

**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 22, 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 5:37 p.m.)
Councilmember Melody Shryock (arrived at 5:38 p.m.)
Councilmember Kristine Williams (arrived at 5:39 p.m.)

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Fire Chief Matt Kohner
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

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 Regarding Updating the Personnel Policy

Human Resources Manager Lasher reviewed the staff report.

Councilmember Riley arrived at 5:37 p.m.

Councilmember Shryock arrived at 5:38 p.m.

Human Resources Manager Lasher explained how the PTO would apply to each employee group, as identified in the staff report, and how PTO could be used.

Councilmember Williams arrived at 5:39 p.m.

Councilmember Kuzma asked if this would be more work for staff.

Human Resources Manager Lasher confirmed that it would be more work for her department and for finance for the initial setup.

Councilmember Kuzma asked the benefit that would be provided to the City outside of flexibility for employees.

Human Resources Manager Lasher stated that as an employer you would not need to ask why someone is not going to come in and would prevent someone from asking too much about someone's personal life. She stated that it could also help attract new hires. She confirmed that it would be more work for staff as staff would be managing two accrual systems.

Councilmember Kuzma stated that he does not believe that this is the right time and therefore would not support this.

City Administrator Ulrich stated that the existing employees do not see this as a benefit and therefore would not all want to switch to this system as they are comfortable with the existing benefits. He stated that this could help prevent absenteeism.

Councilmember Kuzma stated that he does not believe that Ramsey has a problem with absenteeism and therefore does not see a reason.

City Administrator Ulrich confirmed that staff does not have currently have a problem with absenteeism.

Mayor Strommen asked if organizations that implement PTO ever get to a point where everyone is converted or whether you simply continue to run dual accrual.

Human Resources Manager Lasher stated that one city has been attempting to convert for 30 years while another city was able to convert in 18 months. She noted that city offered a very attractive conversion to the PTO system and so they took an initial hit in return for everyone converting.

City Administrator Ulrich stated that this was a direction of Council in the past and agreed that this is not a high priority for staff.

Councilmember LeTourneau agreed that this might not be the best timing although he agreed that PTO is the wave of the future and the City may eventually have to face it. He noted that the robust activity in the City is impacting many departments and agreed that this may not be a high priority right now.

Mayor Strommen stated that she is not interested in a 30-year conversion and would want to look into it further in the future to see what kind of conversion rate could be offered to speed up the process. She agreed that this could be reviewed at some time in the future.

Human Resources Manager Lasher reported that Andover is on its ninth year of conversion.

Councilmember LeTourneau stated that there is potential that there is consensus that this is something that the City may want to do in the future and asked the input of staff on when they would feel this would be appropriate to pursue further.

Human Resources Manager Lasher stated that in the next few years there will be more employees retiring and it would help to implement the system prior to that as the positions will be infilled with younger employees and it would assist with the conversion to have this in place before those people are hired.

City Administrator Ulrich noted that the University of Minnesota resilient communities program could look at the benefits and assist in some of the staff work.

2.02: 2018 Budget and Levy Review

City Administrator Ulrich provided an introduction to the discussion noting that Finance Director Lund has prepared some answers to the questions that were asked at the last worksession meeting and also has additional information for the Council to review.

Finance Director Lund reviewed the staff report.

Councilmember LeTourneau referenced scenario four, which offers the opportunity to bring as many positions online as the Council desires with the highest level of offering to the community and the reality is that in return it will cost each one of the resident homes an additional \$110 compared to last year.

Finance Director Lund confirmed that would be an increase to the City's portion of the property taxes.

Councilmember Kuzma stated that while there is not a big difference between scenarios one and four, he cautioned that the Council should be careful on their choices.

Mayor Strommen stated that a huge driver of the budget is the personnel requests. She stated that there are also road debt issues and there is a question of whether the Council wants to leave space to levy the dollars that might be needed for road projects. She stated that the Council will need to weigh the needs of personnel versus other items that will need room in the levy and the budget.

Councilmember LeTourneau stated that he is trying to have a conversation about the tension that he is feeling about the growth in the community and the stress and pressure that is putting on staff. He stated that perhaps scenario four takes some pressure off staff to be able to react appropriately with flexibility to the massive amount of growth the community is experiencing.

Councilmember Johns stated that she is attempting to relate the decision to the goals of the Strategic Plan. She questioned what would not be done with scenario two compared to scenario four.

City Administrator Ulrich reviewed how the personnel positions proposed are linked to Strategic Plan goals and service to the community.

