Mayor Strommen called the City Council Work Session to order at 5:35 p.m.

2. TOPICS FOR DISCUSSION

2.01: Discussion on 2018 General Fund Budget and Tax Levies

Human Resources Manager Lasher reviewed the proposed 12-year staffing plan, noting that the plan would assume the proposed 2018 positions are accepted by the Council.

Councilmember Kuzma asked the population level from the beginning through current.

Human Resources Manager Lasher replied that in 2007 the population was at 22,308 and currently the estimation would be near 26,500.

Finance Director Lund reviewed the staff report including the adjustments that have been made since the July 25th discussion, which results in an overall reduction of \$70,307. She presented a

five-year budget expenditure chart, which identifies the impact for each of the proposed personnel positions.

Councilmember Shryock asked if the dollar amounts were only considering salary.

Finance Director Lund replied that the figures include, salary, benefits, a three percent COLA annually and single health insurance. She continued to review the future personnel plan, highlighting the proposed positions to be added each year.

Mayor Strommen noted that it appears that the cumulative totals include all the positions being added each year, in addition to the impact for the proposed 2018 positions.

Councilmember Riley arrived at 5:47 p.m.

Finance Director Lund identified where the breakdown is shown for just the proposed 2018 positions. She continued to review the information included in the staff report regarding the capital improvement plan. She stated that currently the City has the standard \$2,000,000 liability coverage package but noted that the City would need to make the decision on whether it should pursue an additional \$1,000,000 in coverage.

Councilmember Kuzma stated that seems to be an excessive cost for an additional \$1,000,000 in coverage.

Finance Director Lund replied that is the quote provided by the League of Minnesota Cities. She stated that the insurance agent felt that \$3,000,000 in liability coverage should be sufficient.

Councilmember Riley stated that your insurance limits dictate what you negotiate to, therefore if the City does not have \$3,000,000 in coverage, it would not negotiate to that point.

Councilmember Kuzma disagreed and stated that people would most likely assume the City has deep pockets and therefore would support additional coverage up to \$5,000,000.

Councilmember Williams asked if there are statutory limits on the liability of the City, or whether there are gaps and this is meant to cover those gaps.

City Administrator Ulrich confirmed that there are limits of \$2,000,000 but there is a theory that could be tested.

Mayor Strommen stated that the threat is very real and therefore the City should consider that based on the recent local case that occurred.

Councilmember Kuzma noted that precedent has been set by that case.

City Administrator Ulrich provided information on the proposed costs to finish the upper level of City Hall, which has been vacant since the engineering department was moved. He stated that there is sufficient space for additional staffing within the departments. He stated that this could

be an opportunity to explore an incubator office space, which could help local people establish businesses and have quick access to meeting space as well. He noted that the space has not been utilized for the past five years and there has not been interest in the market thus far. He stated that the concept would be to have a setup similar to the Itasca Room, as there is always a need and desire for that type of meeting space. He believed that it would be a benefit to the community as the City currently does not have a community center. He stated that the proposed estimate is figured on the cost to finish the Itasca Room and the room finished for the County. He noted that if the Council is interested, staff would work with an architect to get a better idea of costs. He stated that if there is not interest, the space would continue to be utilized as it is currently. He noted that the funding would come from the facility fund, which has been built up over time to improve and maintain the facility.

Councilmember LeTourneau asked for more information on demand.

City Administrator Ulrich stated that staff can bring that full data back to the Council. He provided examples of groups that rent similar spaces with the City such as Homeowners Associations, civic groups, and business retreats. He stated that there are times when staff has to shuffle reservations to ensure that the groups have sufficient space. He stated that there is a room divider but it is not the most effective.

Councilmember LeTourneau asked if the City would be reacting to the demand or would be getting ahead of the demand.

Councilmember Kuzma asked if future staffing needs have been considered and whether additional remodeling would be needed in the future to provide space for staff if this space is converted to meeting space.

Councilmember LeTourneau asked if the item would have any impact to the levy.

City Administrator Ulrich stated that the item would not impact the levy but there would be costs for future maintenance that would also come from that fund. He stated that staff can attempt to project some future maintenance costs.

Councilmember LeTourneau stated that he could support the action, as these dollars have been levied in the past and this would be a way to provide a benefit to the community as this would be additional space for members of the community to gather. He stated that this might be a great way to utilize funds that have been collected from residents and return some value.

Finance Director Lund stated that there is a safety factor as there is not a real divider between the staff space and the meeting space. She noted that there are also noise concerns as the noise from the rented space travels to the adjacent work spaces for staff.

City Administrator Ulrich noted that the classes, such as yoga, are discretionary, but this additional space would allow for more programming to utilize the space as well. He stated that he would bring back additional data on room rentals and the projected maintenance.

Mayor Strommen noted that the requests for additional information will need to come to a close and the Council will need to start making decisions so that the budget information can be finalized prior to the deadline. She suggested that the Council be ready to make decisions at the next meeting.