Councilmember Kuzma stated that the City spent a lot of money on the new software for planning which was supposed to be more efficient for the planning department.

Mayor Strommen noted that permitting is separate from community development and noted that the position proposed is a senior planner.

Councilmember Kuzma stated that he does not think there is a need for all of these positions and the City should be sensitive to the level of growth that will continue.

Councilmember Johns stated that she agrees with the two high priority positions and those should not be a topic of discussion further.

Councilmember Riley stated that scenario number one still has a 6.4 percent increase with no new positions added. He stated that all the additional scenarios simply ask how much larger the City is willing to go. He stated that the positions have been prioritized, which he appreciates, and noted that he does favor scenario two which focuses on the highest priority positions. He stated that he is not in support of the 6.4 increase to begin with in scenario one.

Finance Director Lund stated that in scenario one the 6.4 percent takes into account the increases to personnel and the City's debt.

Mayor Strommen stated that she is thinking not only about the growth the City has experienced but the growth that is anticipated. She noted that the Council meetings have been full of community development cases for development and the City has not seen this type of growth since pre-2008, if ever. She stated that positions are prioritized but the Council also needs to consider the workload of staff and what will occur if sufficient staff is not available. She stated that if there is not community development staff available to respond to developers, those developers may go elsewhere. She stated that if the parks are not cleaned and maintained, residents and visitors will notice. She stated that those positions should be considered needed. She stated that the engineering assistance should also be considered a need because engineering is needed to review these development cases and noted that she was shocked at the amount of time City Engineer Westby is spending on administrative work as that is poor use of his valuable time. She stated that something also needs to be done to backfill the City Clerk position. She noted that while the other positions would be nice, they are not necessarily needs at this time. She proposed to add the senior planner, parks and maintenance worker, engineering administrative assistant, and the backfill of the City Clerk position. She stated that if there is additional room in the levy, the Council will need to consider if they want to leave that or think about roads and the public works facility.

Councilmember Kuzma stated that the Ramsey Foundation is not going to handle the summer concert series and therefore that events position may be important.

Mayor Strommen agreed that is a good point but believed that something else could be done to handle that work. She noted that she does not put that in the same category as a senior planner or engineering assistant.

Councilmember Shryock stated that the housing market is going crazy right now as homes are currently selling for \$40,000 more than they were nine months ago and therefore she was nervous that property taxes would increase.

Community Development Director Gladhill agreed that the market is not going to keep growing at this rate forever. He stated that planning still uses consulting services and therefore that can be pulled back at any time. He noted that if the market does crash, he is willing to make those tough decisions.

Councilmember Shryock recognized that there is value gained by adding a senior planner but asked how much the average resident is benefiting from that service. She asked if it is fair that every resident is not seeing the benefit.

City Administrator Ulrich noted that if the market value of homes is increasing that decreases the tax rate across and not just to certain homes.

Finance Director Lund stated that perhaps this is the time to look at the five-year plan. She read aloud a letter she received from the County assessor in regard to market value. She reviewed the total personnel requests of the budget for the next five years. She agreed that the road debt will need to be addressed at some point.

City Administrator Ulrich stated that staff feels that the franchise fee for roads should be reviewed. He noted that there is a pile of debt that continues to increase and in order to provide a competitive tax rate, the road debt could be separated.

Councilmember Riley stated that the huge portion of the increase in the budget has to deal with personnel and the more employees that are added, the more that cost snowballs. He stated that the more employees that are added now, the more the cost will increase in future years.

Mayor Strommen agreed and noted that is why she suggested adding the positions she proposed. She noted that there is a cost to not adding those positions as parks and community development are fundamental. She did not believe that zero positions are an option unless the City really decreases the level of service and number of services that the City is willing to provide.

Community Development Director Gladhill stated that community development brings in revenue through permits, fees and development. He stated that this position would also act as a neighborhood advocate to assist in cleaning up the key corridors that the Council has discussed. He noted that this person could advocate for residents and be a person that residents can reach out to when they have an issue in their neighborhood.

City Administrator Ulrich stated that Community Development Gladhill has done a good job managing his department with the assistance from consultants. He stated that the senior planner

position would be valuable in providing the services necessary and would also be valuable in the long-term not only for a growing community but also for a mature community.

Councilmember Williams appreciated the proposal from Mayor Strommen noting that those positions would not only provide value and maintain a level of service but would also protect the investments that the City has made which provides value to all the residents.