City Administrator Ulrich noted that the capital improvement items could be delayed as those will not impact the levy and therefore the focus can be on the items that impact the levy.

Councilmember Riley stated that he would like to see additional information on lesser impacts to the levy and prioritization.

City Administrator Ulrich confirmed the consensus of the Council, that staff will provide three scenarios based on the different priorities.

Councilmember LeTourneau stated that a lot of work went into the Strategic Plan, which drives a lot of the choices the City makes. He stated that he would assume that the staffing positions proposed would help the City achieve the goals in the Strategic Plan. He stated that perhaps the Council should review which goals on the Strategic Plan they are willing to bend on, as there is a cost to achieving those goals. He stated that it is a good Plan and vision that people are drawn to.

Mayor Strommen stated that the Council has done that in the past alternating between the Strategic Plan and budget and what a position would represent in terms of service. She stated that perhaps the dashboard from the Strategic Plan can be provided at the next meeting to facilitate the next discussion.

Councilmember LeTourneau stated that some of the goals and imperatives may be defined differently, as some of the language is vague and therefore does not provide staff with a matrix or guidelines.

Mayor Strommen noted that one challenge is that the levy is tied to the valuation of the tax base and that figure can vary.

Councilmember Shryock stated that perhaps the guideline could be tied to the proposed revenue amounts.

Councilmember Kuzma stated that another challenge would be the contracts that the City is tied to, such as COLA and other contracts that the City is obligated to. He stated that the City cut staffing levels so deeply in the past, that at some point the Council needs to listen to the staff as to what they need to maintain positive service levels. He stated that the Council should be cognizant not to overwork the current staff.

Mayor Strommen noted that there are other needs, such as roads and infrastructure, which are not yet complete and also need to be considered as they will have impacts on the budget and community expectations.

Councilmember Riley stated that although it is a small number, he would like to see the EDA budget reduced to remain at the 2017 level. He stated that he would also like to see a projected chart that identifies the increasing debt of the City.

Finance Director Lund stated that she typically provides that information but was waiting for direction from the Council on the proposed 2018 personnel positions.

Councilmember Shryock stated that she does not believe that all six positions should be included in the projections as that would have a bigger impact on the budget moving forward.

Councilmember Riley stated that perhaps the five-year budget projection be done on the middle ground, with the top tier positions being added.

City Administrator Ulrich noted that a challenge would be what would happen to the other positions that are not added in 2018, as those positions would then be added in future years.

Mayor Strommen suggested including all six positions and the Council can then make estimations on what would happen if positions are not added.

2.02: Demolition/Clean-Up of 6401 Highway 10 (former Sunfish Lake Gas Station)

Asst. City Administrator/Economic Development Manager Brama reviewed the staff report.

Councilmember Kuzma asked how the site would be left in terms of safety if the demolition is done this year.

Asst. City Administrator/Economic Development Manager Brama noted that the site would be rough graded and signed appropriately for the winter and the asphalt would then be done next spring. He noted that a dormant winter seeding would be applied and the site would most likely be used for snow storage. He confirmed that the snow pile would not impact traffic as the building is currently in that location. He confirmed that the site would be rough graded to prevent vehicle damage, should someone ignore the signage and drive on the site.

Councilmember Riley asked the items that Hakanson Anderson would be completing during the process to ensure that staff is not overworked.

Asst. City Administrator/Economic Development Manager Brama provided the details on the responsibilities that would be handled by Hakanson Anderson during this process. He estimated that Hakanson Anderson would handle 90 percent of the project management.

Councilmember LeTourneau stated that he does not have concern with the approach proposed. He asked what would occur if the City were to secure a favorable bid and the paving could be done this year still.

Asst. City Administrator/Economic Development Manager Brama noted that bidding both projects would create additional work for Hakanson Anderson and could delay both projects. He

noted that staff did talk about perhaps beginning the second bid process to determine if there would be sufficient time to complete both actions.

Councilmember LeTourneau stated that he would be in favor of completing the demolition and paving next year.

Mayor Strommen agreed, noting that with winter coming the site would be covered anyways and therefore she did not feel pressure to do both aspects this year and would also support splitting the work between seasons.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

City Engineer Westby provided an update on the Potassium Street project and estimated timeline.

City Administrator Ulrich stated that while this is a good solution, it does rely on the cooperation of the homeowners.

Mayor Strommen asked if there can be staff to property owner communication in addition to the attorney to attorney communication prior to this coming forward to the Council again. She stated that additional communication would be best to ensure that this continues to move forward.

City Administrator Ulrich stated that there is a favorable draft agreement with McDonald's which would return the property to the City and will come forward to the Council on August 26th. He noted that there is interest from the Metropolitan Council tour and provided some possible dates.

The Council provided input on the proposed dates and staff will follow up to find the date that would work best.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:50 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.