Mayor Strommen recognized that these are hard decisions in attempt to move the City forward and protect investments while also protecting the taxpayers and not getting too far ahead of themselves. She stated that the Council is at the point where they need to start making decisions and finding consensus.

Councilmember Kuzma stated that the business park will also bring on additional tax base which will help the City. He asked for more information on the additional items, outside of personnel, that staff would like to leave room in the budget for.

City Administrator Ulrich proposed that the tax capacity rate not be exceeded. He stated that if the Mayor's proposal was taken and left additional room in the tax capacity, he would suggest including some of that in the preliminary budget. He noted that would allow additional time to discuss if the Council wants to take a portion of that additional room to contribute to items such as road debt.

Finance Director Lund provided calculations and noted that the fiscal disparities number is still not known and will have an impact as well.

Councilmember Riley stated that he feels strongly that the City would only levy what they need. He did not feel that the City has a better use of the money than the taxpayers and did not support levying more than what would be needed for the budget.

Mayor Strommen stated that the City needs that money for roads and it is just a question of how you would get the funds.

Councilmember Riley noted that the amount available through additional levy at \$42,000 or \$100,000 is a drop in the bucket.

Mayor Strommen agreed that is a small amount but the Council needs to start discussing how that item is going to be funded, whether it is through that type of method or whether they want to discuss franchise fees again. She stated that her proposal would include 2.5 new positions and a backfill. She clarified that her proposal is between scenarios two and three.

Human Resources Manager Lasher explained that the positions are interconnected and while the IT tech is not a direct backfill, it is interconnected and would add 11 hours. She also provided information on the position reclass.

Mayor Strommen stated that she understands the reclass but does not support the events position or reclass. She stated that however the City Clerk could be backfilled she would support that, but it should be a wash to the budget.

Councilmember Kuzma suggested adopting scenario three from a budgeting position to give staff direction with the intention to cut that back which would give staff the flexibility to figure out the details.

Mayor Strommen agreed for budget purposes but noted that there are specifics that she would not support under that scenario.

Councilmember Riley stated that he is never a fan of budgeting just so that can be reduced later. He stated that he likes the original proposal of the Mayor compared to budgeting for scenario three.

Mayor Strommen noted that the intention would be to simply move this forward for further discussion.

City Administrator Ulrich agreed that with the direction, staff could bring back, at the next meeting, a budget that reflected the priorities discussed this evening, which would fall between scenarios two and three.

Councilmember Williams stated that in respect to the discussion regarding adding additional levy to support underfunded items, she would like to see more details on how that money would grow if held by the City, how much of the shortfall would be addressed in this way, and the plan for the remainder of the shortfall. She stated that absent that plan on how it would be held, grow and benefit the City more than a homeowner holding the funds, she could not support that idea.

Mayor Strommen agreed that could be further discussed at the next meeting once the personnel details are more known. She stated that once the budget is finished the Council will need to have discussions on how those items will be funded.

Councilmember Williams stated that if the five-year plan includes increasing the budget now to fund future items, she would like to see a plan around that. She stated that if there is a good reason why that would prevent the doomsday scenario, she would support that if it needed to start today to be the best plan in five years.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

Mayor Strommen stated that a few years ago the City joined the Mississippi River Towns initiative and she had an opportunity to attend a past meeting in Washington D.C. She stated that there is an upcoming meeting in St. Louis which will focus on grant opportunities for infrastructure which could help the City. She stated that she has been asked to join the Executive Committee as the representative for Minnesota. She stated that in order to take that position, Ramsey would need to be a paying member, which would have a cost of \$3,000. She stated that the elections take place next month; and she would like input from the Council.

Councilmember LeTourneau stated that Mayor Strommen is sensitive to her time and therefore he knows that she has thought this decision through. He stated that this would provide an opportunity for Mayor Strommen to have a voice at that table which could serve the City well. He stated that a \$3,000 investment would be valuable to have a seat at that table that could open up additional funds to the City for infrastructure.

Mayor Strommen noted that some cities have commerce related to the river and noted that Ramsey does not have a focus on that and feels that she would bring a good point of view as that type of City. She stated that she would be willing to try for a year and if it is not valuable she would discontinue after that first year.

It was the consensus of the Council to approve the membership at a cost of \$3,000.

Councilmember Riley stated that the monument sign at the corner of Bunker and 47 has been gone for quite some time and has not been replaced. He stated that he would like to further discuss monument signs at a future time.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:57 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.